Regulatory Update

Community Bankers for Compliance

Third Quarter 2026

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Instructors for the CBC Program

Bill Elliott, CRCM, Senior Consultant and Director of Compliance Education, Young & Associates, Inc.

Bill Elliott has over 45 years of banking experience. As a senior compliance consultant and manager of the compliance division with Young & Associates, Inc., Bill works on a variety of compliance-related issues, including leading compliance seminars, conducting compliance reviews, conducting in-house training, and writing compliance articles and training materials.

Bill's career includes 15 years as a compliance officer and CRA officer in a large community bank, as well as working at a large regional bank. He has experience with consumer, commercial, and mortgage loans, and has managed a variety of bank departments, including loan review, consumer/commercial loan processing, mortgage loan processing, loan administration, credit administration, collections, and commercial loan workout.

Kristen Eustis, CRCM, Consultant, Young & Associates, Inc.

Kristen Eustis serves as a Compliance Consultant at Young & Associates. With nearly 30 years of experience in the financial industry, Kristen Eustis has held roles as branch manager, BSA officer and compliance officer. She earned a bachelor's degree in journalism from Southern Illinois University, but began her career at First Federal Savings Bank, where she worked on the management training program team.

Over the last nine years, Kristen has led hundreds of audits covering ACH, BSA and all areas of compliance. She has also taught for numerous state associations and professional groups on topics ranging from TRID to the FDIC's new advertising rules and is a Certified Regulatory Compliance Manager (CRCM).

Veronica Madsen, CAMS, Consultant, Young & Associates, Inc.

Veronica is a seasoned consultant with a robust legal background and decades of banking experience. Her career began at a financial institution trade association, followed by roles as a Regulatory Attorney, Chief Compliance Officer at a fintech company, and founder of ESTEE Compliance, where she provided compliance services to financial institutions. She has also created and managed a compliance management system at a fintech company and has overseen the Bank Secrecy Act training program at a large bank. She holds a Bachelor of Science in English and Communication from Central Michigan University and a Juris Doctorate from the University of Detroit Mercy School of Law.

Table of Contents

Agency News Items

FDIC, OCC: Agencies Issue Final Rule to Prohibit Use of Reputation Risk by Regulators (April 7, 2026)

Link

https://www.federalregister.gov/documents/2026/04/10/2026-06947/prohibition-on-the-use-of-reputation-risk-by-regulators

Text

The Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation are adopting a final rule to codify the elimination of reputation risk from their supervisory programs. Among other things, the rule prohibits the agencies from criticizing or taking adverse action against an institution on the basis of reputation risk. The rule also prohibits the agencies from requiring, instructing, or encouraging an institution to close an account, to refrain from providing an account, product, or service, or to modify or terminate any product or service on the basis of a person or entity's political, social, cultural, or religious views or beliefs, constitutionally protected speech, or solely on the basis of politically disfavored but lawful business activities perceived to present reputation risk. The rule further forbids the agencies from taking any supervisory action or other adverse action against an institution, a group of institutions, or the institution-affiliated parties of any institution that is designed to punish or discourage an individual or group from engaging in any lawful political, social, cultural, or religious activities, constitutionally protected speech, or, for political reasons, lawful business activities that the agencies or its personnel disagree with or disfavor.

Dates:

The final rule is effective June 9, 2026

Supplementary Information

I. Introduction

On October 30, 2025, the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) (collectively, the agencies) published in the **Federal Register** a notice of proposed rulemaking to remove the use of reputation risk from their supervisory programs. Among other things, the proposed rule would also have prohibited the agencies from requiring, instructing, or encouraging an institution to close an account, to refrain from providing an account, product, or service, or to modify or terminate any product or service on the basis of a person or entity's political, social, cultural, or religious views or beliefs, constitutionally protected speech, or solely on the basis of politically disfavored but lawful business activities perceived to present reputation risk. The proposed rule further would have forbidden the agencies from taking any supervisory action or other adverse action against an institution, a group of institutions, or the institution-affiliated parties of any institution that is designed to punish or discourage an individual or group from engaging in any lawful political, social, cultural, or religious activities, constitutionally protected speech, or, for political reasons, lawful business activities that the agencies or its personnel disagree with or disfavor. Following review of the comments received on the proposal, the agencies are finalizing the proposed rule, with minor modifications. The agencies have updated the final rule's definition of "reputation risk" to include an express reference to the operational condition of the institution. The agencies have also modified the prohibition on taking supervisory action or other adverse action designed to punish or discourage lawful business activities that the "supervisor" disagrees with or disfavors. The agencies have updated this provision to use language broader than "supervisor" to clarify that bias from any individual at the agency is not a permissible basis for agency action.

Under 12 U.S.C. 1(a), the OCC is charged with assuring the safety and soundness of and compliance with laws and regulations, fair access to financial services, and fair treatment of customers by the institutions and other persons subject to its jurisdiction. Similarly, the FDIC has statutory authority to administer the affairs of the Corporation, which includes a framework for banking supervision. Further, the FDIC's Board of Directors has the authority to prescribe rules and regulations as it may deem necessary to carry out the provisions of the Federal Deposit Insurance Act, and the OCC is authorized to prescribe rules and regulations to carry out the responsibilities of the office.

Based on these authorities, the subjectivity of reputation risk, the inefficacy of reputation risk at identifying risks to safety and soundness or other statutory mandates, and the potential for regulatory overreach and abuse, the agencies have removed reputation risk from their supervisory frameworks and are codifying this change in relevant regulations.

Editor's Note

This is a safety and soundness issue, but important to banks, so we chose to include this for your bank's information. We have elected to eliminate the balance of the information. It is lengthy, and for those who are interested, please use the link above for further information.

What Youn Need to DO:

Informational; please share with interested team members.

FDIC, OCC, FRB: Agencies Issue Revised Model Risk Guidance (April 17, 2026)

Link

https://www.fdic.gov/news/press-releases/2026/agencies-issue-revised-model-risk-guidance

Text

The Federal Deposit Insurance Corporation (FDIC), along with the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System, today issued revised model risk management guidance.

The revised guidance clarifies that model risk management should be tailored commensurately to the size, complexity, and model risk profile of a banking organization. To support banking organizations' model risk management practices, the revised guidance highlights sound principles for effective model risk management—in particular, by discussing the factors that influence model risk and the features of effective model development and model use; model validation and monitoring; and governance and controls. The revised guidance also discusses considerations specific to vendor and other third-party products, including validation of these products. The guidance does not set forth enforceable standards or prescriptive requirements, and non-compliance will not result in supervisory criticism.

In connection with the release of this guidance, the FDIC is rescinding FIL-22-2017, Adoption of Supervisory Guidance on Model Risk Management, and FIL-27-2021, Bank Secrecy Act: Agencies Address Model Risk Management for Bank Models and Systems Supporting Bank Secrecy Act/Anti-Money Laundering and Office of Foreign Assets Control Compliance.

Editor's Note

In the Purpose and Scope section of this pronouncement it states "This guidance is expected to be most relevant to banking organizations with over $30 billion in total assets." Given our audience, we have chosen to eliminate the rest of the pronouncement. Interested parties can view the entire pronouncement at the address above.

What You Need to Do:
Informational; please share with interested team members.

Agencies: Issue Host State Loan-to-Deposit Ratios (May 1, 2026)

Link

https://occ.gov/news-issuances/news-releases/2026/nr-ia-2026-33a.pdf

Text

Federal bank regulatory agencies today jointly issued updated host state loan-to-deposit ratios, as required by law. Each ratio compares the total loans in a state to total deposits in the state for all banks that are legally operating in that state. These ratios replace those issued in May 2025.

By law, a bank is generally prohibited from establishing or acquiring branches outside of its home state primarily for the purpose of acquiring additional deposits. This prohibition seeks to ensure that interstate bank branches will not take deposits from a community without the bank also reasonably helping to meet the credit needs of that community.

The updated ratios, including additional information on how they are used to evaluate compliance with the requirements, are available below.

SECTION 109 HOST STATE LOAN-TO-DEPOSIT RATIOS

The Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) (collectively, the agencies) today are making public the host state loan-to-deposit ratios1 that the agencies will use to determine compliance with section 109 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Interstate Act). In general, section 109 prohibits a bank from establishing or acquiring a branch or branches outside of its home state primarily for the purpose of deposit production. Section 106 of the Gramm-Leach-Bliley Act of 1999 amended coverage of section 109 of the Interstate Act to include any branch of a bank controlled by an out-of-state bank holding company.

