



FINREG Focus

U.S. Financial Services Regulatory Center Update

February 16, 2026

Executive Summary

This update's headline items:

1. Financial Crimes Enforcement Network (FinCEN) issues exceptive relief easing beneficial ownership requirements for legal entity accounts
2. Financial Industry Regulatory Authority (FINRA) issues Regulatory Notice 26-03 clarifying use of negative consent for bulk account transfers
3. National Credit Union Administration (NCUA) proposes rule for permitted payment stablecoin issuers (PPSIs) applications
4. Office of the Comptroller of the Currency (OCC) and FDIC announce their respective 2026 stress testing scenarios

Overview of Key Developments

1. FinCEN [issued an exceptive order](#) relieving covered financial institutions of certain beneficial ownership collection and verification requirements related to legal entity customers. Under FinCEN's Customer Due Diligence Requirements for Financial Institutions rule (the 2016 CDD Rule), banks and other covered institutions were required to identify and verify beneficial owners each time a legal entity customer opened a new account. FinCEN's new order removes the 2016 CDD rule requirement and permits institutions to perform these checks in the following instances:

- At initial account opening;
- When risk-based monitoring indicates a need; and
- When new information calls prior beneficial ownership into question.

The updated framework aligns with the *Bank Secrecy Act's* risk-based principles and supports broader modernization efforts. Despite the relief, the order emphasizes that covered financial institutions must still maintain robust anti-money laundering and countering the financing of terrorism (AML/CFT) programs, conduct ongoing monitoring, and update customer information when risk factors arise.

2. FINRA [issued Regulatory Notice 26-03](#), updating and consolidating its guidance on the use of negative consent for bulk transfers or assignments of customer accounts and eliminating certain procedural steps previously required. The notice is part of the "FINRA Forward" initiative to modernize regulatory processes and streamline member compliance. While firms generally must obtain affirmative customer consent before transferring or assigning an account, FINRA acknowledges that in certain large-scale events, obtaining individual consent from every customer may be impractical. In these defined circumstances, the new guidance permits firms to use negative consent by notifying customers that their accounts will be transferred unless the customer specifically objects.

Also, Notice 26-03 eliminates FINRA's prior practice of requiring firms to submit draft negative-consent letters for FINRA staff review to obtain a "no-objection" determination. In addition, the notice consolidates prior guidance on negative consent and outlines effective practices related to disclosures, timing, and customer communication for firms that elect to use negative consent.

3. NCUA [announced a Notice of Proposed Rulemaking \(NPR\)](#) outlining the framework for applicants seeking NCUA approval to become a PPSI, as required by the *GENIUS Act*. The proposal details application requirements, including governance standards, financial resources, risk management expectations, and ongoing reporting obligations. In addition, issuers would be required to maintain fully reserved backing assets, implement robust redemption policies, and comply with liquidity, operational, and cybersecurity standards tailored to payment stablecoin activities.

The proposal limits PPSI status to subsidiaries of insured depository institutions, as well as federally and state-qualified stablecoin issuers. While federally insured credit unions (FICUs) cannot issue stablecoins directly, their subsidiaries may apply for an obtain a PPSI license. The NCUA board emphasizes that although many credit unions rely on credit union service organizations (CUSOs), the *GENIUS Act* restricts PPSI eligibility to entities structured as FICU subsidiaries. As such, only CUSOs meeting this definition may pursue PPSI licensing. The proposal also limits FICUs to investing only in NCUA-licensed PPSIs, a move the NCUA board believes is consistent with the law.

The NCUA indicated that the proposal is designed to ensure credit unions are not disadvantaged relative to other federally regulated entities as stablecoin oversight frameworks are implemented. Public comments on the proposal are due by April 13, 2026.

4. On February 12, 2026, the [OCC released](#) its 2026 economic and financial market scenarios for use in company-run stress tests by covered national banks and federal savings associations. The supervisory framework includes baseline and severely adverse scenarios intended to support the OCC's forward-looking assessment of institutional risk profiles and capital adequacy. The baseline scenario reflects moderate U.S. economic growth, with real GDP of approximately 2.1%, unemployment peaking at 4.6% before gradually declining, and inflation easing toward the 2% range. Interest rates in this scenario would remain stable, while equity and real estate prices would reflect modest gains. The severely adverse scenario reflects severe global recession driven by an abrupt decline in risk appetite. Under this scenario, U.S. unemployment rises to a peak of 10%, VIX spikes to 72%, equity prices decline by approximately 58%, and residential and commercial real estate prices fall by roughly 30% and 39%, respectively.

On the same date, the [FDIC released](#) its stress testing plans for the 2026 cycle for covered institutions with more than \$250 billion in total consolidated assets. The agency's announcement notes that each scenario includes 28 variables spanning gross domestic product, unemployment rates, stock prices, and interest rates for domestic and international economic activity. Beyond the high-level descriptions, the FDIC did not publish detailed scenarios as part of its initial release.

Recent Key Regulatory Developments

Joint Banking Agencies

Date	Topic	Summary
2/10	Banking Agencies Rescind Public Liquidity Coverage Ratio FAQs Without Changing LCR Requirements	The Federal Reserve, together with the OCC and FDIC, rescinded the Liquidity Coverage Ratio (LCR) FAQs; although, the FAQs will remain posted for reference. The agencies clarified the rescission of the FAQs does not change existing LCR requirements and institutions may continue to rely on them for interpretive guidance.

