



# FINREG Focus

## U.S. Financial Services Regulatory Center Update

**May 11, 2026**

### Executive Summary

**This update's headline items:**

1. Office of the Comptroller of the Currency's (OCC) Semiannual Risk Perspective highlights key risks facing the federal banking system.
2. Federal Reserve Board (FRB) clarifies risk-focused, proportionate supervision in an update to Operating Principles.
3. SEC proposes election to shift from quarterly to semiannual reporting for public companies.
4. Potential stablecoin yield compromise clears path for Digital Asset Market Clarity Act (CLARITY Act) markup session.

### Overview of Key Developments

1. The [OCC's Spring 2026 Semiannual Risk Perspective](#) finds the federal banking system entering 2026 from a position of strength, with bank earnings improving through 2025 and balance sheets remaining resilient, supported by solid capital, strong liquidity, and manageable funding profiles. A resilient U.S. economy and declining funding costs helped sustain profitability into the first quarter of 2026, though the OCC notes expectations for a modest economic slowdown and temporary inflation pressures later in the year.

Credit risk remains manageable at the system level, but the OCC highlights emerging vulnerabilities that warrant close supervisory attention, particularly credit conditions and refinancing risk in certain commercial real estate segments and growing exposures in private credit markets. While consumer credit performance remains largely stable, modest increases in past due loans in some portfolios reflect the uneven impact of higher interest rates.

Market risk remains a focus, with the OCC noting that interest rate uncertainty continues to affect portfolios. However, unrealized losses on securities have declined to their lowest level since 2021, reflecting the benefit of rate stabilization through much of 2025.

Operational and compliance risks remain elevated, driven by increasingly sophisticated cyberthreats, fraud, scams, as well as foreign state-sponsored cyber activity targeting financial institutions. The OCC also underscores rising sanctions and money laundering risks linked to geopolitical tensions, which place added strain on *Bank Secrecy Act* and sanctions compliance frameworks.

In addition, the report emphasizes banks' need to understand and manage both the benefits and risks associated with emerging technologies, including the use of advanced artificial intelligence (AI) tools, as part of sound governance and risk management practices.

2. The FRB's [April 2026 Statement of Supervisory Operating Principles](#) supersedes the October 2025 framework, while maintaining a similar focus.

The update adds practical detail on how supervision will be conducted, clarifies thresholds for formal supervisory actions, retains restrictions on horizontal reviews, reinforces reliance on internal audit, and raises expectations for clear and consistent examiner communication. Key details include:

### **Thresholds for MRAs, MRIAs, & Enforcement Actions**

The April 2026 update goes further than the 2025 statement by defining when formal supervisory actions are appropriate. Matters requiring attention (MRAs) and matters requiring immediate attention (MRIAs) should be issued only when supervisory staff determines in good faith, with sufficient evidence that a deficiency, if not promptly remediated, would create a significant probability of significant harm to an institution's financial condition or has already resulted in such harm. Enforcement actions are subject to a higher standard, requiring an abnormal probability of abnormal harm if not addressed.

The update also notes that the FRB is developing quantitative tools to support these determinations, providing institutions with a clearer framework for understanding, and where appropriate questioning, the basis for formal supervisory actions.

### **Incentives for Self-Identification & Early Remediation**

The update introduces an explicit incentive for self-identification. If a bank identifies a deficiency that might otherwise meet the standard for an MRA or MRIA and promptly begins reasonable remediation, the issue likely will be treated as a supervisory observation rather than a formal finding. This reinforces the value of strong internal monitoring and escalation and encourages early corrective action.

### **Reliance on Internal Audit & Faster Closure of Issues**

The update formalizes expectations around reliance on internal audit to validate remediation. Examiners are directed to avoid duplicative validation testing when a bank's internal audit function is effective and to rely on audit's work to confirm deficiencies have been remediated. Examiners are also instructed to terminate MRAs, MRIAs, and enforcement requirements promptly once deficiencies are addressed, without delaying closure to test sustainability. Ongoing monitoring should occur after termination, with new actions taken only if issues reemerge.

### **Expectations for Communication & Transparency**

The update strengthens expectations around examiner communications, including alignment between issues discussed at exit meetings and those documented in written examination reports. MRAs and MRIAs must be written in plain language and with sufficient specificity to clearly convey both the deficiency and the remediation expectation.