To determine compliance with section 109, the appropriate agency first compares a bank's estimated statewide loan-to-deposit ratio to the estimated host state loan-to-deposit ratio for a particular state. If the bank's statewide loan-to-deposit ratio is at least one-half of the published host state loan-to-deposit ratio, the bank has complied with section 109. A second step is conducted if a bank's estimated statewide loan-to-deposit ratio is less than one-half of the published ratio for that state or if data are not available at the bank to conduct the first step. The second step requires the appropriate agency to determine whether the bank is reasonably helping to meet the credit needs of the communities served by the bank's interstate branches. A bank that fails both steps is in violation of section 109 and subject to sanctions by the appropriate agency.

Section 109 of the Interstate Banking and Branching Efficiency Act	
Host State Loan-to-Deposit Ratios **Using Data as of June 30, 2025** **(Excludes wholesale or limited purpose Community Reinvestment Act-designated banks, credit card banks, and special purpose banks)**	
State or U.S. Territory	**Host State Loan-to Deposit Ratio**
Illinois	79%
Indiana	89%
Kansas	82%
Michigan	93%
Missouri	78%
Montana	80%
North Dakota	84%
Ohio	74%
Wisconsin	90%

Due to the legislative intent against imposing regulatory burden, no additional data were collected from institutions to implement section 109. However, since insufficient lending data were available on a geographic basis to calculate the host state loan-to-deposit ratios directly, the agencies used a proxy to estimate the ratios. Accordingly, the agencies calculated the host state loan-to-deposit ratios using data obtained from the Consolidated Reports of Condition and Income (call reports) and Summary of Deposits Surveys (summary of deposits), as of June 30, 2025. For each home state bank, the agencies calculated the percentage of the bank's total deposits attributable to branches located in its home state (determined from the summary of deposits), and applied this percentage to the bank's total domestic loans (determined from the call reports) to estimate the amount of loans attributable to the home state. The host state loan- to-deposit ratio was then calculated by separately totaling the loans and deposits for the home state banks, and then dividing the sum of the loans by the sum of the deposits.

Section 109 directs the agencies to determine, from relevant sources, the host state loan- to-deposit ratios. As discussed in the preamble to the joint final rule, Prohibition Against Use of Interstate Branches Primarily for Deposit Production (62 FR 47728, 47731, September 10, 1997), implementing section 109, banks designated as wholesale or limited purpose banks under the

Community Reinvestment Act (CRA) were excluded from the host state loan-to-deposit calculation, recognizing that these banks could have very large loan portfolios, but few, if any, deposits. Likewise, credit card banks, which typically have large loan portfolios but few deposits, were also excluded, regardless of whether they had a limited purpose designation for CRA purposes. Beginning in 2001, special purpose banks, including bankers' banks, were excluded because these banks do not engage in traditional deposit taking or lending.

The estimated host state loan-to-deposit ratios, and any changes in the way the ratios are calculated, will be publicized on an annual basis.

What You Need to Do:

If your financial institution is subject to Section 109 of the Interstate Banking and Branching Efficiency Act, share this information with interested team members.

OCC's: Semiannual Risk Perspective Highlights Key Risks in Federal Banking System (May 7, 2026)

Link

https://occ.gov/publications-and-resources/publications/semiannual-risk-perspective/files/pub-semiannual-risk-perspective-spring-2026.pdf

Text

The Office of the Comptroller of the Currency (OCC) today reported the key issues facing the federal banking system in the *Semiannual Risk Perspective* for Spring 2026.

Bank earnings improved in 2025, supported by loan growth and a decline in funding costs. Balance sheets remain strong and credit risk within the federal banking system remains manageable. Earnings releases for the first quarter of 2026 indicate that these trends have generally persisted.

The OCC highlighted credit, market, operational, and compliance risks, as key risk themes in the report. The report also discussed innovation. Highlights from the report include:

- Credit conditions and refinancing risk in certain segments of commercial real estate lending and private credit markets warrant ongoing monitoring.
- Modest increases in past-due loans have been observed in some consumer portfolios. However, OCC-supervised banks have manageable exposures to borrowers with weaker credit profiles.
- Balance sheets remain strong, with capital ratios and liquidity high by historical standards.

- Cyber threats and fraud remain a concern. Cybercriminal groups targeting the financial sector are increasingly sophisticated, and foreign state-sponsored actors continue to pose a threat. Banks continue to face challenges from both the elevated levels and rising sophistication of fraud and scams.
- A sound understanding of the potential benefits and possible risks associated with increasingly advanced AI tools coming onto the market that can assist with cybersecurity functions can be important for cyber risk management.
- Geopolitical tensions increase sanctions and money laundering risk, straining bank compliance systems, and may raise the potential for sanctions and Bank Secrecy Act/anti-money laundering violations.

The OCC continues to look for opportunities to tailor bank supervision and regulations to risk and complexity and reduce burden for its regulated institutions so they can support economic growth.

COMPLIANCE AND OPERATIONAL RISKS

Cybersecurity

The OCC continues to highlight threats posed by foreign state-sponsored actors and sophisticated cybercriminal groups targeting the financial sector. Current geopolitical tensions could lead to an increase in malicious activity against financial institutions and service providers, underscoring the importance of heightened threat monitoring and safeguarding against disruptive attacks targeting the financial sector.

Artificial intelligence (AI) is significantly transforming the cyber threat landscape, while also providing new capabilities to manage cyber-related risks. AI lowers the barrier to entry for threat actors and increases the speed, scale, and sophistication of cyber-attacks targeting financial institutions and their customers. AI can also be used to facilitate fraud and enable automated reconnaissance, rapid vulnerability discovery and exploitation, targeted social engineering, and adaptive malware that can evade traditional security defenses. The implementation of more stringent security measures, such as multifactor authentication and timely patch management, help mitigate AI-enabled cyber risks for banks. AI can also be deployed to defend against threats and to support risk management and heightened threat and vulnerability monitoring processes. There are increasingly advanced AI tools coming into the market to assist with cybersecurity functions. A sound understanding of the potential benefits and possible risks associated with these advanced tools can be important for cyber risk management.

Fraud Risk

Fraud is a key driver of operational losses, and banks continue to face challenges from elevated levels and sophistication of fraud and scams. This includes impersonation scams, which can be facilitated by text messages and social media. In light of the evolving nature of fraud confronting banks, a dynamic and adaptive approach to risk management is warranted. The Financial Crimes Enforcement Network (FinCEN) has recently issued alerts highlighting the need for vigilance to evolving fraud typologies.

Compliance Risk

Geopolitical tensions increase sanctions and money laundering risk, straining bank compliance systems, and may raise the potential for sanctions and BSA/AML violations. In this context, FinCEN recently highlighted the growing use of Chinese money laundering networks by transnational criminal organizations to move illicit proceeds through the U.S. financial system. The OCC continues to look for opportunities to tailor bank supervision and regulations to risk and complexity so that banks can direct more attention and resources toward higher-risk customers and activities. For example, in conjunction with changes proposed by FinCEN, the OCC, the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA) issued a proposed rule to amend requirements for supervised institutions to establish and maintain effective risk-based antimoney laundering and countering the financing of terrorism (AML/CFT) programs. In separate bulletins, the OCC also clarified BSA/AML examination procedures applicable to community banks and reduced community bank data collection requirements. Specifically, the OCC issued supplementary guidance that tailors the agency's application of the BSA/AML examination procedures for all community banks based on these banks' generally low levels of money laundering and terrorist financing risk. The OCC also discontinued its Money Laundering Risk system data collection. These actions demonstrate the OCC's efforts to improve the effectiveness and efficiency of BSA/AML compliance while reducing unnecessary burden on community banks. Additionally, on February 13, 2026, FinCEN issued exceptive relief to streamline customer due diligence requirements.

INNOVATION

Artificial Intelligence

Banks have used forms of AI for many years. While larger banks are generally more forward leaning when it comes to the implementation of newer forms of AI, banks of all sizes are exploring ways to further leverage AI. Banks are taking a measured approach to the adoption of generative AI (genAI) and agentic AI, with usage generally limited to specific use cases with guardrails and human-in-the-loop accountability to manage risk. To date, the OCC has observed that use cases are primarily productivity and customer experience enhancement tools. Broader advancements in AI, particularly genAI and agentic AI, offer banks opportunities to automate and improve core operational, customer service, and other activities in novel ways and banks may consider expanding their use of genAI and agentic AI for material financial decisions. Appropriate governance and risk management are essential to mitigate potential risks when implementing AI. Many risks associated with AI are the same as those of models and tools that do not rely on AI. The industry has overcome many key risk management challenges associated with traditional AI. The OCC recognizes there are unique challenges related to the use of genAI and agentic AI such as lack of explainability, data privacy and data poisoning issues, cybersecurity threats, and validation challenges where industry approaches are evolving.

