



FINREG Focus

U.S. Financial Services Regulatory Center Update

February 2, 2026

Executive Summary

This update's headline items:

1. Treasury leaders push strategic regulatory reset to boost economic growth and expand lending
2. The Commodity Futures Trading Commission (CFTC) and SEC emphasize a coordinated push to eliminate jurisdictional divide
3. A summary of the Securities Industry and Financial Markets Association's (SIFMA) roundtable on the future of extended trading hours
4. The National Credit Union Administration (NCUA) continue its deregulation efforts with the fourth round of proposed rulemaking updates
5. The Consumer Financial Protection Bureau (CFPB) readies significant overhaul of its supervision program

Overview of Key Developments

1. Jonathan McKernan, Under Secretary for Domestic Finance at the U.S. Department of the Treasury, recently addressed the overhaul of the nation's financial regulatory framework, calling for a fundamental reset of post-2008 rules and agency alignment on long-term economic growth. This reset, according to McKernan, would be a move toward a more strategic and value-driven regulatory position as effective oversight requires agencies to consider broader economic impacts rather than relying solely on narrow rulemaking. McKernan emphasized that early deregulatory actions have already unlocked significant capacity in the financial system, noting that private-sector analyses estimate current reforms have unlocked roughly \$2.5 trillion in additional lending capacity. Supporters describe the effort as long-overdue reform of a regulatory regime that became more extensive after the 2008 crisis, while critics warn that the rapid pace of deregulation could put financial-system stability at risk.¹

2. On January 29, the CFTC and the SEC held a [joint event on harmonization](#) to develop a unified initiative aimed at strengthening oversight of emerging financial products and reducing fragmentation and friction between the two agencies. CFTC Chairman Michael Selig and SEC Chairman Paul Atkins underscored the need to eliminate regulatory boundaries built on outdated jurisdictional lines. The agencies outlined their commitment to coordinated oversight of digital asset markets, emphasizing that harmonized rules are essential for supporting innovation "on American soil, under American law," and reducing the compliance burdens created by inconsistent frameworks. The CFTC confirmed that its staff has been directed to work with the SEC on a joint interpretation of Title VII definitions to clarify the line between commodity and security-linked derivatives and ensure consistent regulatory treatment across both agencies.

[In a statement released by the CFTC](#), Chairman Selig announced a series of steps designed to modernize the agency's framework for event contract markets, including the withdrawal of the 2024 proposed prohibitions and the 2025 staff advisory. Chairman Selig directed staff to draft a new rulemaking that provides clear, durable standards for event contract products. Separately, he reaffirmed that the CFTC would reassess its participation in active federal litigation to defend its jurisdiction over derivatives markets.

3. On January 28, SIFMA held a [virtual roundtable](#) examining the future of extended trading hours. The session highlighted the industry push toward around-the-clock equity trading. Commentors mentioned that the request for additional trading hours was being driven by growing retail demand in Asia for U.S. equities. While the current trading window runs on business days from 9:30 a.m. to 4 p.m. ET, NASDAQ and NYSE are planning significant expansions: NASDAQ has proposed a 23/5 model spanning Sunday 9 p.m. through Friday 8 p.m. with a one-hour maintenance window daily, while the NYSE is evaluating a full 24/7 framework.

Despite potential exchange readiness as early as this year, we did hear commenters express apprehension about their readiness. Currently, a commenter suggested that extended-hours trading represents approximately 10% of day-session volume. Several commenters raised questions about whether the demand for a near-continuous trading framework is sufficient to justify the requirement for sweeping operational, technological, and staffing updates necessary for such a move. Core processes, from consolidated audit trail reporting to margining, would need to be redesigned for an intraday environment. Further, equity clearing cycles compressed from T+2 to T+1 just 20 months ago, and shifting toward “next-hour” settlement introduces systemic challenges. Firms also noted the strain associated with meeting this expectation, along with other concurrent priorities, including the tokenization of securities. After discussions, it seems that the industry is leaning toward the NASDAQ 23/5 model as the only near-term feasible path forward, although significant questions and regulatory and operational considerations remain.

