FINREG Focus

U.S. Financial Services Regulatory Center Update

September 28, 2026

1. Federal Reserve proposes regulatory and application framework for payment stablecoins under the GENIUS Act.
2. Senate introduces *Tailoring and Indexing Enhanced Regulations (TIER) Act*.

Overview of Key Developments

1. Federal Reserve Stablecoin Proposals

What Happened?

On September 24, the Federal Reserve Board issued two proposed rules to implement its responsibilities under the GENIUS Act. The first, Implementing the Federal Reserve Board's Responsibilities under the GENIUS Act, would establish a regulatory framework for Board-supervised permitted payment stablecoin issuers (PPSIs), and certain other entities. The second, Application Procedures for Board-Supervised Insured Depository Institutions Seeking Approval for a Subsidiary to Issue Payment Stablecoins, would establish procedures for insured Board-supervised banks seeking approval for a subsidiary to issue payment stablecoins. Both proposals provide for a 60-day comment period following publication in the **Federal Register**.

The regulatory framework proposal sets out requirements covering many aspects of a Board-supervised PPSI's operations, including:

- **Reserves & redemption:** Board-supervised PPSIs generally would maintain identifiable, segregated permissible reserve assets with fair value at least equal to outstanding issuance at all times. The proposal establishes reserve diversification standards and generally requires redemption within two business days, subject to specified extensions and safe harbors.
- **Capital & risk management:** Board-supervised PPSIs would face capital requirements addressing credit and operational risks, along with requirements covering internal controls, audit, interest-rate risk, third parties, technology, cybersecurity and digital-asset handling.
- **Activities & compensation:** The proposal identifies permissible stablecoin-related activities and implements restrictions on deceptive representations, reserve rehypothecation, and payment of interest or yield solely for holding, using, or retaining a payment stablecoin.
- **Reporting & supervision:** Board-supervised PPSIs would provide confidential weekly reports and quarterly financial reports, publish monthly reserve information subject to examination by a registered public accounting firm, and generally undergo annual full-scope examinations.
- **Custody & market structure:** The proposal establishes requirements for certain Board-supervised custodians, implements the GENIUS Act's tying prohibition, and establishes transition and waiver procedures for state-qualified PPSIs that are uninsured state-chartered depository institutions and exceed $10 billion in outstanding issuance.

The regulatory framework proposal also would amend existing Federal Reserve regulations to clarify certain stablecoin and digital-asset activities for banking organizations and address the regulatory capital treatment of consolidated PPSI subsidiaries.

Separately, the applications proposal details what an insured Board-supervised bank would need to provide when seeking approval for a PPSI subsidiary, including a business plan, financial information, relevant policies and procedures, certain ownership information, biographical information, and certifications. The proposal would also establish a process governing appeals, hearings, and final determinations for applications. The Board would notify the applicant within 30 days whether the application is substantially complete and generally render a decision no later than 120 days after the submission date.

Why Does It Matter?

For state member banks considering stablecoin issuance, as well as other financial institutions that may participate in stablecoin activities, the proposals provide important detail on the Federal Reserve's proposed approach to entry, ongoing operations, and supervision. Their impact reaches beyond institutions seeking to issue stablecoins. Banking organizations could also be affected through custody services, investments in or relationships with PPSIs, digital-asset activities, and consolidated capital treatment.

The operational expectations are substantial. Issuers would need capabilities spanning reserve management and monetization, redemption, capital, governance, anti-money laundering/countering the financing of terrorism *(*AML/CFT) and sanctions compliance, technology and cybersecurity, third-party oversight, audit, and regulatory reporting. Falling below required reserve backing or capital levels could ultimately trigger liquidation of reserve assets and redemption of outstanding stablecoins under specified circumstances.

The proposals also raise broader balance-sheet and market considerations for banking organizations, including how stablecoin reserve structures could interact with deposits, credit creation, and demand for short-term U.S. Department of the Treasury (Treasury) securities.

Governor Michael S. Barr supported the proposed rulemakings while emphasizing reserve asset limitations, capital requirements, and clear redemption rights, and calling for public input on interest-rate and foreign-currency risks. He also raised concerns about the proposed "significant or systemic" standard for certain AML/CFT supervisory and enforcement actions.