The OCC supports responsible innovation, such as through genAI and agentic AI, as a means of modernizing the financial system and ensuring that banks of all sizes remain relevant and competitive. The OCC supports banks' efforts to integrate AI into core functions, while managing the risk in a safe and sound manner and in compliance with applicable laws and regulations. The OCC issued OCC Bulletins 2025-26 and, jointly with the FDIC and the Board of Governors of the Federal Reserve System, 2026-13. OCC Bulletin 2026-13 updates model risk management guidance and rescinds prior model risk management guidance and other issuances. The bulletins clarify that model risk management practices should be risk based and commensurate with a banking organization's size, complexity, and model materiality. GenAI and agentic AI models are novel and rapidly evolving and are not within the scope of the revised model risk management guidance. The agencies plan to issue in the near future a request for information that addresses model risk management generally and considers, in particular, banks' use of AI, including genAI, agentic AI, and AI-based models. The OCC is also actively reviewing supervisory expectations, guidance, and regulations to ensure that innovative opportunities are available to all OCC-supervised banks, rather than only a few, that wish to take advantage of AI. In doing so, the OCC seeks to support community banks that leverage third-party technology and to right-size supervisory expectations.

Digital Assets

The OCC continues to be attentive to ongoing developments regarding digital assets, including tokenized assets, in the federal banking system. On February 25, 2026, the agency issued a notice of proposed rulemaking under the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act. The GENIUS Act, which was signed into law on July 18, 2025, establishes a federal regulatory framework for payment stablecoins and limits the entities authorized to issue payment stablecoins in the United States. The use of stablecoins may become more prevalent with increased adoption. The OCC is continuing to work swiftly to implement the law and comply with requirements contained in the GENIUS Act. On March 5, 2026, the OCC, the Board of Governors of the Federal Reserve System, and the FDIC released interagency frequently asked questions on tokenized securities, clarifying that the technologies used to issue and transact in a security do not generally impact its regulatory capital treatment. As with all novel banking activities, the OCC expects banks engaging in digital asset activities to do so in a safe, sound, and fair manner; consistent with effective risk management practices; in alignment with the bank's overall prudent business plans; and in compliance with applicable laws and regulations. The OCC will continue to monitor these activities and provide regulatory clarity as appropriate.

What You Need to Do:

Informational; please share with interested team members.

OCC: Advances Priority of Reducing Regulatory Burden for Community Banks (May 18, 2026)

Link

https://occ.gov/news-issuances/news-releases/2026/nr-occ-2026-38.html

Text

The Office of the Comptroller of the Currency (OCC) continues to prioritize supervisory and regulatory reforms to reduce burden for community banks and support their role as drivers of economic growth.

Most community banks are well capitalized and well managed, conduct business in a safe and sound manner, and engage in low-risk activities. The OCC has taken actions to reaffirm its commitment to risk-based supervision and tailor its supervisory activities for community banks.

"Community banks are anchors of local economies, providing essential banking services and small business lending that helps power job creation," said Comptroller of the Currency Jonathan V. Gould. "The OCC has taken a range of actions to better tailor its supervision and provide meaningful reforms to community banks so they can continue to drive economic development in their local communities and the broader national economy."

For community banks, the OCC issued guidance in October that removed requirements for examination activities set by OCC policy—*e.g.*, examination activities concerning Community Reinvestment Act (CRA) performance, fair lending, end-user derivatives, and trading. Instead, the guidance provided that the OCC will tailor its examination of a community bank's specific activities in light of the bank's size, complexity, and risk profile with heightened focus on material financial risks. This approach reduces supervisory burden, maintains the value of the federal charter, and preserves banks' safety and soundness while ensuring regulatory oversight does not distract banks from serving their communities. This guidance was effective January 1, 2026.

To implement the guidance, the OCC updated its policies and processes for CRA examination scheduling to provide discretion with respect to the examination frequency. Going forward, the OCC will schedule a community bank's CRA examination by considering the bank's size, risk profile, and complexity. For all other examination activities previously required by mere policy, the OCC is updating its examiner guidance to fully reflect its risk-based supervision principles and provide examiners with direction to guide the scope of examination activities.

To provide community banks with greater flexibility to use a simpler measure of capital adequacy and reduce regulatory burden, the OCC finalized a rule modifying the community bank leverage ratio (CBLR) framework. The framework simplifies capital calculations, shortens reporting schedules, and provides material regulatory relief while maintaining safety and soundness in the banking system. The vast majority of OCC supervised banks with assets under $10 billion qualify to elect the CBLR framework, making regulatory relief available to a meaningful number of banks.

As the OCC stated it planned to do in its October news release on community bank initiatives, the agency took the next step in refining model risk management guidance for all of the OCC's regulated institutions by updating the model risk management guidance for OCC-supervised institutions to clarify that model risk management practices should be risk-based, tailored, and commensurate with a banking organization's size, complexity, and extent of model use. The guidance does not set forth enforceable standards or prescriptive requirements. Models used by community banks are generally excluded from this guidance, as they are typically subject to internal risk management and governance practices appropriate for their size and risk profile, which makes excluding them consistent with a tailored supervisory approach.

To further reduce burden for community banks, the OCC requires its bank examiners to use a newly updated resource to narrow the scope and simplify bank information technology (BIT) and cybersecurity examinations in community banks. The OCC's approach to assess and improve cybersecurity preparedness reinforces a risk-based approach to supervision and improves the effectiveness and efficiency of BIT and cybersecurity examinations.

The OCC will continue to prioritize reforms to reduce regulatory burden on community banks and eliminate supervisory overreach, so community banks may better serve their customers and communities.

What You Need to Do:
Informational; please share with affected team members.

FRB: Speech by Governor Cook on the Opportunities and Risks AI Presents for the Economy and Financial System (May 28, 2026)

Link

https://www.federalreserve.gov/newsevents/speech/cook20260527a.htm

Editor's Note:

We have chosen to place this link in the manual, even though it is not directly related to compliance, but may interest some team members in your bank.

What You Need to Do:
Share the link with individuals within you bank that may have an interest

FDIC; FRB; and OCC: Agencies Remove Additional References to Reputation Risk (June 2, 2026)

Link

https://www.fdic.gov/news/financial-institution-letters/2026/agencies-remove-references-reputation-risk-interagency

Text

Summary:

The Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC) and the Board of Governors of the Federal Reserve System (the agencies), have jointly updated several interagency documents to remove references to reputation risk, complementing earlier actions that ended the use of reputation risk in supervision.

References to "reputation" in these interagency documents could be misused as a basis to restrict individuals' and legal businesses' access to financial services due to their constitutionally protected political or religious beliefs, speech, or conduct or lawful business activities. These updates help ensure supervisory decisions are based on material financial risks, as well as increase clarity and facilitate greater precision in supervisory decision making.

These updates are limited to removing references to reputation risk. The agencies are issuing some of these documents along with the other members of the Federal Financial Institutions Examination Council or other entities, such as the Financial Crimes Enforcement Network. The agencies continue to review their supervisory materials and may update additional documents as appropriate.

Statement of Applicability: The contents of, and material referenced in, this FIL apply to all FDIC-supervised financial institutions.

Highlights:

On April 10, 2026, the FDIC and OCC published a final rule in the *Federal Register* that codified the elimination of reputation risk from their supervisory programs. In furtherance of the objective to remove reputation risk from the supervisory framework, the agencies updated the following documents:

- "Interagency Guidance on Asset Securitization Activities," which was transmitted by FIL-109-99
- "Subprime Lending: Expanded Guidance for Subprime Lending Programs," which was transmitted by FIL-09-2001
- "Interagency Policy on Banks/Thrifts Providing Financial Support to Funds Advised by the Banking Organization or its Affiliates," which was transmitted by FIL-1-2004
- "Interagency Statement on the Purchase and Risk Management of Life Insurance," which was transmitted by FIL-127-2004
- "Interagency Guidance on Customer Identification Programs: Frequency Asked Questions," which was transmitted by FIL-34-2005
- "Interagency Credit Risk Management Guidance for Home Equity Lending," which was transmitted by FIL-45-2005
- "Interagency Guidance on Risk Management of Remote Deposit Capture," which was transmitted by FIL-4-2009
- "Interagency Supervisory Guidance on Counterparty Credit Risk Management," which was transmitted by FIL-53-2011
- "Cyber Attacks on Financial Institutions' Automated Teller Machine and Card Authorization Systems," which was transmitted by FIL-10-2014
- "Distributed Denial-of-Service (DDoS) Cyber-Attacks, Risk Mitigation, and Additional Resources," which was transmitted by FIL-11-2014
- "Joint Statement on Cyber Insurance and Its Potential Role in Risk Management Programs," which was transmitted by FIL-16-2018
- "Sound Practices to Strengthen Operational Resilience," which was transmitted by FIL-103-2020
- "Interagency Statement on Elder Financial Exploitation," which was transmitted by FIL-83-2024

- "Interagency Statement on Sales of 100% Loan Participations"
- "Joint Statement on Cyber Attacks Involving Extortion (PDF)

What You Need to Do:

Informational; please share with affected team members.