Office of the Comptroller of the Currency

Date	Topic	Summary
2/12	OCC Releases 2026 Dodd-Frank Act Stress Test Scenarios	OCC issued baseline and severely adverse economic and financial market scenarios for use in stress tests, requiring covered national banks and federal savings associations to assess capital adequacy and risk profiles under hypothetical economic stress conditions.

Federal Deposit Insurance Corporation

Date	Topic	Summary
2/12	FDIC Releases Economic Scenarios for 2026 Stress Testing	FDIC released baseline and severely adverse hypothetical economic scenarios for use in upcoming stress tests by covered institutions with more than \$250 billion in assets.

National Credit Union Administration

Date	Topic	Summary
2/10	NCUA Announces Fifth Round of Deregulation Proposals	NCUA is seeking public comment on three proposals that would clarify guidance and eliminate duplicative or unduly burdensome requirements related to credit union conversions, mergers and insurance terminations, and field-of-membership standards.
2/11	NCUA Proposes Rule for PPSI Applications	NCUA issued an NPR outlining the application and approval framework for credit union-affiliated entities seeking to become permitted payment stablecoin issuers under the <i>GENIUS Act</i> , with public comments open through April 13, 2026.

Securities and Exchange Commission

Date	Topic	Summary
2/6	FINRA Issues Regulatory Notice on Use of Negative Consent for Bulk Account Transfers	FINRA's Regulatory Notice 26-03 eliminates the requirement for firms to obtain prior FINRA "no-objection" review of negative-consent letters and consolidates existing guidance for using negative consent in bulk transfers or assignments of customer accounts.
2/10	FINRA Proposes Amendments to Rule 2210 to Permit Performance Projections in Broker-Dealer Communications	FINRA proposes amendments that would allow broker-dealers to include performance projections or targeted returns in communications, provided they have a reasonable basis, appropriate policies and procedures, and clear disclosures of assumptions, risks, and limitations.
2/11	SEC Chair Atkins Calls for Streamlined Regulation and Modernized Disclosure in House Testimony	SEC Chair Paul Atkins told the House Financial Services Committee that the Commission is refocusing on its core mission by streamlining and modernizing regulation, particularly corporate disclosure, to reduce unnecessary costs, encourage public company participation, and better facilitate capital formation.
2/11	SEC Updates Compliance & Disclosure Interpretations	SEC updated its Compliance and Disclosure Interpretations to clarify staff views on going-private transactions, Form S-4 disclosures, and tender offer communications, without introducing new substantive requirements.

Commodity Futures Trading Commission

Date	Topic	Summary
2/6	CFTC Staff Reissues Letter 25-40 Updating Payment Stablecoin Definition	The CFTC's Market Participants Division reissued Staff Letter 25-40 to clarify that national trust banks are permitted issuers of payment stablecoins under its no-action position, expanding eligible stablecoin collateral for certain futures commission merchant activities.

Financial Crime Enforcement Network

Date	Topic	Summary
2/13	FinCEN Launches Webpage for Whistleblower Tips	FinCEN launched a new dedicated webpage to confidentially accept whistleblower tips on fraud, money laundering, and sanctions violations related to the <i>Bank Secrecy Act</i> , U.S. sanctions programs, and several other key laws to safeguard the U.S. financial system.
2/13	FinCEN Issues Exemptive Relief to Streamline Customer Due Diligence Requirements	FinCEN issued an order granting exemptive relief from the requirement to identify and verify beneficial owners at each new account opening, allowing covered financial institutions to rely on previously obtained information subject to specified risk-based conditions while maintaining all other <i>Bank Secrecy Act</i> obligations.

International Organization of Securities Commission

Date	Topic	Summary
2/9	IOSCO Publishes 2026 Workplan	IOSCO released its 2026 Work Program outlining priorities focused on strengthening financial resilience, protecting investors, addressing the evolution of public and private markets, advancing technological transformation, and promoting global regulatory cooperation.

Deadlines & Compliance Calendar

Agency	Requirement	Due Date
OCC	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 proposed enhancements to stress tests	Feb 21, 2026
	Comments due on Fed's request for information on check services options	Mar 9, 2026
FDIC	Comments due on FDIC proposed application procedures to issue payment stablecoins	May 18, 2026
	Comments due on catastrophic acts reporting	Feb 27, 2026
NCUA	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
	Comments due on public unit & nonmember shares proposal	Mar 30, 2026
	Comments on PPSI applications	Apr 13, 2026
SEC	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

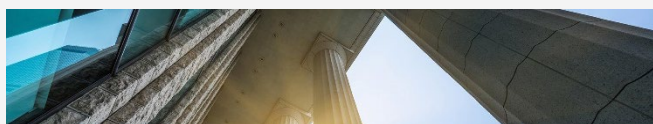
Agencies Without Recent Key Developments

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
- Federal Reserve Board
- Consumer Financial Protection Bureau
- Financial Accounting Standards Board
- Financial Stability Board
- Basel Committee on Banking Supervision

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:



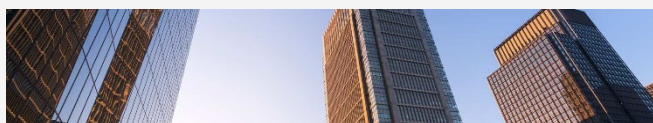
[Quarterly Insights: Financial Services Q4 2025](#)

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.



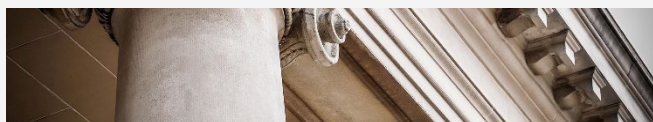
[FRB's New Supervisory Operating Principles: Impact on Internal Audit](#)

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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