4. The NCUA announced the fourth round of [proposed regulatory changes](#) under its ongoing [Deregulation Project](#), an initiative aimed at ensuring that agency regulations remain focused on credit union safety, soundness, and resilience while reducing outdated or duplicative burdens. The proposed changes include removing the maximum borrowing authority from the NCUA’s regulations that establish the requirements for obtaining and maintaining federal share insurance with the Share Insurance Fund (12 CFR 741.2) and provisions requiring a credit union board to develop a written plan on the intended use of public unit and nonmember shares exceeding 70% of paid-in unimpaired capital and surplus (12 CFR 701.32(b)(2)). In addition, the NCUA proposed rescinding the Termination of Excess Insurance Coverage (12 CFR 741.5) and Disclosure of Share Insurance (12 CFR 741.10). Stakeholders are encouraged to review the proposals and submit comments by March 30, 2026.

5. The CFPB plans to restart supervisory examinations in 2026 after a period of reduced activity. However, the scale and approach will change dramatically. The agency expects to conduct fewer than 70 exams this year as compared to the more than 600 “supervisory events” carried out annually in recent years. Further, all supervisory examinations will be carried out virtually rather than onsite. Examinations likely will be narrower in scope and shorter in duration with the examination scope concentrating on issues that can clearly result in identifiable consumer harm and risks that fall squarely within the CFPB’s statutory authority.²

¹ See, Reiter, A., & Guida, V. (2026, January 24). “Fundamental reset”: Scott Bessent has a plan to free the nation’s banks. **Politico**.

² Weinberger, E. (2026, January 29). CFPB to slash examinations, switch to all-virtual reviews. **Bloomberg Law**.

Recent Key Regulatory Developments

Joint Agency

Date	Topic	Summary
1/29	SEC-CFTC Harmonization Initiative	The CFTC and the SEC chairmen emphasized a coordinated push to eliminate jurisdictional divides.

Federal Reserve

Date	Topic	Summary
1/28	Federal Reserve issues FOMC statement	The Committee kept rates unchanged as the economy grows at a solid pace with stabilizing labor conditions and still-elevated inflation.

NCUA

Date	Topic	Summary
1/27	NCUA announces fourth round of Deregulation Proposals	The NCUA has released its fourth set of proposed revisions aimed at streamlining regulations and reducing outdated or duplicative requirements for credit unions. The proposals would remove limits on borrowing authority, remove requirements for credit union boards to draft plans for excess public unit and nonmember shares, rescind rules on excess insurance termination, and share insurance disclosure.

SEC

Date	Topic	Summary
1/27	FINRA proposes modernized underwriting-compensation and private-placement rules	FINRA aims to modernize how underwriting compensation is valued and simplify which securities are excluded (Rule 5110). Private-placement filing exemptions to align with updated SEC accredited-investor definitions (Rule 5123).

CFTC

Date	Topic	Summary
1/27	CFTC grants no-action relief and launches implementation steps for 2024 large trader reporting rule	The CFTC issued no-action relief delaying enforcement of the 2024 Part 17 large trader reporting rule, updated its Part 17 Guidebook, and began implementation testing, with full compliance expected by July 26, 2027.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
OCC	Comments due on OCC's chartering proposal	Feb 11, 2026
	Comments due on OCC CRA simplified strategic plan proposal	Feb 20, 2026
	Comments due on OCC's proposed heightened standards threshold update	Mar 2, 2026
FRB	Comments due on Fed's "Payment Account" prototype	Feb 6, 2026
	Comments due on Fed's proposed enhancements to stress tests	Feb 21, 2026
	Comments due on Fed RFI on check services options	Mar 9, 2026
FDIC	Comments due on FDIC's Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) compliance costs survey	Feb 9, 2026
	Comments due on FDIC proposed application procedures to issue payment stablecoins	Feb 17, 2026
	Comments due on corporate credit union ALCO & annual report filing rule	Feb 9, 2026
NCUA	Comments due on supervisory committee audits	Feb 9, 2026
	Comments due on proposed rule to remove Appendix B from part 748	Feb 9, 2026
	Comments due on catastrophic acts reporting	Feb 27, 2026
	Comments due on removal of nondiscrimination requirements	Mar 16, 2026
	Comments due on service to "underserved areas"	Mar 16, 2026
	Comments due on chartering and field of membership guidance	Mar 16, 2026
	Comments due on Federal Corporate Credit Union Chartering	Mar 16, 2026
	Comments due on federal share insurance proposal	Mar 30, 2026
	Comments due on maximum borrowing authority proposal	Mar 30, 2026
	Comments due on termination of excess insurance coverage	Mar 30, 2026
SEC	Comments due on public unit & nonmember shares proposal	Mar 30, 2026
	Comments due on proposed amendments to Rule 4210 (margin requirements)	Feb 4, 2026
	Comments due on SEC's proposed revisions to "small business" & "small organization" definitions	Mar 13, 2026

Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	Enhanced supplementary leverage ratio (eSLR), total loss-absorbing capacity (TLAC), & long-term debt requirements	Dec 1, 2026
FDIC	Establishment & relocation of branches & offices	Feb 27, 2026
NCUA	Simplification of share insurance rules	Dec 1, 2026
CFPB	Residential property assessed clean energy financing (Regulation Z)	Mar 1, 2026
SEC	Form N-PORT (for funds with \$1 billion or greater in net assets) & All N-CEN reporting requirements	Nov 17, 2027
	Form N-PORT reporting requirements for fund groups with less than \$1 billion in net assets	May 18, 2028
CFTC	Business conduct & swap documentation requirements for swap dealers & major swap participants	Jan 29, 2026
FinCEN	Recordkeeping & reporting requirements on certain financial institutions in Minnesota	Feb 12, 2026
	AML/CFT Program & Suspicious Activity Report (SAR) Filing Requirements for Registered Investment Advisers & Exempt Reporting Advisers	Jan 1, 2028

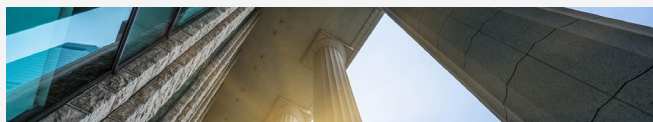
Agencies Without Recent Key Developments

Several key regulators maintained their prior positions for the period, with no new actions to report, including:

- Legislative
- Financial Stability Oversight Committee
- Federal Financial Institutions Examination Council
- Office of the Comptroller of the Currency
- Federal Deposit Insurance Corporation
- Consumer Financial Protection Bureau
- Financial Crimes Enforcement Network
- Financial Accounting Standards Board
- Financial Stability Board
- Basel Committee on Banking Supervision
- International Organization of Securities Commission

U.S. Financial Services Regulatory Center Recent FORsights™

We're committed to changes and obligations regulators demand, helping you meet business objectives and enhance shareholder value. For more information on our latest work, please see our FORsights below:



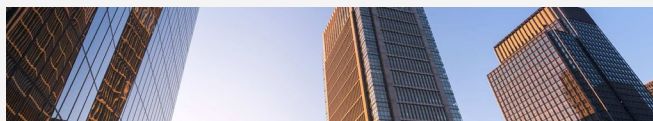
[Quarterly Insights: Financial Services Q4 2025](#)

Download our Q4 2025 insights on digital transformation, tokenization, and more.



[The OCC Increased the Application Threshold for Heightened Standards](#)

OCC raises heightened standards threshold to \$700 billion, easing regulatory burden for smaller banks.



[Monthly Banking Regulatory Review – November 2025](#)

Explore updates on recent bank regulation activities affecting financial institutions.



[SEC Daily Reserve Rules: Key FAQs & Compliance Deadlines for Broker-Dealers](#)

SEC updates daily reserve rules for broker-dealers; compliance starts June 30, 2026.



[FRB's New Supervisory Operating Principles: Impact on Internal Audit](#)

FRB's new principles shift focus to IA for risk management and oversight in financial institutions.



[The FDIC and OCC Ease Leveraged Lending Guidance for Banks](#)

FDIC and OCC withdraw leveraged lending guidance, shifting focus to broader safety standards.



[U.S. Agencies Propose Updates to Community Bank Leverage Ratio \(CBLR\)](#)

U.S. banking agencies propose revisions to lower CBLR requirements and extend grace periods for banks.



[FDIC Updates Resolution Planning Expectations for Large IDIs](#)

FDIC updates resolution planning for large banks, refining requirements and filing expectations.

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