OCC: Minority Depository Institutions: Reissuance of Policy Statement (June 16, 2026)

Link

https://occ.gov/news-issuances/bulletins/2026/bulletin-2026-26.html

Text

Summary

The Office of the Comptroller (OCC) is updating its policy statement on minority depository institutions (MDI) in the *Federal Register*. This update relates to the agency's rescission or amending of certain regulations that are unnecessary, based on anything other than the best reading of the underlying statutory authority, or lacking clear statutory authority, consistent with Executive Order 14219, "Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative" (EO 14219). The updated statement revises the definition of an MDI to more closely align with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The update also removed information about the agency that has proven vulnerable to obsolescence. The document includes other conforming edits.

Note for Community Banks: This bulletin applies to all OCC-supervised banks.

Highlights

- Consistent with EO 14219, the updated MDI policy statement bases the MDI definition more on the statutory definition while describing how the OCC may maintain the designation of current MDIs.
- The updated statement also replaces references to specific OCC structures and resources with general directions that are unlikely to become obsolete.

Background

The OCC conducted a review of its existing regulations for consistency with the criteria set out in EO 14219, which requires agencies to review all regulations subject to their sole or joint jurisdiction for consistency with law and administration policy. Among other criteria, EO 14219 requires agencies to identify regulations that (1) are based on anything other than the best reading of the underlying statutory authority and (2) implicate matters of social, political, or economic significance that are not authorized by clear statutory authority. From this review, the OCC is updating the MDI policy statement to better align the MDI definition in the statement with the statutory definition. For national banks and Federal stock savings associations, the statute defines an MDI based on ownership by socially and economically disadvantaged individuals, and the statute does not specify any group of individuals that is presumed to be socially and economically disadvantaged. The revised MDI policy statement also describes how the OCC will maintain the designations of current MDIs. Under the previous version of this policy statement, the OCC could at its discretion continue to designate a bank as an MDI under certain circumstances when the bank no longer met the statutory definition of an MDI. The updated definition and maintained designations improve the policy statement's consistency with FIRREA and minimize disruption to current MDIs. Separate from the definition and the maintenance of designations, the previous version of the policy statement includes references to certain OCC resources and programs that are now obsolete. The OCC created the previous version in part because it updated out-of-date information. A lesson learned from these revisions is that the policy statement should minimize the amount of information that could be subject to obsolescence. This minimization improves the policy statement's expected longevity and avoids future confusion. Individuals and institutions with questions about OCC resources and programs should contact their supervisory field office.

What You Need to Do:

Informational; please share with affected team members.

CFPB: is Correcting Flaws to Restore Integrity and Utility to the Consumer Complaint System (June 24, 2026)

Link:

https://www.consumerfinance.gov/about-us/newsroom/the-cfpb-is-correcting-flaws-to-restore-integrity-and-utility-to-the-consumer-complaint-system/

Text

The consumer complaint portal has long been plagued by issues that severely limit its effectiveness in addressing consumers' complaints and practical utility of its information. Recently, CFPB has taken multiple concrete actions to address these issues and is continuing its work, including with Credit Reporting Agencies, to increase effectiveness of the process, while aligning it with the statutory authorities:

- Revising its Portal Manual to ensure that CRAs follow a standardized process in addressing complaints
- Enhancing identity protections
- Aligning the complaint process to statutory obligations
- Focusing resources on complaints that warrant a substantive response
- Educating consumers about how to address errors on their credit reports
- Increasing the efficiency of the complaint process

The consumer complaint portal has long been plagued by issues that severely limit its effectiveness in addressing consumers' complaints and practical utility of its information. Recently, the CFPB has taken multiple concrete actions, including with Credit Reporting Agencies, to address these issues and is continuing its work to increase effectiveness of the process, while aligning it with the statutory authorities.

First, users abusing the process stress the systems of the Bureau and companies and impede timely processing of legitimate complaints. This harms consumers and wastes resources. Credit reporting complaint volume increased dramatically in recent years. In 2019, the Bureau received more than 150,000 credit or consumer reporting complaints. In 2025, that number grew to more than five million—an increase of more than 3,700%. Amidst this record complaint volume, the nationwide consumer reporting agencies (NCRAs)—Equifax, Experian, and TransUnion—reported making more updates and deletions to inaccurate tradelines than in prior years. In 2024, the NCRAs closed more than 1.3 million complaints with non-monetary relief. In 2025, that number grew to 2.1 million.

The increase is driven by many—sometimes, overlapping—factors: credit repair organizations and credit clinics misusing the Bureau's complaint process as a tool of their business, social media influencers with questionable expertise encouraging followers to submit complaints, adoption of new technologies (e.g., "AI tools") that may act as an individual's agent, and the emergence of new businesses that seek to boost credit scores by disputing accurate information on consumers' reports.

Second, the NCRAs have not been uniformly reporting how they respond to the growing number of consumer complaints. The Bureau has been collaborating with the NCRAs to better understand their complaint handling practices, and to ensure consumers receive timely, complete, and accurate responses to their credit reporting complaints. Credit reporting complaints represent the largest share of all complaints submitted to the Bureau.

Without addressing these issues, the CFPB cannot rely upon the consumer complaint portal data as a reliable reflection of actual market conditions or actual consumer experiences. The Bureau is collaborating with NCRAs and other companies to implement the following changes to address these longstanding issues:

Increasing Clarity of Closure Definitions to Promote Consistency

Through its outreach to CRAs and other companies, the Bureau learned that companies operationalized the closure definitions differently with some companies using different definitions to categorize a complaint "Closed with non-monetary relief."

What actions are we taking? The Bureau issued a new Company Portal Manual that provides clear information on how companies should use the various substantive and administrative response closure categories and answers to frequently asked questions. That will allow for standardization of data on responses across CRAs. Once the data can be standardized, the Bureau will continue to work with CRAs to ensure data are consistent across them and response rates are appropriately high.

Enhancing Identity Protections

Security is top of mind for the Bureau's complaint system. Likewise, companies need reassurance that they are responding to their customer and safeguarding their privacy.

What actions are we taking? The Bureau launched two-factor authentication, requiring users who create online accounts to verify both their email address and mobile phone number. It also added clarifying text and new relationship categories to emphasize that third parties must disclose their involvement in the complaint process. The CFPB plans to implement address validation at the complaint submission step to ensure companies can act on high-quality information. The Bureau is also working on user support materials so adult children of aging parents, spouses of servicemembers, and other authorized representatives know how to submit complaints.

Aligning the Complaint Process to Statutory Obligations

The Fair Credit Reporting Act (FCRA) creates a framework in which individuals dispute inaccurate or incomplete information with consumer reporting agencies directly. Some credit repair clinics and individuals are using the Bureau's complaint process to circumvent this statutory process.

What actions are we taking? The Bureau is aligning its complaint process to its statutory obligations. It added a notice, emphasizing that consumers must first exhaust their dispute rights directly with consumer reporting agencies before coming to the Bureau. The Bureau is working with the NCRAs to understand what information can help them more readily identify and review prior disputes. The Bureau is also exploring adding an additional administrative response option so NCRAs can efficiently return complaints where the consumer has not exhausted their FCRA dispute obligations. These changes will help the NCRAs focus their resources on complaints that warrant review as required by FCRA.

Focusing Resources on Complaints that Warrant a Substantive Response

When companies have reason to not respond to a complaint—such as one submitted by an unauthorized third party—the Bureau gives companies the ability to return complaints with an administrative response. Through its outreach, the Bureau learned that companies operationalized use of administrative response options differently.

What actions are we talking? The Bureau is collaborating with NCRAs and other companies to provide greater specificity of when to use existing administrative response categories. The Bureau is also exploring additional administrative response categories, such as when a user appears to be abusing the complaint process. The Bureau is exploring additional steps to support its efforts to monitor and safeguard the complaint system from users who attempt to abuse the complaint process.

