Deloitte.
Together makes progress

2026 banking regulatory outlook

Center *for* **Regulatory Strategy** **US**

Message from the Deloitte Center for Regulatory Strategy

A watershed year for bank regulation and supervision

2026 stands poised to become a defining moment for banking regulation and supervision in the United States. The leaders of the federal banking regulatory agencies are reshaping their approach to regulation, their supervisory priorities, and internal agency supervisory processes. The industry is preparing for potentially the most significant changes to the capital framework in more than a decade, including a significant recalibration of regulatory thresholds. Additionally, a general decrease in the issuance of new regulations and regulatory requirements is playing out, and a shift in supervisory approaches is anticipated to result in fewer agency supervisory actions and remediation items.

These changes reflect an explicitly commercial and innovation-friendly approach articulated by new agency leaders and could significantly alter compliance requirements, industry competition and peer groups, and bank strategy. Our *2026 banking regulatory outlook* explores the measures underway, the strategic risks and opportunities they present, and why 2026 may redefine how banks set out their strategic goals and interact with their regulators. In this context, we've identified and will explore five key topics affecting the industry:

- New leaders reshape bank supervision
- Preparing for the next wave of capital rulemaking
- Reassessing regulatory thresholds and tailoring
- New commercial emphasis among regulators
- Accommodating innovation while managing risk

We hope you find our outlook to be a helpful guide that enables you to better understand how these regulatory changes and challenges in 2026 might affect your institution. As always, we are here to help you chart the course.

Sincerely,

Irena Gecas-McCarthy
FSI Director, Deloitte Center for Regulatory Strategy (DCRS), US
Principal
Deloitte & Touche LLP

Shaun Nabil
Banking Leader, DCRS
Managing Director
Deloitte & Touche LLP

Kyle Cooke
Manager
Deloitte Services LP

Aaron Salerno
Manager
Deloitte Services LP

Five big questions, insights, and actions

	Five big questions	Five insights to know	Five actions to consider
1	How will new leadership reshape supervision?	**Regulators' vision for a reformed supervisory framework includes narrowing focus and raising thresholds for regulatory requirements.**[1] • The federal banking agencies are shifting toward material financial risks, removing reputational risk from scope, and defining "unsafe or unsound practices"—significantly altering how supervisory findings and enforcement actions are issued.	**Reinforce proactive risk management.** • Banks should seize the moment to close any outstanding supervisory issues, maintain strong compliance testing and operational resilience, and issue management disciplines under the new priorities.
2	How will a revised capital framework reshape banks' competitiveness?	**The next phase of capital reform will impact banks' cost of capital and competitiveness.** • Changes to the capital framework, including Basel III Endgame (B3E),[2] leverage ratios, and stress testing, are expected to be the most consequential changes seen in over a decade.	**Adopt a proactive and strategic approach to changing requirements.** • Evaluate capital proposals' potential impact on strategy and offering portfolio, and participate in the public comment process and regulatory roundtables.
3	Will increased thresholds and indexed regulation require a more adaptive regulatory compliance program?	**Modifications will demand agility from institutions.** • Changing regulatory thresholds will require firms to monitor their resources and adjust operations, compliance programs, and reporting systems.	**Be cautious of dismantling established compliance programs.** • Maintain a strong risk management framework to position and adapt efficiently to future changes.
4	Will a renewed commercial focus unlock opportunities for growth and competition?	**Policy changes could unleash new de novo entrants and encourage bank mergers and acquisitions (M&A).** • Firms could see reduced review periods and less deal uncertainty, while the industry as a whole may see greater market entry and challenges to long-held regulatory norms.	**Evaluate strategic positioning to take advantage of the moment.** • Firms should evaluate their growth strategy. If seeking a bank charter, engage early with licensing authorities on business plans, governance frameworks, and compliance systems. If seeking an M&A opportunity, focus on financial, operational, cultural, and risk management.
5	How can banks embrace innovation while maintaining strong risk management?	**Despite signaling openness to innovative technologies, regulators still expect disciplined risk management.** • Regulators will continue to have high expectations for model transparency, explainability, and third-party risk management.	**Incorporate technologies while paying close attention to governance and controls.** • Engage with regulators around innovation strategies to help build trust and shape the future supervisory framework.

New leaders reshape bank supervision

Regulatory and supervisory expectations

Bank supervision is changing dramatically as new leaders have assumed key roles in federal regulatory agencies, including the Federal Reserve Board of Governors (FRB), Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) (collectively, the Agencies).[3] Their appointments have catalyzed a reorientation of supervisory priorities, most notably toward material financial risks.[4] Going forward, supervisors are expected to focus attention on issues directly affecting a bank's financial health.