The Bottom Line:

With these proposals, every federal banking regulator has now set out a stablecoin rulebook. The GENIUS Act takes effect on the earlier of January 18, 2027, or 120 days after the primary federal payment stablecoin regulators issue final rules. As such, the 60-day comment window is the practical opportunity to shape requirements that will govern shortly thereafter. Institutions evaluating issuance should begin assessing the reserve, capital, redemption, and reporting requirements against current operating capability now rather than after finalization. Institutions not pursuing issuance should still assess exposure through custody relationships, investments in or arrangements with PPSIs, and the proposed consolidated capital treatment of PPSI subsidiaries.

2. Senate Introduces TIER Act

What Happened?

On September 22, the Senate Banking Committee introduced S. 5452, establishing a Senate counterpart to H.R. 6553. The bill was referred to the Senate Committee on Banking, Housing, and Urban Affairs. The House version was introduced on December 10, 2025 and reported with an amendment by the House Financial Services Committee on February 25, 2026.

The TIER Act would raise several asset-based thresholds within the federal bank regulatory framework and establish processes for periodically increasing covered statutory thresholds and reviewing certain thresholds established by regulation. Both versions would increase specified thresholds from $10 billion to $15 billion, $50 billion to $75 billion, $100 billion to $150 billion, and $250 billion to $370 billion. The changes affect provisions of the *Bank Holding Company Act*, *Federal Reserve Act*, *Financial Stability Act of 2010*, and *Economic Growth, Regulatory Relief, and Consumer Protection Act*.

While the House and Senate versions are closely aligned on the initial threshold increases, they differ in important aspects of the future indexing framework. Most notably, the House version relies on current-dollar U.S. gross domestic product (GDP), while the Senate version provides for selecting between nominal U.S. GDP and the Consumer Price Index (CPI) for individual thresholds. The Senate version also uses enactment-based implementation timelines and expressly includes the *Financial Stability Act* Section 165(a)(2)(C) threshold among those subject to future periodic adjustments.

Why Does It Matter?

The proposed threshold increases could affect when certain asset-based requirements apply to banking organizations. Institutions with assets between an existing threshold and the proposed higher threshold could fall outside requirements tied specifically to that statutory threshold. More broadly, raising the thresholds would give institutions additional room for balance-sheet growth before crossing certain regulatory boundaries, although the practical impact would depend on the specific statutory requirement and an institution’s size and activities.

The legislation also would change how covered thresholds evolve over time. Rather than remaining fixed until Congress acts again, certain thresholds would be periodically adjusted to account for changes in broader economic measures. For institutions approaching a covered threshold, this could affect longer-term regulatory planning and the point at which asset growth triggers requirements associated with that threshold.

The primary difference between the House and Senate versions is how future adjustments would be calculated. The House version would use current-dollar U.S. GDP, while the Senate version would require the Federal Reserve to select either nominal GDP or CPI for each covered threshold. Nominal GDP reflects changes in both prices and real economic output, while CPI measures changes in consumer prices. Because the two measures can grow at different rates, the Senate approach could result in different adjustment paths across thresholds depending on which indicator is selected. The Senate version also would begin certain implementation steps on enactment-based timelines rather than the fixed dates used in the House version. See a side-by-side with comparison of Senate and House version on the following slide.

Bottom line:

The House and Senate versions are closely aligned on the immediate increases to statutory asset thresholds, but their longer-term effects could differ. The Senate approach would provide greater flexibility in future adjustments by allowing nominal GDP or CPI to be selected for individual thresholds and would shift certain initial implementation deadlines from fixed dates to enactment-based timelines. For institutions approaching $10 billion, $50 billion, $100 billion, or $250 billion, the question is no longer whether relief is coming but on what schedule and by which measure, so threshold-specific indicator selection would produce materially different escalation paths. Strategic planning, capital planning, and de novo or acquisition modeling should reflect both scenarios.