Educating Consumers about How to Address Errors on their Credit Reports

Some credit repair companies make claims that are too good to be true, such as guaranteeing a specific increase in credit scores or removing negative (but accurate) information. Social media financial influencers and new AI tools are also quickly changing the landscape.

What actions are we taking? The Bureau continues its work to develop and provide high-quality educational resources and tools for consumers, including materials highlighting the costs and risks of credit repair and how to spot fraud and scams.

Increasing the Efficiency of the Complaint Process

The Bureau is committed to leveraging technology to deliver faster, more secure services. The complaint process is focused on being a secure, digital-first service for all Americans.

What actions are we taking? The Bureau is building technology, like Application Programming Interfaces (APIs), to more efficiently share complaint information with companies. It will also be using software, like an address validation tool, to provide companies with high-quality information and reassurance that they are responding to their customer.

Defining Operational Categories to Manage Complaints Effectively

While many complaints are sent to companies for response or referred to other agencies automatically, some complaints require manual review. In discussing complaints, those received seconds or minutes ago but not yet sent, referred, or otherwise closed have been viewed the same as those received weeks or months ago. These complaints collectively have been referred to as the complaint "backlog" and have never been distinguished.

What actions are we taking? With record volume, the Bureau took a fresh look at which complaints should constitute a complaint backlog going forward. Most complaints are sent to companies or referred to another agency the same day they are received. For those that require manual review, the Bureau is distinguishing routine work from complaints in the backlog to help ensure that the Bureau can prioritize its work effectively and provide timely responses to consumers.

For operational purposes, the backlog will include complaints awaiting action for more than 30 calendar days from the date of submission, whereas the remainder of complaints will be considered routine, work in progress.

What You Need to Do:

Informational; please share with affected team members.

Federal Register: Financial Data Transparency Act Joint Data Standards (June 25, 2026)

Link

https://www.federalregister.gov/documents/2026/06/25/2026-12787/financial-data-transparency-act-joint-data-standards

Text

The OCC, Board, FDIC, NCUA, CFPB, FHFA, CFTC, SEC, and Treasury are publishing a final joint rule to establish data standards to promote interoperability of financial regulatory data across these agencies. The standards established pursuant to this joint rule will later be considered for potential incorporation (to the extent feasible) into data standards to be adopted for certain collections of information in separate rulemakings by the agencies or through other actions taken by the agencies. At the effective date, the joint rule will not change any reporting requirements without further action by the agencies. The agencies are publishing this joint rule as required by the Financial Data Transparency Act of 2022.

Dates

The joint rule is effective on October 1, 2026. At the effective date, the joint rule will not change any reporting requirements without further action by the agencies.

Editor's Note:

You should already have received a complete manual on this subject. We will not have time to discuss this in depth today, and the effective date is October 1, 2026. If you have not received the manual, contact us or your state association.

What You Need to Do:
Informational; please share with affected team members.

Presidential Documents and Related Information

Executive Order 14406 of May 19, 2026; Restoring Integrity to America's Financial Systems (May 22, 2026)

Link

https://www.federalregister.gov/d/2026-10400

Text

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:

Section 1: Purpose.

America's financial institutions serve a critical role in safeguarding the American people against financial fraud and abuse. My Administration has taken significant steps to lower the costs of providing financial services for Americans and reduce unnecessary and burdensome Federal regulations that restrain economic growth and hamper the competitiveness of financial service providers nationwide. However, it has long been the policy of the United States to adopt tailored measures to safeguard our financial system from illicit use and promote safe and sound lending and other practices by financial institutions. My Administration will not tolerate national security and public safety risks caused by illicit cross-border financial activity, nor will it permit risks to our financial system posed by the extension of credit or financial services to the inadmissible and removable alien population.

Even the provision of the most basic financial services, absent proper know-your-customer practices, can be abused to facilitate the funding of activities that pose significant threats to national security and public safety. Low-dollar cross-border funds transfers have been used to facilitate or commit terrorist financing, narcotics trafficking, human trafficking, and other illegal activity. Financial trend analyses have uncovered hubs of deadly fentanyl-related financial activity in the United States related to Mexico-based cartels. A recent analysis of Chinese money laundering networks identified how foreign passport holders have used United States-based accounts to facilitate the laundering of over $312 billion for criminal organizations, with human trafficking highlighted among the activities associated with the transfers. Robust customer identification programs and enhanced due diligence measures are necessary to mitigate these risks.

Banks and other financial institutions should also be attentive to the credit risks posed by the extension of mortgage and auto loans, credit cards, and other consumer credit to the inadmissible and removable alien population. Many of those borrowers face the possibility of the loss of wages due to removal or their employers' decisions to comply with immigration law. Lending to aliens without legal work authorization or who face a substantial loss-of-wage risk creates a structural “ability to repay” deficiency that undermines the safety and soundness of the national banking system. Additionally, employers who violate immigration law may underreport wages, use mismatched or invalid Social Security numbers and taxpayer identification numbers, or fail to properly withhold or remit payroll taxes. Such schemes can create vulnerabilities within our financial system by obscuring income sources, distorting credit underwriting, and facilitating underground economic activity.

It is the policy of my Administration to restore integrity to America's financial system, safeguard financial institutions against structural risks, and deter fraud and abuse.

Section 2. Definition.

The term "Federal functional financial regulator" means the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration.

Section 3. Safeguarding Against Fraud and Abuse.

(a) Within 60 days of the date of this order, the Secretary of the Treasury shall issue a formal Advisory to financial institutions regarding the risks associated with the exploitation of the United States financial system by non-work authorized populations and their employers. This Advisory shall describe specific red flags and typologies associated with the following categories of suspicious activity:

(i) evidentiary patterns of payroll tax evasion by employers or labor brokers, including the systematic failure to withhold or remit Federal employment taxes for non-work authorized individuals;

(ii) the utilization of certain foreign-identity documents, nominee accounts, shell companies, or complex "funnel" structures designed to obfuscate the identity of the ultimate beneficial owners or conceal the true nature of payroll disbursements;

(iii) the strategic use of unregistered money services businesses, third-party payment processors, or peer-to-peer platforms to facilitate "off-the-books" wage payments intended to bypass Bank Secrecy Act reporting thresholds or tax obligations;

(iv) patterns of repetitive, sub-threshold cash withdrawals or deposits that correlate with payroll cycles conducted outside of regulated payroll processing systems, also known as "structuring and micro-structuring";

(v) financial activity indicative of labor trafficking or forced labor (as defined in 18 U.S.C. 1589), where proceeds are commingled with legitimate business revenue or transferred to foreign jurisdictions; and

(vi) the use of an individual taxpayer identification number (ITIN) to obtain credit products or open depository accounts where the applicant lacks verified lawful immigration status. Although an ITIN facilitates tax compliance, its use in lieu of a Social Security number or valid work-authorized visa may be identified as a risk factor requiring enhanced due diligence to ensure the account is not being utilized to facilitate the unlawful employment of unauthorized aliens.

(b) Within 90 days of the date of this order, the Secretary of the Treasury shall, in consultation with the appropriate Federal functional financial regulators, propose changes to applicable implementing regulations of the Bank Secrecy Act to strengthen risk-based customer due diligence requirements for covered financial institutions. Such changes should ensure that:

(i) institutions collect and verify sufficient customer identity information to reasonably identify the nominal and beneficial owners of accounts in order to assess risks related to illicit finance, sanctions evasion, fraud, or other unlawful activity; and

(ii) institutions maintain the authority, where warranted by other risk indicators or supervisory concerns, to obtain additional information necessary to resolve material compliance concerns, including information relevant to whether account holders possess lawful immigration status and employment authorization in the United States when such information is relevant to assessing risks associated with fraud, identity misrepresentation, sanctions evasion, or other illicit financial activity, as part of a risk-based customer due diligence program.

(c) Within 180 days of the date of this order, the Secretary of the Treasury and the appropriate Federal functional financial regulators shall consider changes to applicable implementing regulations of the Bank Secrecy Act to strengthen risk-based customer identification program requirements for covered financial institutions. Any changes considered should account for the risks foreign consular identification cards pose to the integrity of the United States financial system.

Section 4. Addressing Structural Credit Risks.

(a) Within 60 days of the date of this order, the Consumer Financial Protection Bureau shall consider clarifying that potential deportation and loss of wages are factors that could adversely affect a non-work authorized borrower's ability to repay an extension of credit under the "ability-to-repay" standards in 12 CFR Part 1026 and its appendices and supplements, and that lenders may consider such factors as part of a reasonable and good-faith underwriting determination.

(b) Within 60 days of the date of this order, each appropriate Federal functional financial regulator shall issue guidance regarding the management of the potential credit risks posed by the non-work authorized population.