Regulators are also changing the way supervision is conducted through several measures that may limit examiner discretion, more clearly define criteria for determining ratings assignments, and raise the bar for issuing formal supervisory findings and enforcement actions. The Agencies have eliminated reputational risk from their supervisory programs.[5] Meanwhile, the FDIC and OCC have issued a proposal to define an "unsafe or unsound practice" and revise the supervisory framework for the issuance of both public enforcement actions and nonpublic supervisory findings (with the FRB accomplishing similar objectives through newly issued supervisory operating principles[6]).[7] These proposals could dramatically raise the threshold for these agency actions, as well as alter the path of existing remediation efforts.[8]

The supervisory rating framework for many institutions is also expected to change in 2026. The FRB has finalized rulemaking to make it easier for some financial institutions (FIs) to meet the "satisfactory"[9] standard by allowing large financial institutions (LFIs) with one Deficient-1 component rating to be classified as "well managed."[10] The Agencies are also considering changes to the CAMELS[11] ratings, including reevaluating the M-Management component, which could affect whether a bank is classified as "well managed"[12] and thus, not subject to restrictions on certain expansionary activities.[13]

All of these developments are occurring in the context of ongoing or planned staffing reductions at the Agencies and changed to internal agency procedures, which may impact supervisory focus and capacities and the timeliness of their implementation.[14] Some changes (for example, to supervisory handbooks) can be implemented by the regulatory agency head. Changes to regulations, in contrast, will require the agency to publish proposed regulation for public comment, finalization by the agency, and the possibility of legal challenges prior to the effective dates of the new or revised regulation. Together, these developments could result in FIs experiencing more narrowly focused exams, which in turn may put greater pressure on second- and third-line functions to detect issues early.

Why firms should take notice

Changes to supervision are likely to be a welcomed development by the industry. Between 2021 and 2024, the number of outstanding supervisory findings increased significantly for banks of all sizes, and in some portfolios, by a factor of more than two.[15] In 2025, the number of outstanding supervisory issues has begun to decline with approximately half of LFIs still rated "less-than-satisfactory"[16]—down from more than two-thirds in 2024.[17]

The rise in the number of outstanding supervisory issues had led many banks to juggle daily operations with increasing regulatory remediation demands. As banks navigate this evolving environment, a renewed approach to supervision may help alleviate some supervisory focus and support more attention toward FIs' strategic objectives.

How firms should respond

Although FIs may be tempted to interpret the current environment as an opportunity to ease their approach toward remediation, it's important for firms to treat such matters as a continuous journey of improvement rather than a discrete project.

It is crucial to recognize that the regulatory pendulum swings back and forth over time, easing during one period, and tightening during the next. Today's actions can be tomorrow's exam lookback period. It's important to maintain strong compliance monitoring and testing, complaints management, cybersecurity and operational resilience programs, and other hallmarks of a well-built, sustainable, and evolving risk management program.

Banks that prioritize issue remediation, maintain strong risk frameworks, and foster transparent relationships with regulators can minimize disruptions between political cycles and may find themselves better positioned for seizing business opportunities by avoiding costly rebuilding projects in the future.

Preparing for the next wave of capital rulemaking

Regulatory and supervisory expectations

The Agencies are actively working on what may be the most significant overhaul of bank capital requirements in more than a decade. Among the regulatory agenda items expected to be addressed in 2026 include, most notably, the B3E.[18] However, a reproposal of B3E is likely to come at the end of a series of other regulatory proposals initiated under the prior administration, including those on long-term debt (LTD) requirements[19] and the global systemically important bank (GSIB) capital surcharge.[20]

The Agencies are working on a number of other changes to the capital framework, such as recently finalized revisions to the enhanced supplementary leverage ratio (eSLR) with modifications designed to improve the functioning of the Treasuries market.[21] Additionally, the FRB has proposed averaging stress test results to reduce volatility of capital requirements[22] and has issued a proposal to improve transparency on stress test models and scenario design.[23] Regulatory leaders have also shown an interest in revisiting community bank capital requirements, beginning with changes to the community bank leverage ratio.[24]

Why firms should take notice

The outcome of these rulemakings will likely directly impact large banks' and GSIBs' cost of capital, lending capacity, and competitive standing. Even minor amendments have the potential to affect institutions' capital planning, product offerings, and overall profitability.

The timing and magnitude of these reforms have global impacts. Delays in analogous rulemaking in the European Union and United Kingdom illustrate the complex cross-border interconnections in which domestic regulatory decisions can influence global markets and have significant impacts for globally active firms.[25]

The original US B3E proposal was estimated to increase risk-weighted assets (RWAs) by 20% for Category I–IV holding companies,[26] while the original LTD proposal was estimated to require an additional $70 billion in LTD issuance.[27] Both proposals are expected to be reissued in 2026 with significant revisions that are likely to reduce the overall economic impact on FIs.

Nevertheless, any changes to the capital framework will likely require a significant investment by firms to meet new regulatory requirements, update policies and processes, and reevaluate strategic plans.

Early adaptation may be a critical competitive advantage. FIs that proactively assess the impacts of proposed regulatory changes can better implement strategic adjustments and potentially avoid operational disruptions. This proactive approach can strengthen trust and confidence by communicating their readiness to key stakeholders, positioning firms to capitalize on regulatory change as an opportunity for growth and differentiation.

How firms should respond

A path forward begins with close monitoring of regulatory developments, dynamic scenario modeling, and proactive strategic planning. FIs should reassess their capital strategies in light of proposed changes, identifying potential impacts to their activities and offering portfolio while also considering how they may deploy newly freed capital.

Engagement with regulators is key and should be ongoing and constructive. This may include participating in the public comment process on draft rules and engaging in regulatory roundtables. The FRB has hosted several conferences recently to engage public input, including on the capital framework.[28]

Finally, clear communication with investors, clients, and internal teams is crucial to maintain confidence as the capital framework evolves. Banks that embrace early adaptation not only may be better prepared to meet regulatory requirements, but also can leverage their capital management as a source of competitive advantage.