3. The SEC's [Proposed Rule \(Release No. 33-11414\)](#) would give U.S. public companies the option to switch from quarterly to semiannual financial reporting. Under the proposal, the SEC would introduce a new midyear Form 10-S that companies could file instead of the quarterly Form 10-Q reports. An electing company would file one semiannual report covering six months, along with its annual Form 10-K. The election would be made annually via a checkbox on Form 10-K.

The Commission is pursuing this change to reduce compliance costs and the pressure associated with quarterly reporting. It also aims to provide greater flexibility that could encourage more companies, particularly smaller and emerging growth firms, to go public and remain public while maintaining investor protections.

Key elements of the proposal include related updates to financial reporting rules, such as Regulation S-X, to accommodate a longer interim reporting cycle and avoid gaps in required disclosures. The proposal would also preserve existing disclosure mechanisms, including Form 8-K for material events, so investors continue to receive timely information between reports. Public comments are requested on the proposal through July 6, 2026.

4. Bipartisan Senate negotiators have advanced a stablecoin yield compromise, in an effort to clear the way for a Senate Banking Committee markup of the CLARITY Act. This compromise is intended to address concerns raised by the GENIUS Act by extending yield restrictions to crypto exchanges and other covered parties. The agreement would prohibit interest-equivalent stablecoin rewards while preserving usage-based incentives. The text would also direct the SEC, Commodity Futures Trading Commission, and U.S. Department of the Treasury to jointly develop rules on permissible reward activities within one year. Resolution of this key issue could revive the stalled crypto market structure bill and position it for potential Senate floor consideration this summer.

## Recent Key Regulatory Developments

### Office of the Comptroller of the Currency

Date	Topic	Summary
5/4	<a href="#">OCC Releases CRA Performance Evaluations</a>	OCC released its results of national banks and federal savings associations evaluated for <i>Community Reinvestment Act</i> compliance.
5/7	<a href="#">OCC Flags Credit, Cyber, and Compliance Risks in Spring 2026 Semiannual Risk Perspective</a>	OCC reports that bank earnings and balance sheets remain strong, while highlighting ongoing risks from commercial real estate and private credit exposures, rising cyber and fraud threats, geopolitical-driven sanctions and AML pressures, and the need for sound risk management of emerging technologies such as AI.

### Federal Deposit Insurance Corporation

Date	Topic	Summary
5/5	<a href="#">FDIC Issues List of Banks Examined for CRA Compliance</a>	FDIC released its results of state non-member banks evaluated for CRA compliance.

### National Credit Union Administration

Date	Topic	Summary
5/6	<a href="#">NCUA Announces Eleventh Round of Deregulation Proposals</a>	NCUA is seeking public comment on rulemakings that would raise asset thresholds under the <i>Depository Institution Management Interlocks Act</i> and streamline share insurance regulations by removing duplicative and outdated requirements.
5/6	<a href="#">NCUA Releases March 2026 Central Liquidity Facility Financial Report</a>	NCUA published the March 2026 Central Liquidity Facility financial statements detailing the CLF's balance sheet, investment activity, earnings, membership levels, and borrowing capacity, with no loans outstanding during the month.

### U.S. Department of the Treasury

Date	Topic	Summary
5/4	<a href="#">Treasury Announces Updated Marketable Borrowing Estimates</a>	Treasury released updated estimates of privately held net marketable borrowing for the April–June and July–September 2026 quarters, reflecting changes in projected cash flows and assumed quarter-end cash balances.
5/6	<a href="#">Treasury Publishes Q2 2026 Economic Update and TBAC Materials</a>	Treasury released its Q2 2026 economic policy statement to the Treasury Borrowing Advisory Committee, along with the Committee's report to the Secretary and the official minutes of the TBAC meeting, collectively outlining recent macroeconomic conditions, market developments, and advisory discussions informing Treasury's fiscal and debt-management considerations.
5/6	<a href="#">Treasury Announces Quarterly Refunding and Auction Sizes</a>	Treasury outlined its May 2026 quarterly refunding, announcing the issuance of \$125 billion in Treasury securities across 3-year, 10-year, and 30-year maturities and indicating that most nominal coupon and floating rate note (FRN) auction sizes are expected to remain stable over coming quarters.