Section 5. General Provisions.

(a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) The costs for publication of this order shall be borne by the Department of the Treasury.

What You Need to Do:

Informational; please share with interested team members.

Executive Order 14405 of May 19, 2026; Integrating Financial Technology Innovation Into Regulatory Frameworks (May 22, 2026)

Link

https://www.federalregister.gov/documents/2026/05/22/2026-10399/integrating-financial-technology-innovation-into-regulatory-frameworks

Text

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:

Section 1. Policy.

The United States is a global leader in financial innovation, driven in part by the rapid growth of financial technology (fintech) firms. These firms provide innovative services and solutions that enhance access to financial products and services and create economic opportunity for all Americans. To foster this financial innovation, the Federal Government must update regulations to allow integration of digital assets and innovative technology into traditional financial services and payment systems. The Federal Government must also remove overly burdensome and fragmented regulations and supervisory practices that form barriers to entry and primarily benefit incumbent financial services firms.

It is therefore the policy of the United States to streamline regulatory processes, reduce unnecessary barriers to entry, and encourage collaboration between fintech firms, federally regulated financial institutions, and Federal financial regulators.

Section 2. Definitions.

For the purposes of this order: (a) “Fintech firm” refers to a non-bank company that uses or develops technological means to offer or support the offering of financial products or services, including, but not limited to, any application or any digital or online technology that facilitates access to, management of, or data processing for financial products or services. Such financial products or services may include, but are not limited to, payment processing, lending, deposit-taking, derivatives, investment management, brokerage services, underwriting and capital-market activities, custodial and fiduciary services, digital banking, digital asset-related services, securities and commodities market activities, and blockchain-based services. For the avoidance of doubt, such financial products or services also include the activities set forth in paragraphs (A) through (G) of section 4(k)(4) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)(4)).

(b) “Bank” has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(c) “Credit union” means an “insured credit union”, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752(7)).

(d) “Financial products and services” refer to activities permissible under Federal or State law for a bank or credit union to undertake as well as the financial activities listed in Appendix A to

12 CFR part 242.

(e) "Federal financial regulators" refers to the Consumer Financial Protection Bureau, the Securities and Exchange Commission, the National Credit Union Administration, the Commodity Futures Trading Commission, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency.

Section 3. Streamlining Regulatory Processes.

(a) Within 90 days of the date of this order, the head of each Federal financial regulator shall conduct a review of existing regulations, guidance, supervisory practices, and application processes to identify those that could be updated to facilitate innovation, and competition to financial products and services for fintech firms, particularly those that are small and emerging. The reviews shall identify regulations, guidance documents, orders, no-action letters, and other items that unduly impede fintech firms from entering into partnerships with federally regulated institutions (including insured depository institutions, credit unions, broker-dealers, investment advisers, and futures commission merchants), as well as regulations, guidance documents, orders, no-action letters, and other items that could be amended to streamline application processes for eligible fintech firms seeking bank charters, credit union charters, deposit or share insurance, and other Federal licenses, registrations, and authorizations, balancing innovation interests with the importance of safety and soundness, consumer and investor protection, market integrity, financial stability, and oversight.

(b) Within 180 days of the date of this order, the head of each Federal financial regulator shall, in consultation with the Assistant to the President for Economic Policy, take steps to encourage innovation as a result of the review described in subsection (a) of this section.

Section 4. Access to Federal Reserve Services.

(a) The Board of Governors of the Federal Reserve System (FRB) is requested to complete the actions described in section 3 of this order.

(b) The FRB is requested to conduct a comprehensive evaluation of the legal, regulatory, and policy framework governing access to Reserve Bank payment accounts and payment services by uninsured depository institutions and non-bank financial companies, including those engaged in digital assets and other novel financial activities (collectively, covered firms), and those functioning as direct participants in real-time (instant) payment networks. Within 120 days of the date of this order, the FRB is requested to submit a report to the President, through the Assistant to the President for Economic Policy, setting forth its findings, options, and any recommendations. The evaluation is requested to assess:

(i) the legal authority of the Federal Reserve, under the Federal Reserve Act and other applicable Federal law, to extend direct access to Federal Reserve payment accounts and payment services to covered firms;

(ii) options for expanding such access to the extent permitted by law, subject to appropriate risk management requirements;

(iii) legal impediments that preclude direct access and a detailed analysis of those impediments, and legislative or regulatory options that would enable such access while mitigating risks to the payment system, financial stability, and the United States economy; and

(iv) whether, and if so to what extent, each of the 12 Federal Reserve Banks has legal authority to act independently of the FRB in granting or denying access to Reserve Bank payment accounts and payment services and, if independent action and decisions by individual Federal Reserve Banks is legally permissible, what FRB-level regulations or policies the FRB has established or proposes to establish to ensure that covered firms are evaluated on a consistent basis regardless of which Federal Reserve Bank receives or processes their applications.

(c) To the extent the FRB determines, pursuant to its review under subsection (b) of this section, that existing law permits the extension of direct access for covered firms to Reserve Bank payment accounts and payment services, the FRB is requested to establish transparent application procedures for such access and to make determinations with respect to complete applications within 90 days of the application date for such access.

Section 5. General Provisions.

(a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) The costs for publication of this order shall be borne by the Department of the Treasury.

What You Need to Do:

Informational; please share with interested team members.

Lending Issues

Section 1: ECOA; Regulation B
Disparate Impact

CFPB: Final Rule Related to Disparate Impact (April 22, 2026)

Link

https://www.govinfo.gov/content/pkg/FR-2026-04-22/pdf/2026-07804.pdf

Text

The Consumer Financial Protection Bureau (Bureau or CFPB) is issuing a final rule that amends provisions related to disparate impact, discouragement of applicants or prospective applicants, and special purpose credit programs under Regulation B, the regulation implementing the Equal Credit Opportunity Act (ECOA or Act). The amendments facilitate compliance with ECOA by clarifying the obligations imposed by the statute. DATES: This final rule is effective July 21, 2026.

SUPPLEMENTARY INFORMATION:

I. Summary

Pursuant to its authority under ECOA, 15 U.S.C. 1691b(a), and the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), 12 U.S.C. 5512(b), the Bureau is amending provisions in Regulation B, 12 CFR part 1002, pertaining to: whether disparate impact is cognizable under the Act; under what circumstances a creditor may be deemed to be discouraging an applicant or prospective applicant; and under what conditions a creditor may offer special purpose credit programs (SPCPs).

In 2020, the Bureau issued a Request for Information on ECOA and Regulation B (RFI). The RFI solicited information about disparate impact, prospective applicants, and SPCPs, among other topics. The Bureau reviewed the comments submitted in response to the RFI and obtained other information in the course of carrying out its statutory responsibilities. In November 2025, the Bureau issued a notice of proposed rulemaking amending Regulation B (proposal or proposed rule). The Bureau has considered the comments submitted in response to the proposed rule.

The Bureau now finalizes the rule as proposed. The Bureau's final rule provides that ECOA does not authorize disparate-impact liability (effects test), further defines discouragement, and adds prohibitions and conditions for SPCPs.

II. Background

[Omitted]

III. Discussion of the Final Rule

A. Overview of Bureau's Approach

[Omitted]

B. Disparate Impact

[Omitted]

C. Discouragement

Proposed Rule

[Omitted]

Final Rule

The Bureau is finalizing, as proposed, the amendments to § 1002.4(b) and its accompanying commentary. ECOA section 703(a) authorizes the Bureau to make adjustments in Regulation B that, in its judgment, are necessary or proper to effectuate ECOA's purposes. Specifically, ECOA section 703(a) provides that the Bureau "shall prescribe regulations to carry out the purposes of [ECOA]," and that such regulations:

May contain but are not limited to such classifications, differentiation, or other provision, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Bureau are necessary or proper to effectuate the purposes of [ECOA], to prevent circumvention or evasion thereof, or to facilitate or substantiate compliance therewith.

When the discouragement provision was promulgated in 1975, the Board, using its adjustment authority under ECOA section 703(a), determined in its judgment that prohibiting discouragement was "necessary to protect applicants against discriminatory acts occurring before an application is initiated." The U.S. Court of Appeals for the Seventh Circuit, in 2024, affirmed the Bureau's broad, discretionary authority over the discouragement prohibition. The court observed that the discouragement provision had been adopted pursuant to the Board's (now the Bureau's) broad authority to "prescribe regulations to carry out the purposes of [ECOA]," and to "provide for such adjustments and exceptions" that, "in the judgment of the Bureau are necessary or proper to effectuate the purposes of [ECOA], to prevent circumvention or evasion thereof, or to facilitate or substantiate compliance therewith."