Topic	H.R. 6553 | House Version	S. 5452 | Senate Version	Key Difference
Initial threshold increases	Raises specified thresholds from $10B to $15B; $50B to $75B; $100B to $150B; and $250B to $370B.	Makes the same specified threshold increases.	No difference in the threshold adjustments.
Future statutory indexing	Increases covered thresholds based on growth in current-dollar U.S. GDP.	For each covered threshold, the Federal Reserve selects nominal U.S. GDP or CPI as the appropriate economic indicator.	Senate requires threshold-specific selection between GDP and CPI.
Selection of economic indicator	No selection process; current-dollar GDP is prescribed.	Within three months after enactment, the Federal Reserve must study the advantages and disadvantages of nominal GDP and CPI and select an indicator for each covered threshold.	Senate adds a study and indicator-selection process.
First statutory adjustment	By April 1, 2031, with subsequent adjustments every five years.	No later than one year after enactment, and every five years thereafter.	Senate replaces the fixed 2031 date with an enactment-based deadline.
Indexing baseline	Compares current-dollar GDP with its annual value for the calendar year preceding April 1, 2026.	Compares the selected GDP or CPI measure with its annual value for the calendar year preceding April 1, 2026.	The baseline period is aligned, but the Senate indicator may differ by threshold.
Financial Stability Act §165(a)(2)(C)	§165(a)(2)(C) is not included in the House §177 list of thresholds subject to periodic adjustments.	Includes §165(a)(2)(C) among the thresholds subject to §177 periodic adjustments.	Only the Senate version expressly subjects this threshold to future indexing.
Direction and rounding of adjustments	Thresholds increase when the applicable ratio exceeds one. Amounts at or above $100B are rounded up to the nearest $50B; amounts below $100B are rounded up to the nearest $5B.	Same mechanics as the House; the only difference is that the Senate may use CPI instead of GDP for certain thresholds.	The index may differ, but the direction and rounding methodology are aligned.
Publication and effective date	The Federal Reserve publishes calculated adjustments in the **Federal Register** by April 5 of an adjustment year; increases take effect January 1 of the following year.	Same framework.	No substantive difference.
Review of thresholds established by regulation	The Federal Reserve, OCC, and FDIC conduct the initial review by June 30, 2026, with subsequent reviews beginning on the first day of each subsequent five-year period.	The initial review occurs within 180 days after enactment, with subsequent reviews beginning on the first day of each subsequent five-year period.	Senate replaces the House fixed initial deadline with an enactment-based deadline.
Agency coordination	Agencies seek, to the extent feasible, to establish uniform thresholds, taking into account regulated entities and the purposes for which thresholds were established, and to apply rounding consistent with the statutory methodology.	Same.	No substantive difference.
Reporting	The Federal Reserve, OCC, and FDIC report regulatory modifications to Congress following each review.	The Federal Reserve reports its GDP/CPI study and selections to the House Financial Services and Senate Banking committees; regulatory-review reports are also directed to those committees.	Senate adds an indicator-selection report and specifies congressional recipients.

Recent Key Regulatory Developments

Legislative

Date	Topic	Summary
9/22	Senate Introduces TIER Act Proposal	The proposal would raise several statutory bank regulatory asset thresholds and establish periodic adjustments, largely aligning with the House version while providing for the Federal Reserve to select between nominal GDP and CPI when indexing covered thresholds.
9/22	*Small Business Audit Correction Act* Would Ease Audit Requirements for Certain Broker-Dealers	The proposed act would exempt qualifying privately held, non-carrying broker-dealers in good standing from certain PCAOB audit requirements while retaining their annual audit obligation under Rule 17a-5, which would instead be satisfied through an audit conducted under generally accepted auditing standards.

U.S. Department of the Treasury

Date	Topic	Summary
9/22	Statements From the Treasury Market Conference	Treasury highlighted expanded Treasury buybacks, implementation of central clearing, increased dealer intermediation capacity and growing demand from banks, money market funds, and stablecoin providers. In addition, plans to transition to a new Treasury auction system in the coming months was announced.

Federal Reserve Board

Date	Topic	Summary
9/22	Vice Chair Jefferson Addresses Discount Window Modernization and Treasury Market Functioning	The remarks focused on modernization of the Federal Reserve's discount window and its relationship to Treasury market functioning. Institutions should read them against their contingency funding plans, pre-positioned collateral levels, and periodic test-draw practices.
9/24	Federal Reserve Proposes Payment Stablecoin Regulatory Framework	The proposal would establish requirements for Board-supervised PPSIs covering areas such as reserves, redemption, capital, risk management, custody, reporting and supervision, while also addressing certain stablecoin and digital-asset activities of banking organizations.
9/24	Federal Reserve Proposes Stablecoin Issuer Application Procedures	The proposal would establish the application process and information requirements for Board-supervised banks seeking Federal Reserve approval for a subsidiary to issue payment stablecoins.