Reassessing regulatory thresholds and tailoring

Regulatory and supervisory expectations

Recalibrating regulatory thresholds and a renewed interest in tailoring is front and center for the regulatory agenda. Regulatory leaders have spoken favorably of reevaluating key category thresholds and indexing to inflation and other economic metrics.[29]

The FDIC has finalized raising and indexing thresholds for several regulatory requirements, including those related to annual independent audit and reporting requirements.[30] Additionally, the FDIC is raising its continuous monitoring program threshold from $10 billion to $30 billion in assets.[31]

The scope of regulatory threshold revisions is likely to continue in 2026 with regulators signaling openness to reevaluating a wide range of elements. After Comptroller Jonathan Gould previewed "reassessing the need" for heightened standards in the fall of 2025,[32] the OCC issued a proposal to raise heightened standards thresholds from $50 billion to $700 billion in total consolidated assets.[33] Meanwhile, FRB Vice Chair for Supervision Michelle Bowman has called for greater use of tailoring, particularly for community banks.[34] Collectively, these statements signal 2026 could be a pivotal year for the banking regulatory framework, with indexing serving as a mechanism to ensure these reforms remain relevant in the future.

Why firms should take notice

Many regulatory thresholds are static with no provisions for regular adjustments over time beyond the ordinary notice-and-comment process. As such, many of the banking regulatory framework's thresholds have not been updated in decades, which can lead to regulatory requirements being misaligned with the original rule's intended target.[35]

For example, the OCC's national bank heightened standards' applicable threshold of $50 billion or more in average total consolidated assets has not been updated since first promulgated in 2014.[36] Other thresholds, some set by statute, such as the currency reporting threshold under the Bank Secrecy Act, have not been updated in more than half a century.[37]

The push to tailor and index regulations may provide for a more adaptive, dynamic regulatory system that keeps pace with the economy and promotes appropriate scaling of risk management requirements. However, these changes, even where thresholds are being raised, are not without challenges: regular regulatory modifications may come with resource considerations as firms need to consistently monitor changes and adjust operations, compliance programs, and reporting systems, as necessary.

The scope of regulatory threshold revisions is likely to continue in 2026 with regulators signaling openness to reevaluating a wide range of elements.

How firms should respond

Firms should model the impact of regulatory threshold changes, identifying how proposed shifts in asset or risk metrics could affect their compliance requirements, business strategy and operational structure, and the resulting supervisory expectations across capital, liquidity, and risk management and governance.

Updating strategic plans should be a priority, with detailed processes for responding to indexed or rising thresholds. Institutions that have historically managed their balance sheet below static regulatory thresholds should reassess whether this approach remains beneficial to the firm's overall goals.

Firms that may see regulatory relief from raised thresholds should be cautious of dismantling established compliance programs and carefully consider the cost and complexity of restarting such programs should regulatory requirements tighten again, or should the firm grow beyond new thresholds. FIs can invest in technology to help existing compliance practices be more efficient and scalable. Maintaining strong compliance and risk management frameworks, even within a deregulatory environment, can position institutions to adapt more efficiently to future changes and help safeguard their reputation and operational integrity.

New commercial emphasis among regulators

Regulatory and supervisory expectations

Banking regulators have shown a strong interest in adopting a more commercial-oriented approach, which has the potential to transform the banking industry. Comptroller Jonathan Gould has said the OCC is focused on "resetting the risk tolerance"[38] for the banking system, while FDIC Chair Travis Hill has announced his goal to "unleash the banking system to drive economic growth and access to capital."[39] These goals are reflected in recent initiatives to expand licensing and chartering, encourage de novo banking activity, and reform bank M&A processes.

The OCC has elevated its chartering and licensing function to reflect its strategic priority.[40] Meanwhile, the FDIC is considering several policy ideas to encourage more de novo bank formations, including adjusted capital standards, reassessing the process for deposit insurance applications, and reevaluating industrial loan company (ILC) charters—the latter of which has been developed into a request for information.[41]

At the state level, regulators are expanding licensing to cover new business models and products, while others are considering broader definitions of financial services to capture fintechs, crypto platforms, and alternative lenders.[42] Together, these moves suggest 2026 may be a pivotal year for new licensing and chartering for the industry.

Regulators are also looking to reform the merger review process. Both the FDIC and OCC have rescinded their 2024 merger rules, which had raised the level of scrutiny and requirements for merger approvals,[43] with additional accommodative reforms expected in 2026.[44] As a result, deal activity and consolidation may become more active, particularly for those resulting institutions above $50 billion in total assets.[45]

Why firms should take notice

The regulatory shift creates opportunities for business expansion, increased competition, and greater service variety across the sector. New licensing and M&A approaches may reduce review periods, alleviate deal uncertainty, and allow for greater market entry. In addition, new entrants to the market can challenge norms, such as the regulatory basis for a Federal Reserve account.[46]

Over the past two decades, the number of banks and de novo entrants has declined significantly[47] while the timeline for merger reviews has stretched out, with applications often remaining open and unactioned for more than nine months.[48]

The FDIC is considering several policy ideas to encourage more de novo bank formations, including adjusted capital standards, reassessing the process for deposit insurance applications, and reevaluating industrial loan company (ILC) charters—the latter of which has been developed into a request for information.