Pursuant to its adjustment authority under ECOA section 703(a), and in consideration of what the Bureau, using its expertise and experience as a regulator in the marketplace, finds necessary and proper given the purposes of ECOA and facilitating compliance therewith, the Bureau has reconsidered various aspects of the discouragement provision. The finalized revisions address several different aspects of § 1002.4(b): (1) what constitutes an oral or written statement, (2) what constitutes a statement to an applicant or prospective applicant, and (3) the standard for showing prohibited discouragement. These revisions continue to prohibit illegal discouragement of applicants and prospective applicants but no longer exceed that purpose in ways that may impose unnecessary constraints in the marketplace.

In the 50 years since the discouragement prohibition was first implemented at the Board's discretion, the provision has been interpreted to prohibit conduct that, in the Bureau's judgment, is not necessary or proper to prohibit or to prevent the circumvention or evasion of ECOA's purposes. For example, the inclusion of the phrase "acts or practices" in current comment 4(b)-1 has resulted in § 1002.4(b) being interpreted overly broadly to apply to business practices that, though they may have some communicative effect, do not reflect the circumvention or evasion of ECOA's prohibition against discrimination that the discouragement provision was designed to address. Such practices include, for example, business decisions about where to locate branch offices, where to advertise, or where to engage with the community through open houses or similar events. In the Bureau's view, such practices do not constitute "oral or written statements" to applicants or prospective applicants within the meaning of § 1002.4(b) and do not, in and of themselves, demonstrate prohibited discouragement.

In addition, current § 1002.4(b) has been interpreted to prohibit the selective encouragement of certain applicants or prospective applicants (for example, geographically targeted advertising) on the basis that such encouragement could discourage applicants or prospective applicants who did not receive it. This interpretation, too, is overbroad relative to the intended purposes of the discouragement prohibition. The purpose of ECOA is to make credit available to all applicants on a non-discriminatory basis, and § 1002.4(b) helps to achieve that purpose by prohibiting creditors from discouraging applicants or prospective applicants. Encouraging statements are not intended to (or even likely to) discourage other applicants or prospective applicants, who did not receive the statements and might, in fact, have been entirely unaware of them, from applying for credit. Such conduct is not typically an evasion of ECOA's prohibitions, nor is prohibiting it necessary or proper to achieve the purposes of ECOA.

Current § 1002.4(b) has also been interpreted to apply to scenarios that should not be characterized as prohibited discouragement under ECOA. These are scenarios that—though they may involve potentially controversial statements by creditors—do not involve statements that an objective creditor would know, or should know, would cause a reasonable person to believe that the creditor would deny them credit or offer them credit on less favorable terms than other borrowers. There is a difference between a statement by a creditor that an applicant or potential applicant may not like or may disagree with, and a statement that would cause a reasonable person to be discouraged from applying for credit with that creditor.

Constraints on these types of business practices and statements, as currently exist, harm the marketplace by unnecessarily regulating business practices and limiting expression. Industry commenters confirmed that their ability to make important business decisions and speak freely has been constrained by broad interpretations of the existing discouragement provision. The Bureau concludes that § 1002.4(b), as amended, will not infringe on anyone's First Amendment rights.

The revisions to the discouragement prohibition, as finalized, are not inconsistent with the Bureau's consumer protection mandate, as alleged by at least one commenter. The Bureau is an agency that implements and enforces consumer financial law and ensures that markets for consumer financial products are transparent, fair, and competitive. The current discouragement provision has been interpreted to prohibit conduct that it is not necessary or proper to prohibit in order to prevent the circumvention or evasion of ECOA's purposes. This, in turn, has had an unnecessarily chilling effect on creditors' business practices and exercise of their rights to speak about matters of public interest. The finalized revisions are intended to ensure that the Bureau implements and enforces consumer financial law without imposing additional, unnecessary constraints on the marketplace.

The APA permits the Bureau to amend its regulations, including those related to discouragement, through the notice and comment process, regardless of how long the prior policy has been in place. Under that standard, it is not arbitrary and capricious for an agency to change its position if, among other things, the agency acknowledges the change and provides good reasons supporting that change. Federal agencies amend policies for myriad reasons, including in response to observing how its policies operate in practice, changes in circumstance, and shifting priorities. The finalized amendments will be applied prospectively, taking effect 90 days after publication in the Federal Register, and will not affect statements or actions that have already occurred, or cases that have already been decided.

The Bureau acknowledges that the revisions, as finalized, may impact certain groups of consumers more than others. As discussed in the proposal, the amendments to the definition of discouragement may result in consumers not applying for credit and facing greater barriers to accessing credit than they otherwise would have under the existing rule. Certain groups of consumers may be excluded from advertising campaigns or lenders may choose to engage less with certain groups of consumers. As a result, some consumers may not be aware of credit products from all available lenders. Moreover, some consumers may lose convenient access to financial services if lenders alter their branch location decisions. In particular, elderly, minority, and low-income consumers are more likely to rely on brick-and-mortar branch services instead of online or mobile banking. If lenders alter their branch location decisions, then these customers may no longer be able to easily access financial services and products. However, narrowing the overbroad interpretation of the discouragement provision also benefits these very consumers, and may mitigate such impacts, by explicitly permitting lenders to make encouraging statements directed at any group of consumers. As finalized, § 1002.4(b) will no longer be interpreted to prohibit the selective encouragement of certain applicants or prospective applicants on the basis that such encouragement could discourage applicants or prospective applicants who did not receive it, thus enabling access to credit for all consumers.

While it is also true that the revisions, as finalized, will reduce legal liability for lenders under ECOA from what it is today, the revisions restore the proper scope of prohibited discouragement behavior. States are not prohibited from enforcing the anti-discouragement provisions of Regulation B, as amended. In addition, other statutes, including HMDA and State laws, remain unchanged.

Finally, the Bureau determines it is unnecessary to provide a definition of “prospective applicant” in the regulatory text as requested by at least one commenter. The term “applicant” is already defined in current § 1002.2(e). An applicant generally is any person who requests or who has received an extension of credit from a creditor, and includes any person who is or may become contractually liable regarding an extension of credit. The term “prospective” is an adjective commonly understood to mean “relating to or effective in the future.” Thus, a prospective applicant has generally been understood to be any person who may, in the future, request or receive an extension of credit from a creditor. The Bureau is not altering its meaning in this rulemaking.

For these reasons, and for the reasons stated below, the Bureau has, in its discretion and using its expertise and experience as a regulator in the marketplace, reevaluated various aspects of the discouragement prohibition in light how those provisions have been so broadly interpreted over the course of the last 50 years. The specific amendments are discussed below, as are more fulsome justifications for finalizing the amendments as proposed.

Oral or Written Statement

For the reasons discussed above and stated herein, the Bureau is finalizing § 1002.4(b) as proposed. Specifically, the Bureau is finalizing language added to § 1002.4(b) clarifying that "oral or written statement" means spoken or written words, or visual images such as symbols, photographs, or videos. This includes any visual images used in advertising or marketing campaigns. The Bureau is also aligning the text of comment 4(b)-1 with the text of current § 1002.4(b), as proposed, by replacing current references in the comment to "acts or practices" or "practices" with references to "oral or written statements" or "statements," respectively.

Final § 1002.4(b) provides clear guidelines on the conduct that constitutes discouragement. The revisions are not inconsistent with congressional intent to prevent discrimination and the circumvention of ECOA's purposes, as alleged by some consumer advocates. The Bureau has determined that the inclusion of the phrase "acts or practices" in comment 4(b)-1 has resulted in § 1002.4(b) being interpreted overly broadly to apply to business practices that, though they may have some communicative effect, do not reflect the circumvention or evasion of ECOA's prohibition against discrimination that the discouragement provision was designed to address. Such practices include, for example, business decisions about where to locate branch offices, where to advertise, or where to engage with the community through open houses or similar events. In the Bureau's view, such practices do not constitute "oral or written statements" to applicants or prospective applicants within the meaning of § 1002.4(b) and do not, in and of themselves, demonstrate prohibited discouragement. As finalized, the business practices noted above would not constitute prohibited discouragement even if they had some communicative effect that some consumers could arguably find discouraging.

Regarding consumer advocate comments on redlining, § 1002.4(b), as finalized, does not permit redlining. ECOA and Regulation B prohibit a creditor from denying an application or providing an applicant less advantageous credit terms because of a prohibited basis characteristic. The Bureau is not eliminating the prohibition against discouragement of applicants and prospective applicants. Preapplication discrimination remains addressable under Regulation B and other discriminatory conduct remains addressable under ECOA's antidiscrimination mandate.