Office of the Comptroller of the Currency

Date	Topic	Summary
9/21	OCC Updates Cybersecurity Supervision Work Program	The OCC updated its cybersecurity examination framework to align with the revised NIST Cybersecurity Framework, while emphasizing that the changes do not alter examination procedures or establish new regulatory expectations for banks.
9/23	OCC Reports Q2 2026 Mortgage Performance	The OCC Mortgage Metrics Report, Second Quarter 2026 found 97.7% of covered first-lien mortgages were current and performing, while serious delinquencies declined from a year earlier and loan modifications increased 16.5% from the prior quarter. Foreclosure starts, however, rose to 7,904, an increase from both the prior quarter and year over year.

Recent Key Regulatory Developments

National Credit Union Administration

Date	Topic	Summary
9/23	NCUA Releases Second-Quarter State-Level Credit Union Data	The NCUA reported median asset growth of 2.9% among federally insured credit unions, while median membership declined 0.6%. 87% of federally insured credit unions reported positive year-to-date net income.

Securities & Exchange Commission

Date	Topic	Summary
9/23	SEC Reports Increase in IPO and Follow-On Offering Activity	The SEC reported 208 initial public offerings (IPOs) raising more than $137 billion in the first half of 2026, while 557 follow-on registered offerings raised more than $111 billion, with both types of offerings increasing from the prior year.
9/25	SEC Staff Issues FAQs on Federal Securities Laws and Crypto Assets	The SEC issued FAQs addressing the classification of certain crypto assets and the application of the investment contract analysis, including considerations related to staking receipt tokens, promotional communications, functional crypto systems, token buybacks and secondary-market trading platforms.

Commodity Futures Trading Commission

Date	Topic	Summary
9/21	CFTC Announces Frontier Forum Series on Innovative Financial Technologies	The CFTC Innovation Task Force announced a series of public roundtables on emerging financial technologies and evolving market structures, with the inaugural forum on artificial intelligence and agentic finance scheduled for October 28.
9/22	CFTC Issues Staff Advisory on Mention Markets	The CFTC issued an advisory addressing event contracts tied to whether an individual mentions certain words, attends an event, or interacts with another person, highlighting heightened manipulation risks and outlining factors designated contract markets should consider when listing these contracts.
9/24	CFTC Staff Updates FAQs on Crypto Assets and Blockchain Technologies	The guidance clarifies how customer funds may be invested in tokenized forms of permitted investments and how blockchain technology may be used to meet registrant record-keeping requirements.

Recent Key Regulatory Developments

Financial Accounting Standards Board

Date	Topic	Summary
9/23	FASB Proposes Changes to Accounting for Residential Mortgage Servicing Rights	FASB issued a proposed Accounting Standards Update that would require entities to include the effects of recapture when measuring residential mortgage servicing rights under Topic 820, *Fair Value Measurement*, with comments due November 9, 2026.

Basel Committee on Banking Supervision

Date	Topic	Summary
9/23	Basel Committee Reports Stable Capital and Leverage Ratios	The latest monitoring exercise, using data as of December 31, 2025, found that fully phased-in Basel III requirements would increase Tier 1 minimum required capital for large internationally active banks by an average of 2.2%, up from 1.7% at June 2025. Group 1 regulatory capital shortfalls rose to €1.2 billion from €0.9 billion. The weighted average LCR improved to 136.6% while the weighted average NSFR declined to 123.3%. All sampled banks remained above the 100% minimum for both measures.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
Joint Agency	Comments due on CRA regulations	Oct 13, 2026
	Comments due on expanded examination cycle for certain small insured depository institutions	Oct 14, 2026
	Comments due on third-party risk management guidance	Nov 16, 2026
FRB	Comments due on regulatory modernization and relief for Mutual Holding Companies	Oct 5, 2026
	Comments due on loans to executive officers, directors, and principal shareholders	Oct 5, 2026
	Comments due on third-party risk management guide for community banks	Nov 16, 2026
OCC	Comments due on MRAs in response to violations of laws or regulations	Oct 1, 2026
	Comments due on OCC rules regarding the availability of OCC information	Oct 5, 2026
FDIC	Comments due on reciprocal deposits	Oct 1, 2026
	Comments due on extension of credit to insiders	Oct 5, 2026
	Comments due on disclosure of information	Oct 5, 2026
	Comments due on merger transactions	Nov 23, 2026
	Comments due on state bank parity	Nov 23, 2026
SEC	Comments due on Regulation Crypto Assets	Oct 20, 2026
	Comments due on transfer agent rules	Nov 3, 2026
	Comments due on political contributions by certain investment advisors (rescission)	Nov 9, 2026
	Comments due on proxy solicitation modernization	Nov 20, 2026
	Comments due on rescission of Rule 14a-8, amendments to Rule 14a-4	Nov 20, 2026
CFTC	Comments due on conflicts and affiliations	Oct 5, 2026
	Comments due on CPO/CTA and small commodity pool exemptions	Oct 5, 2026
	Comments due on listing of compute derivatives contracts	Oct 20, 2026
FASB	Comments due on improvements for the 2027 SEC Reporting Taxonomy	Oct 30, 2026
	Comments due on Codification improvements	Nov 19, 2026