## Recent Key Regulatory Developments

### Securities & Exchange Commission

Date	Topic	Summary
5/1	<a href="#">FINRA Proposes Enhanced Short Interest and Fail-to-Deliver Reporting</a>	FINRA filed a proposed rule change to expand and accelerate short interest reporting by moving to weekly public disclosures with greater data granularity and to require clearing firms to report monthly allocations of fail-to-deliver positions to support oversight of Regulation SHO compliance.
5/4	<a href="#">SEC Staff Updates Compliance and Disclosure Interpretations</a>	SEC updated its Compliance and Disclosure Interpretations by issuing new guidance under the <i>Securities Act</i> , including interpretations related to Section 3(a)(2) and Form S-8.
5/5	<a href="#">SEC Proposes Optional Semiannual Reporting to Replace Quarterly 10-Qs</a>	SEC proposed amendments that would allow public companies to elect to file semiannual reports on a new Form 10-S instead of quarterly Form 10-Qs, with conforming changes to Regulation S-X to facilitate a less frequent reporting requirements.
5/5	<a href="#">SEC Staff Issues Guidance on Pooled Employer Plans to Support Retirement Access</a>	SEC issued staff guidance clarifying how federal securities laws apply to pooled employer plans, including the availability of existing ERISA exemptions and the use of Form S-8, to facilitate broader retirement plan access for small businesses and workers.

### Commodity Futures Trading Commission

Date	Topic	Summary
5/5	<a href="#">CFTC Seeks Public Comment on Commitments of Traders Reporting Program</a>	CFTC issued a request for comment to evaluate whether the Commitments of Traders reports continue to provide useful market information and to solicit input on potential changes to the reports' content and publication frequency.

### Financial Stability Board

Date	Topic	Summary
5/6	<a href="#">FSB Warns of Financial Stability Risks in Expanding Private Credit Markets</a>	FSB cautioned that the rapid growth of private credit has created vulnerabilities related to opacity, leverage, valuation uncertainty, and growing interconnections with banks and other financial institutions, which could amplify stress during an economic downturn.

### Basel Committee on Banking Supervision

Date	Topic	Summary
5/6	<a href="#">CPMI and IOSCO Consult on Updates to Initial Margin Practices for Centrally Cleared Markets</a>	Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) issued a consultative report seeking feedback on proposed updates to initial margin practices in centrally cleared markets, aimed at improving the consistency and effectiveness of margin frameworks while supporting financial stability.

## Deadlines & Compliance Calendar

Agency	Requirement	Due Date
Joint Agency	<a href="#">Comments due on AML &amp; CFT Programs</a>	Jun 9, 2026
	<a href="#">Comments due on FinCEN &amp; OFAC joint proposal for GENIUS Act implementation</a>	Jun 9, 2026
	<a href="#">Comments due on regulatory capital rule &amp; the standardized approach for risk-weighted assets</a>	Jun 18, 2026
	<a href="#">Comments due on regulatory capital framework for Category I &amp; II banking organizations</a>	Jun 18, 2026
FSOC	<a href="#">Comments due on the framework for nonbank financial company determinations</a>	May 14, 2026
OCC	<a href="#">Comments due on streamlining regulations concerning public welfare investments, open market collateralized loan obligations, &amp; federal savings association nondiscrimination requirements</a>	May 27, 2026
	<a href="#">Comments due on order preempting the Illinois Interchange Fee Prohibition Act</a>	May 29, 2026
	<a href="#">Comments due on national bank non-interest charges &amp; fees</a>	May 29, 2026
FRB	<a href="#">Comments due on amendments to Regulation J (governing FedNow service)</a>	Jun 9, 2026
	<a href="#">Comments due on G-SIB surcharge proposal</a>	Jun 18, 2026
FDIC	<a href="#">Comments due on FDIC proposed application procedures to issue payment stablecoins</a>	May 18, 2026
	<a href="#">Comments due on FDIC implementation of GENIUS Act</a>	Jun 9, 2026
NCUA	<a href="#">Comments due on record preservation, appendices-record retention &amp; catastrophic act preparedness</a>	May 11, 2026
	<a href="#">Comments on eliminating prescriptive regulations on third-party servicing of indirect vehicle loans</a>	May 26, 2026
	<a href="#">Comments due on chartering &amp; field of membership</a>	Jun 8, 2026
	<a href="#">Comments due on bank conversion &amp; mergers</a>	Jun 22, 2026
	<a href="#">Comments due on enhancing &amp; streamlining data collection from credit unions</a>	Jun 23, 2026
	<a href="#">Comments due on requirements for insurance</a>	Jul 6, 2026
	<a href="#">Comments due on threshold increase for the major assets prohibition of the DIMIA</a>	Jul 6, 2026