The potential impacts of upcoming rule changes should result in an increase in M&A transactions between FIs and a rise of new entrants entering the banking system. These developments also bring new challenges, such as the need for robust risk management, effective due diligence, and careful post-merger integration to ensure stability and long-term success. Ultimately, the more accommodative regulatory environment creates both opportunities and responsibilities for FIs, underscoring the importance of strategic planning and adaptability.

How firms should respond

Firms should consider reassessing their strategic goals, risk tolerance, and long-term competitiveness, evaluating whether acquisition or expansion aligns with current and future market and regulatory expectations. For firms interested in establishing a bank, charter applicants should engage early with licensing authorities to understand evolving regulatory expectations and prepare detailed business plans, governance frameworks, and compliance systems.

Firms considering M&A should strengthen due diligence capabilities, focusing on financial, operational, cultural, and regulatory risk management. Post-merger integration plans should be prioritized to strengthen merger applications and minimize potential operational disruptions. Ultimately, strengthening risk management and governance capabilities can empower FIs to navigate the new commercial era with confidence, agility, and resilience.

Accommodating innovation while managing risk

Regulatory and supervisory expectations

Regulators are tasked with striking a balance between ensuring safety and soundness and fostering innovation. In 2025, there was a notable shift toward a more permissive regulatory approach, particularly with digital assets and artificial intelligence (AI): FRB Vice Chair Michelle Bowman has called on regulators to depart from "an overly cautious mindset,"[49] while FDIC Chair Travis Hill and Comptroller Jonathan Gould have said they will focus on adopting a more open-minded approach toward embracing innovation.[50]

The Agencies have removed a number of regulatory barriers for banks to engage with digital assets, including rescinding their supervisory pre-notification/non-objection process.[51] The FRB ended its novel activities supervision program, and returned to monitoring banks' novel activities through the normal supervisory process.[52] The Agencies have also issued joint guidance to provide clarity for banks providing safekeeping services for digital assets[53] and the OCC has issued several interpretive letters affirming bank crypto-related authorities.[54] 2026 is likely to see additional guidance and rulemaking related to digital assets, particularly with respect to payment stablecoins given the enactment of the GENIUS Act.[55]

Along with digital assets, industry and regulators alike have increasingly turned their attention toward AI. President Trump has published his administration's AI action plan that, among other things, calls for a broad review of regulations that could impede AI development or deployment.[56] The action plan is supportive of regulatory sandboxes and guidance, the latter of which has been suggested by FDIC Chair Travis Hill.[57] As AI models continue to develop, evolving regulatory expectations will likely shape how FIs deploy and leverage these tools.

Why firms should take notice

Both digital assets and AI are expected to grow substantially over the coming years, with firms that develop their strategies early being better equipped to capitalize on evolving market conditions.[58] Interest in participating in the digital asset ecosystem, particularly stablecoins, has grown considerably. Distributed ledger technology (DLT) has the potential to provide more efficient infrastructure for transactions, recordkeeping, and data management. This may be combined with smart contracts to execute atomic settlements, thereby helping firms reduce counterparty risks. When integrated, these technologies can contribute to enhanced customer service and pricing competitiveness.

AI innovation represents a double-edged sword for FIs: While the technology has the potential to provide efficiency gains for data collection and reporting, enhance fraud detection, improve customer offerings, and advance risk modeling and identification capabilities, it can also introduce new and sometimes enhanced risks, such as more sophisticated fraudulent attempts at greater scale.[59] Firms considering novel technology applications can leverage these tools to support growth but should also prioritize addressing potential compliance and risk management gaps.

How firms should respond

Banks should consider incorporating innovative technologies into their operations and product portfolios while paying close attention to governance and controls. FIs seeking to enter the stablecoin or broader digital asset market need to understand tokenization, issuer models, reserve management operations, custody, payment platforms, and consumer protection obligations. Third-party risk management programs should be updated to reflect the unique nature of potential technology partners and services.

Incorporation of AI should be accompanied by strong data controls, model validation, governance processes, and clear explainability standards. Enhanced documentation, scenario planning, and independent model audits can help firms stay ahead of regulatory and operational pitfalls, even as they extract the productivity benefits from tailored AI application. Additionally, proactive engagement with regulators around innovation strategies can help build trust with supervisors and shape frameworks as these new technologies mature.

Remain mindful of the pendulum

2026 is set to bring significant changes across supervision, capital requirements, regulatory thresholds, and innovation policy. Nevertheless, even as the regulatory pendulum shifts toward a more permissive, deregulatory stance, banks should remain vigilant. This is particularly true for those institutions that are state-regulated at the bank level and those that engage in cross-border activity which can be impacted by global divergence.

By prioritizing business-enabling risk management, operational discipline, core compliance focus, and sound governance, FIs can turn compliance and risk frameworks from burdens into sources of strategic advantage, regardless of where the pendulum swings next.

Regulatory insights to action

The Deloitte Center for Regulatory Strategy, US

DCRS helps financial services firms anticipate regulatory change and respond with confidence. We focus on four sectors: banking, capital markets, investment management, and insurance.