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Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	*Financial Data Transparency Act* joint data standards	Oct 1, 2026
	Unsafe or unsound practices, matters requiring attention	Nov 2, 2026
	Expanded examination cycle for certain small insured depository institutions	Sep 14, 2026
FDIC	FDIC official signs and advertisement of membership	Apr 1, 2027
NCUA	Limits on loans to other credit unions	Sep 8, 2026
	Rescission - Interpretive Ruling and Policy Statement 08-2	Sep 8, 2026
	Purchase, sale, and pledge of eligible obligations	Sep 8, 2026
	Third-party servicing of indirect vehicle loans	Sep 8, 2026
	Rescission - Interpretive Ruling and Policy Statement 06-1	Sep 8, 2026
	Suretyship and guaranty; Segregated deposit and collateral	Sep 8, 2026
	Termination of excess insurance coverage	Sep 8, 2026
	Rescission - Interpretive Ruling and Policy Statement 10-1	Sep 8, 2026
	Requirements for insurance	Sep 8, 2026
	Corporate Credit Unions	Sep 8, 2026
	Credit Union service contracts	Sep 8, 2026
	Simplification of share insurance rules	Dec 1, 2026
SEC	Form N-PORT and N-CEN reporting requirements[1]	Nov 17, 2027
		May 18, 2028
CFTC	Swap clearing requirements for the transition from CDOR and TIIE to CORRA and F-TIIE	Oct 8, 2026
	Whistleblower Award Determination	Oct 16, 2026
SEC/CFTC	Form PF reporting requirements	Jul 1, 2027
FinCEN	AML/CFT program and suspicious activity report filing requirements for registered investment advisers and exempt reporting advisers	Jan 1, 2028

1. Compliance dates based on asset size: November 17, 2027 for fund groups with net assets of $1 billion or more; and May 18, 2028 for fund groups with less than $1 billion in net assets as of the end of their most recent fiscal year-end.

Agencies Without Recent Key Developments

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

- Financial Stability Oversight Council
- Federal Financial Institutions Examination Council
- Joint Banking Agencies
- Federal Deposit Insurance Corporation
- Consumer Financial Protection Bureau
- Financial Crimes Enforcement Network
- Financial Stability Board
- International Organization of Securities Commissions

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 Q2 2026

Download our Q2 2026 insights featuring major regulatory and supervisory developments.

Agencies Propose CRA Revisions for Lending Accountability

OCC and FDIC propose targeted CRA updates for lending and community development grants.

What the Agencies' TPRM Overhaul Signals for Bank Oversight

Explore how the proposed TPRM guidance may affect banks and vendor risk programs.

SEC Implementation of Daily Rule 15c3-3 Reserve Computations

Explore how daily reserve computations affect sweep activity and customer credits.

The New FDIC Two-Phase Deposit Insurance Review

Explore the FDIC's new review framework and what it means for your application.

Implications of the Updated Interagency MRM Guidance

Understand evolving guidance in model risk management.

Treasury Clearing Changes Broker-Dealers Should Know

Learn about SIFMA's done-away clearing documents and the impacts on Treasury clearing compliance.

FFIEC Proposes Sweeping Overhaul of CAMELS Framework

Discover proposed CAMELS overhaul linking ratings to material risk and transparency.

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