## Deadlines & Compliance Calendar

Agency	Requirement	Due Date
SEC	<a href="#">Comments due on proposed amendments to Rule 15c2-11</a>	May 18, 2026
	<a href="#">Comments due on Consolidated Audit Trail &amp; other audit trails &amp; data sources</a>	Jun 22, 2026
	<a href="#">Comments due on Form PF reporting requirements</a>	Jun 23, 2026
	<a href="#">Comments due on definitions of “Security-Based Swap Dealer” &amp; “Major Security-Based Swap Participant”</a>	Jul 6, 2026
	<a href="#">Comments due on semiannual reporting proposal</a>	Jul 6, 2026
CFTC	<a href="#">Comments due on Commitments of Traders reporting program</a>	Jun 4, 2026
	<a href="#">Comments due on Privacy Act regulations</a>	Jun 5, 2026
FinCEN	<a href="#">Comments due on whistleblower incentives &amp; protections</a>	Jun 1, 2026
	<a href="#">Comments due on AML &amp; CFT programs</a>	Jun 9, 2026

## Effective Rule Compliance Dates

Agency	Requirement	Compliance Date
Joint Agency	<a href="#">Prohibition on the use of reputation risk by regulators</a>	Jun 9, 2026
	<a href="#">Modifications to the CBLR framework</a>	Jul 1, 2026
	<a href="#">Enhanced supplementary leverage ratio, total loss-absorbing capacity, &amp; long-term debt requirements</a>	Dec 1, 2026
OCC	<a href="#">OCC's updated national bank chartering final rule</a>	Apr 1, 2026
	<a href="#">OCC community bank licensing amendments</a>	Apr 3, 2026
	<a href="#">Elimination of the Fair Housing Home Loan Data System &amp; the associated national bank-specific home loan data collection &amp; record-keeping requirements</a>	Apr 3, 2026
	<a href="#">Rescission of OCC guidelines establishing standards for recovery planning</a>	May 1, 2026
	<a href="#">Order preempting the Illinois Interchange Fee Prohibition Act</a>	Jun 30, 2026
	<a href="#">National bank non-interest charges &amp; fees</a>	Jun 30, 2026
	<a href="#">FDIC official signs &amp; advertisement of membership</a>	Apr 1, 2027
FDIC	<a href="#">FDIC official signs &amp; advertisement of membership</a>	Apr 1, 2027
NCUA	<a href="#">Simplification of share insurance rules</a>	Dec 1, 2026
CFPB	<a href="#">Amendments to Regulation B ECOA</a>	Jul 21, 2026
	<a href="#">Small business lending under ECOA (Regulation B)</a>	Jun 30, 2026
SEC	<a href="#">Adoption of updated EDGAR filer manual</a>	Apr 16, 2026
	<a href="#">Technical corrections to Regulation NMS Rule 610(e)</a>	May 5, 2026
	<a href="#">Form N-PORT (for funds with \$1 billion or greater in net assets) &amp; all N-CEN reporting requirements</a>	Nov 17, 2027
	<a href="#">Form N-PORT reporting requirements for fund groups with less than \$1 billion in net assets</a>	May 18, 2028
FinCEN	<a href="#">AML/CFT program &amp; suspicious activity report filing requirements for registered investment advisers &amp; exempt reporting advisers</a>	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
- Joint Banking Agencies
- Federal Reserve Board
- Consumer Financial Protection Bureau
- Financial Crimes Enforcement Network
- Financial Accounting Standards Board

# 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 Q1 2026](#)

Download our Q1 2026 insights featuring major regulatory and supervisory developments.



### [SEC Allows Broker-Dealers to Use Equities as Collateral](#)

The SEC allows equity collateral under Rule 15c3-3, boosting flexibility with strong controls.



### [Reframing AML for Digital Finance](#)

FinCEN proposes AML reforms for financial institutions and stablecoin issuers, emphasizing effectiveness.



### [Forvis Mazars' View: The Revitalization of Bank Mortgage Lending](#)

The FRB signals capital changes to revive bank mortgage lending for community and regional banks.



### [An Overview of the Modernization of the U.S. Regulatory Capital Framework](#)

A breakdown of proposals on Revised Standardized Approach, Basel III/ERBA, and G-SIB Recalibration.



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

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



### [Preliminary Insights on the OCC's Proposed Stablecoin Framework](#)

Preliminary insights on the OCC's proposed stablecoin framework and why it matters today 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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