As global regulators adapt to shifting economic, geopolitical, and technological forces, they continue to reshape business models and operating frameworks. These shifts create both risks and opportunities for firms.

Our team combines private and public sector experience, supported by Deloitte's access to a global network and regional hubs in Asia Pacific and Europe, the Middle East, and Africa. With former regulators, industry specialists, and business advisers, we deliver practical insights to help organizations navigate complexity and stay ahead.

Additional insights can be found on our hub page here.

How can we help you?

Register for our monthly newsletter

Discover our 2026 financial services regulatory outlook series

Global foreword

- 2026 global regulatory landscape

Banking and capital markets

- 2026 banking regulatory outlook
- 2026 capital markets outlook

Investment management

- 2026 investment management outlook

Insurance

- 2026 insurance regulatory outlook

Join our webcasts: Deep dive into the 2026 outlooks

- Webcast: 2026 banking and capital markets regulatory outlook
- LinkedIn live: 2026 insurance regulatory outlook
- LinkedIn live: 2026 investment management regulatory outlook

Contacts

Michelle Gauchat
US Banking & Capital Markets Leader
Principal
Deloitte Consulting LLP
mgauchat@deloitte.com

Irena Gecas-McCarthy
FSI Director, Deloitte Center for Regulatory Strategy (DCRS), US
Principal
Deloitte & Touche LLP
igecasmccarthy@deloitte.com

Krisha Blanchard
Principal
Deloitte & Touche LLP
kblanchard@deloitte.com

Alex Brady
Principal
Deloitte & Touche LLP
alebrady@deloitte.com

Jennifer Burns
Managing Director
Deloitte & Touche LLP
jennburns@deloitte.com

Joanna Connor
Managing Director
Deloitte & Touche LLP
jconnor@deloitte.com

Michele Crish
Managing Director
Deloitte & Touche LLP
mcrish@deloitte.com

Courtney Davis
Principal
Deloitte & Touche LLP
coudavis@deloitte.com

Huup Kicken
Managing Director
Deloitte & Touche LLP
hkicken@deloitte.com

Monica Lalani
Principal
Deloitte & Touche LLP
mlalani@deloitte.com

Ryan McDevitt
Managing Director
Deloitte & Touche LLP
rmcdevitt@deloitte.com

Shaun Nabil
Banking Leader, DCRS
Managing Director
Deloitte & Touche LLP
snabil@deloitte.com

Josh Flyer
Senior Manager
Deloitte & Touche LLP
jflyer@deloitte.com

Kyle Cooke
Manager
Deloitte Services LP
kycooke@deloitte.com

Aaron Salerno
Manager
Deloitte Services LP
asalerno@deloitte.com

Deloitte wishes to recognize and extend special appreciation for the thoughtful contributions of Independent Senior Advisors **John Corston, Martin Henning, David Hunter, Ken Lamar, Patrick Loncar, Richard Mumford, Naresh Nagia, Richard Naylor, Joseph Rice, Paul Sanford, and David Wright.**

Endnotes

1. Board of Governors of the Federal Reserve System (FRB), "Michelle W. Bowman sworn in as Vice Chair for Supervision of the Board of Governors of the Federal Reserve System," press release, June 9, 2025; Federal Deposit Insurance Corporation (FDIC), "Statement from Acting Chairman Travis Hill," press release, January 21, 2025; Office of the Comptroller of the Currency (OCC), "Jonathan V. Gould takes office as the 32nd Comptroller of the Currency," news release, July 15, 2025.
2. FRB, OCC, and FDIC, "Regulatory Capital Rule: Large Banking Organizations and Banking Organizations with Significant Trading Activity," *Federal Register*, September 18, 2023. *See* Deloitte, "US Basel III Endgame: Key changes, impacts and where to begin," August 2023.
3. FRB, "Michelle W. Bowman sworn in as Vice Chair for Supervision of the Board of Governors of the Federal Reserve System"; FDIC, "Statement from Acting Chairman Travis Hill"; OCC, "Jonathan V. Gould takes office as the 32nd Comptroller of the Currency."
4. FDIC, "Statement from Acting Chairman Travis Hill"; FRB, Testimony of Governor Michelle W. Bowman, "Nomination hearing," April 10, 2025.
5. FRB, "Federal Reserve Board announces that reputational risk will no longer be a component of examination programs in its supervision of banks," press release, June 23, 2025; FDIC and OCC, "Prohibition on Use of Reputation Risk by Regulators," *Federal Register* 90, no. 208, October 30, 2025.
6. FRB, "Statement of Supervisory Operating Principles," October 29, 2025.
7. OCC and FDIC, "Unsafe or Unsound Practices, Matters Requiring Attention," *Federal Register* 90, no. 208, October 30, 2025.
8. If pre-existing supervisory issues are deemed out of alignment with the proposed frameworks and financial institutions have substantially completed the remediation requirements.
9. Referred to by the FRB as "broadly meets expectations."
10. FRB, "Revisions to the Large Financial Institution Rating System and Framework for the Supervision of Insurance Organizations," *Federal Register*, November 17, 2025. Under the unrevised LFI Frameworks, a firm that received a rating of Deficient-1 or Deficient-2 in *any* component rating was deemed not "well managed" and, therefore, faced limitations on certain acquisitions and new activities. *See* Deloitte, "Federal Reserve Board of Governors finalizes revisions to Large Financial Institution (LFI) supervisory rating system," November 2025.
11. *See* Julie L. Stackhouse, "The ABCs of CAMELS," Federal Reserve Bank of St. Louis, July 23, 2018.
12. FDIC, "Statement by FDIC Acting Chairman Travis Hill at September 2025 Meeting of the Financial Stability Oversight Council," September 10, 2025; FRB, "Statement on Large Financial Institution Rating Framework Proposal by Vice Chair for Supervision Michelle W. Bowman," press release, July 10, 2025. Note: For foreign banking organization (FBO) branches that use the risk management, operational controls, compliance, and asset quality (ROCA) rating system, these rating systems are not yet in scope of agency review.

13. Financial institutions that lose their "well managed" status may be restricted from pursuing investments in and acquisitions of certain nonbank financial companies without obtaining prior Board approval. *See* FRB, "Revisions to the Large Financial Institution Rating System and Framework for the Supervision of Insurance Organizations," *Federal Register*, July 15, 2025.

14. The Federal Reserve System is planning a 10% headcount reduction, while the FDIC is seeking to reduce staffing levels by approximately 20%. FRB, "Transcript of Chair Powell's press conference," September 17, 2025; FDIC Office of Inspector General, "FDIC Succession Management and Employee Retention Efforts," Memo 25-02, June 25, 2025.

15. FRB, *Supervision and regulation report*, November 2024. Since 2021, the Large Bank Organizations (LBO) and Regional Bank Organizations (RBO) portfolios have experienced a more than double increase in the number of outstanding supervisory findings.

16. FRB, *Supervision and regulation report*, December 2025.

17. Ibid. This was largely as a result of deficient ratings for governance and controls matters. For example, weaknesses were identified in cybersecurity programs for a number of firms, which intensified during the pandemic and were identified post-pandemic.

18. FRB, OCC, and FDIC, "Regulatory Capital Rule: Large Banking Organizations and Banking Organizations with Significant Trading Activity," *Federal Register*, September 18, 2023. *See* Deloitte, "US Basel III Endgame: Key changes, impacts and where to begin," August 2023.

19. FRB, OCC, and FDIC, "Long-Term Debt Requirements for Large Bank Holding Companies, Certain Intermediate Holding Companies of Foreign Banking Organizations, and Large Insured Depository Institutions," *Federal Register*, September 19, 2023. *See* Deloitte, "Federal banking agencies propose new long-term debt requirement," September 2023.

20. FRB, "Regulatory Capital Rule: Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies; Systemic Risk Report (FR Y-15)," *Federal Register*, September 1, 2023.

21. FRB, OCC, and FDIC, "Regulatory Capital Rule: Modifications to the Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Their Subsidiary Depository Institutions; Total Loss-Absorbing Capacity and Long-Term Debt Requirements for U.S. Global Systemically Important Bank Holding Companies," *Federal Register*, December 1, 2025.

22. FRB, "Modifications to the Capital Plan Rule and Stress Capital Buffer Requirement," *Federal Register*, April 22, 2025.

23. FRB, "Enhanced Transparency and Public Accountability of the Supervisory Stress Test Models and Scenarios; Modifications to the Capital Planning and Stress Capital Buffer Requirement Rule, Enhanced Prudential Standards Rule, and Regulation LL," October 24, 2025.

24. FRB, OCC, and FDIC, "Regulatory Capital Rule: Revisions to the Community Bank Leverage Ratio Framework," *Federal Register*, December 1, 2025.

25. European Commission, "Commission proposes to postpone by one additional year the market risk prudential requirements under Basel III," press release, June 12, 2025; Bank of England, "The PRA announces a delay to the implementation of Basel 3.1," news release, January 17, 2025.
26. FRB, OCC, and FDIC, "Regulatory Capital Rule: Large Banking Organizations and Banking Organizations with Significant Trading Activity," *Federal Register*, September 18, 2023.
27. FRB, OCC, and FDIC, "Long-Term Debt Requirements for Large Bank Holding Companies, Certain Intermediate Holding Companies of Foreign Banking Organizations, and Large Insured Depository Institutions," *Federal Register*, September 19, 2023.
28. FRB, "Integrated Review of the Capital Framework for Large Banks Conference," July 22, 2025.
29. FDIC, Speech by Acting Chairman Travis Hill, "View from the FDIC: Update on key policy issues," American Bankers Association Washington Summit, April 8, 2025; FRB, Speech by Vice Chair for Supervision Michelle Bowman, "Unintended policy shifts and unexpected consequences," Assessing the Effectiveness of Monetary Policy during and after the COVID-19 Pandemic Conference, June 23, 2025.
30. FDIC, "Adjusting and Indexing Certain Regulatory Thresholds," *Federal Register*, December 4, 2025. *See* Deloitte, "FDIC finalizes rule to adjust and index Part 363 and other regulatory thresholds," December 2025.
31. FDIC, "Statement by FDIC Acting Chairman Travis Hill at September 2025 Meeting of the Financial Stability Oversight Council," September 10, 2025.
32. OCC, "Remarks of Jonathan V. Gould Comptroller of the Currency Financial Stability Oversight Council," September 10, 2025.
33. OCC, "OCC Requests Comments on Proposed Amendments to Heightened Standards," December 23, 2025.
34. FRB, Speech by Governor Michelle Bowman, "Bank regulation in 2025 and beyond," February 5, 2025.
35. FDIC, Statement by Acting Chairman Travis Hill, "Proposal to update and index audit and reporting requirements and other regulatory thresholds," July 15, 2025.
36. OCC, "OCC Guidelines Establishing Heightened Standards for Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches; Integration of Regulations," *Federal Register*, September 11, 2014.
37. 31 USC 5311 et seq. *See* US Senate, "S.3017," 119th Cong.
38. OCC, "Remarks of Jonathan V. Gould Comptroller of the Currency Financial Stability Oversight Council," September 10, 2025.
39. FDIC, "Statement by FDIC Acting Chairman Travis Hill at September 2025 Meeting of the Financial Stability Oversight Council," September 10, 2025.

40. OCC, "OCC elevates chartering function; names Stephen Lybarger as Senior Deputy Comptroller for Chartering, Organization and Structure," news release, September 9, 2025.
41. FDIC, "View from the FDIC: Update on key policy issues"; FDIC, "Request for Information on Industrial Banks and Industrial Loan Companies and Their Parent Companies," *Federal Register*, July 21, 2025. *See* Deloitte, "FDIC seeks public comments on its approach to industrial banks," July 2025.
42. Georgia Department of Banking and Finance, "Merchant Acquirer Limited Purpose Banks (MALPB)," accessed October 2025; Connecticut Department of Banking, "Innovation Charter Application," accessed October 2025; New York State Senate, "Senate Bill S3177," 2025–2026 Legislative Session.
43. FDIC, "Statement of Policy on Bank Merger Transactions," *Federal Register*, July 3, 2025.
44. FDIC, "Statement of Policy on Bank Merger Transactions: Rescission and Reinstatement," May 20, 2025.
45. *See* FDIC, "Final Statement of Policy on Bank Merger Transactions," *Federal Register*, September 27, 2024. The 2024 Statement of Policy communicated the FDIC's "expectation that mergers resulting in IDIs with $50 billion or more in total assets should be the subject of public meetings and the expectation that mergers resulting in IDIs with $100 billion or more in total assets be the subject of a heightened financial stability analysis."
46. FRB, Speech by Governor Christopher J. Waller, "Embracing new technologies and players in payments," Payments Innovation Conference, October 21, 2025.
47. Over the past two decades, the number of insured depository institutions in the US has nearly halved while de novo entrants have declined more than 90% since 2000. In 2010, the US had approximately 8,800 insured depository institutions compared to 4,500 in 2025. Compare FDIC, "Statistics at a glance," December 31, 2005, with FDIC, "Statistics at a glance," June 30, 2025. Since 2010, an average of less than six new banks formed each year. FDIC, "View from the FDIC: Update on key policy issues"; FDIC, "De novo banks: Economic trends and supervisory framework," last updated April 6, 2023.
48. FDIC, Statement by Acting Chairman Travis Hill, "Board merger and deposit insurance application review process," October 17, 2024.
49. FRB, Speech by Vice Chair for Supervision Michelle Bowman, "Embracing innovation," Wyoming Blockchain Symposium 2025, August 19, 2025.
50. FDIC, "Statement from Acting Chairman Travis Hill"; US Senate, Committee on Banking, Housing, and Urban Affairs, "Opening Statement of Mr. Jonathan Gould, Nominee to serve as Comptroller of the Currency," March 27, 2025.

51. OCC, "Interpretive Letter 1183," March 7, 2025; FDIC, "FDIC clarifies process for banks to engage in crypto-related activities," March 28, 2025; FRB, "Federal Reserve Board announces the withdrawal of guidance for banks related to their crypto-asset and dollar token activities and related changes to its expectations for these activities," press release, April 24, 2025.

52. FRB, "Federal Reserve Board announces it will sunset its novel activities supervision program and return to monitoring banks' novel activities through the normal supervisory process," press release, August 15, 2025.

53. FRB, OCC, and FDIC, "Crypto-asset safekeeping by banking organizations," July 14, 2025. *See* Deloitte, "Federal banking agencies issue a joint statement clarifying risk-management considerations for crypto-asset safekeeping," August 2025.

54. OCC, "Interpretive Letter 1184," May 7 2025; OCC, "Interpretive Letter 1186," November 18, 2025; OCC, "Interpretive Letter 1188," December 9, 2025.

55. US Congress, "S.1582-GENIUS Act," 119th Cong., July 18, 2025. *See also* Department of the Treasury, "GENIUS Act Implementation," *Federal Register*, September 19, 2025. The Agencies will be required to issue final regulations by July 2026.

56. The White House, "America's AI Action Plan," July 2025.

57. FDIC, Speech by Vice Chair Travis Hill, "Charting a new course: Preliminary thoughts on FDIC policy issues," American Bar Association Annual Conference, January 10, 2025.

58. Treasury Secretary Scott Bessent projected US-dollar-backed stablecoins could grow to $2 trillion or more in market capitalization by 2028. US House of Representatives, Committee on Ways and Means, "Full Committee Hearing with Treasury Secretary Scott Bessent," June 11, 2025. The Financial Stability Board (FSB) has noted AI adoption in the financial system could be both "extensive and rapid." FSB, *Monitoring adoption of artificial intelligence and related vulnerabilities in the financial sector*, October 10, 2025.

59. Satish Lalchand et al., "Forecasting the rise of push payment scams—the fraud consumers are tricked into authorizing," Deloitte Insights, October 9, 2025.

Center *for*
Regulatory Strategy
US

About the Center
The Deloitte Center for Regulatory Strategy provides valuable insight to help organizations in the financial services industry keep abreast of emerging regulatory and compliance requirements, regulatory implementation leading practices, and other regulatory trends. Home to a team of experienced executives, former regulators, and Deloitte professionals with extensive experience solving complex regulatory issues, the Center exists to bring relevant information and specialized perspectives to our clients through a range of media, including thought leadership, research, forums, webcasts, and events.

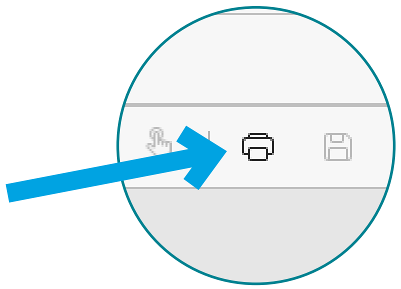
Deloitte.

Printing instructions

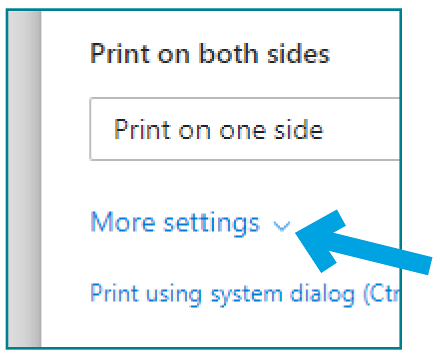
When printing from your web browser using the default settings, white bars may appear on the top and bottom of a letter-size sheet (8.5”x11”). To avoid this, either print on a legal-size sheet (8.5”x14”) or follow the instructions below:

If printing from Microsoft Edge:

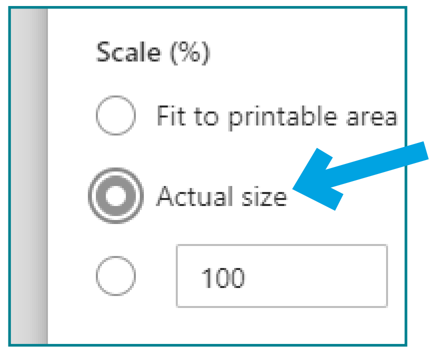
1. Click on the print icon



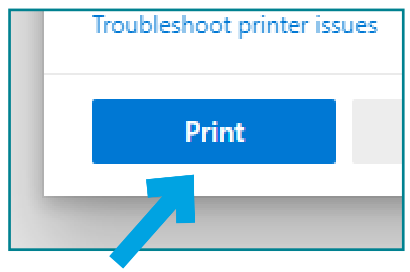
2. Scroll down to “more settings” and click to expand the menu



3. Change “Scale (%)” to “Actual size”

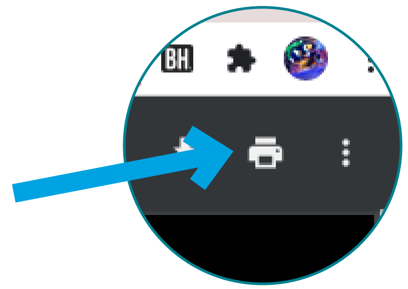


4. Click on the print button to print the document.

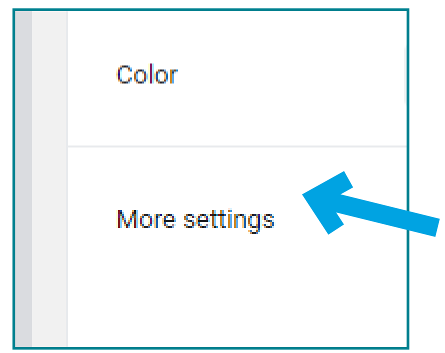


If printing from Google Chrome:

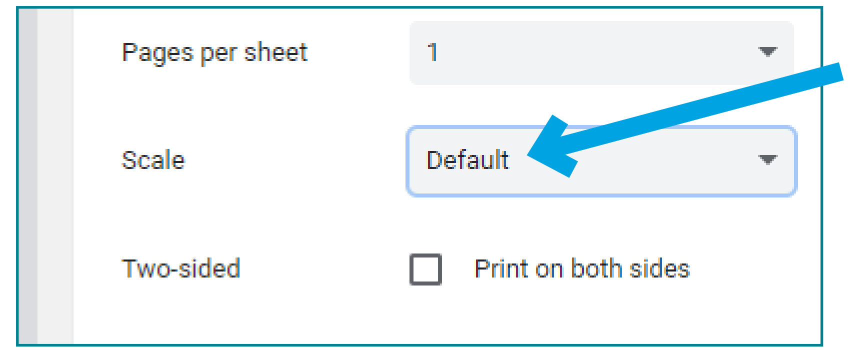
1. Click on the print icon



2. Scroll down to “more settings” and click to expand the menu



3. Change “Scale (%)” to “Default” (if needed)



4. Click on the print button to print the document.

BACK TO BEGINNING