Consumer advocate commenters alleged that comment 4(b)-1, as proposed, would contradict circuit court precedent. This is not the case. As previously discussed above, the Seventh Circuit recognized that the Bureau has the broad authority to prohibit the discouragement of prospective applicants in order to prevent circumvention or evasion of ECOA. Proposed comment 4(b)-1 does not contradict that finding and, indeed, relies on that authority to accomplish that very task. The Bureau has determined, however, that the existing prohibition against discouragement sweeps in substantially more speech and conduct than is necessary, in its judgment, to accomplish those goals. Because the Bureau has broad authority to "provide for such adjustments and exceptions" that, "in the judgment of the Bureau are necessary or proper to effectuate the purposes of [ECOA], to prevent circumvention or evasion thereof, or to facilitate or substantiate compliance therewith," the Bureau is exercising its adjustment authority to align more closely the discouragement provision with those purposes.

Regarding comments that the Bureau failed to provide sufficient legal or factual data to support the proposed elimination of references to "acts or practices" in comment 4(b)-1, the Bureau explained that it has observed how references to acts or practices have expanded the discouragement provision beyond its original scope. In 1985, the Board added comment 5(a)-1 (precursor to the Bureau's comment 4(b)-1), which states, in part, that § 202.5(a) (precursor to the Bureau's § 1002.4(b)) covers "acts or practices" by creditors that could discourage on a prohibited basis a reasonable person from applying for credit; the Board added this to Regulation B without explaining the reasoning for expanding the scope. Comment 5(a)-1 stated that "in keeping with the purpose of the act—to promote the availability of credit on a nondiscriminatory basis § 202.5(a) covers acts or practices directed at potential applicants." The comment provided three examples of prohibited practices, including "the use of words, symbols, models or other forms of communication in advertising that express, imply, or suggest a discriminatory preference or a policy of exclusion in violation of the Act." In the Bureau's view, "acts or practices" do not constitute "oral or written statements" to applicants or prospective applicants within the meaning of § 1002.4(b) and do not, in and of themselves, demonstrate prohibited discouragement. As finalized, the discouragement provision only covers actual oral or written statements by creditors to applicants or prospective applicants. The Bureau has determined that clarifying the discouragement provision as described would facilitate compliance with ECOA and Regulation B and result in more targeted and effective enforcement of the prohibition against discouragement to prevent conduct designed to circumvent the statute's prohibition against discrimination.

With respect to commenters' assertion that limiting discouragement to oral or written statements would permit pre-application discouragement conduct, final comment 4(b)-1 does not eliminate protections against pre-application discrimination. Final comment 4(b)-1 provides creditors with clear guidance about the types of communications that are permitted. Creditors can engage in routine business decisions without fear that these business practices will be treated as discouragement. As explained by one commenter, branch location and outreach strategies have generated substantial uncertainty and litigation risk without improving protection for consumers. Along those same lines, industry commenters agree that the current discouragement regulations are overbroad and have had a chilling effect on lawful expression by creditors. Creditors have responded to the overbroad interpretation of "acts or practices" by limiting communications to avoid liability, thus chilling lawful speech. One credit union trade group noted the decision to define oral or written statement as the most important aspect of the proposal.

Statement to Applicants or Prospective Applicants

As noted, § 1002.4(b) currently prohibits creditors from making any oral or written statement to applicants or prospective applicants that would discourage a reasonable person from making or pursuing an application for credit. Section 1002.4(b) has been interpreted to prohibit the selective encouragement of certain applicants or prospective applicants (for example, geographically targeted advertising) on the basis that such encouragement could discourage applicants or prospective applicants who did not receive it. For the reasons discussed above and stated herein, the Bureau has determined that this interpretation is overbroad relative to the intended purposes of the discouragement prohibition and the Bureau is finalizing as proposed § 1002.4(b) and its accompanying commentary.

Some commenters raised concerns that the rule does not reflect the limitations applied to the rest of the housing market through the FHA. However, the FHA and ECOA are distinct statutes that Congress intended to be implemented and enforced by different agencies. The purpose of ECOA is to make credit available to all applicants on a non-discriminatory basis, and § 1002.4(b) helps to achieve that purpose by prohibiting creditors from discouraging applicants or prospective applicants. This final rule states that, when a creditor directs encouraging statements to certain applicants or prospective applicants, this is not an action intended to (or even likely to) discourage other applicants or prospective applicants, who did not receive the statements and might, in fact, have been entirely unaware of them, from applying for credit.

In response to the proposed amendments to permit creditors to make encouraging statements to certain applicants or prospective applicants, some commenters concocted hypothetical examples of signs they purport the proposed amendments to allow. Although final comment 4(b)-1 states that encouraging statements directed at one group of consumers cannot discourage other consumers who were not the intended recipients of the statements, final § 1002.4(b) and its commentary do not permit a lender to hang signs that express a discriminatory preference or policy of exclusion. Final comment 4(b)-1.i.B provides that prohibited discouragement includes statements directed at the public that express a discriminatory preference or policy of exclusion against consumers based on one or more prohibited basis characteristics. Statements that express a discriminatory policy or preference include spoken or written words, or visual images such as symbols, photographs, or videos that indicate a bias that excludes individuals based on one or more protected basis characteristics. Statements made in contexts in which a creditor knows or should know would cause a reasonable person to believe that the creditor would deny their credit application, or would grant it on less favorable terms, because of their prohibited basis characteristic(s), are prohibited by § 1002.4(b). As such, the final rule will allow for targeted outreach and business communications without chilling free speech or expanding discouragement liability but will not allow creditors to disguise statements that indicate a discriminatory preference or policy as permissible encouraging statements.

As stated in the proposal, an intended recipient includes any person whom a creditor could reasonably expect to receive a particular statement. Factors that could help determine a statement's intended recipients include the method or mechanism used to communicate it. For example, the intended recipients of a directly mailed advertisement would be the addressed recipients of that mailer, whereas a statement made by a creditor on a public television or radio broadcast, or posted on a window sign, would presumably be to the general public. As to a commenter's assertion that a definition of “intended recipient” does not appear in the proposed regulation text or commentary, “intended recipient” is objective and the Bureau provides examples in the rule's preamble that sufficiently allow a creditor to understand the term.

Together, final § 1002.4(b) and comment 4(b)-1 clarify that affirmatively encouraging one group of consumers to apply for credit does not discourage others who were not the intended recipients of the message. Targeted advertising and outreach to underserved populations can improve access to credit and advance the purpose of ECOA by generating applications from qualified consumers who otherwise would not have known about the product or service being offered. An industry trade commenter expressed this viewpoint noting that its members' efforts to encourage applications from traditionally underserved communities or use of targeted marketing to prospective applicants, are routine creditor practices to generate applications from creditworthy individuals or businesses. Further, evaluating encouragement based on any asserted effect on other potential audiences would broaden discouragement beyond what is necessary or proper to achieve the purposes of ECOA. Current § 1002.4(b) created an overly broad restriction on speech causing creditors to limit communications.

Affirmative encouragement directed at one group of consumers does not automatically convey that other consumers will be treated unfavorably or are disfavored from applying, as asserted by opponents of the proposal. For example, while a creditor may affirmatively encourage one group of consumers to apply for credit, a creditor may not make statements that it knows or should know would cause a reasonable person to believe that the creditor would deny their credit application, or would grant it on less favorable terms, because of their prohibited basis characteristic(s).

As such, the Bureau determines that encouraging statements by creditors directed at one group of consumers is not prohibited discouragement as to applicants or prospective applicants who were not the intended recipients of the statements, and statements directed at one group of consumers, encouraging that group of consumers to apply for credit, are generally not prohibited by § 1002.4(b). Such conduct is not typically an evasion of ECOA's prohibitions, nor is prohibiting it necessary or proper to achieve the purposes of ECOA. Applying limiting principles to the reach of Regulation B will help render the scope of the regulation more consistent with Congress' stated intent in ECOA's framework and will also permit creditors to have clear rules and guidelines they can follow to comply with the law.

Standard for Discouragement

For the reasons discussed above and stated herein, the Bureau is finalizing as proposed § 1002.4(b) and its accompanying commentary with respect to the standard for discouragement. As noted, the prohibition against discouragement was adopted to prevent creditors from circumventing ECOA's prohibition against discrimination by deterring prospective applicants from even applying for credit. While this is an appropriate goal, the Bureau concludes that § 1002.4(b) has been interpreted to apply to scenarios that should not be characterized as prohibited discouragement under ECOA. These are scenarios that—though they may involve potentially controversial statements by creditors—do not involve statements that an objective creditor would know, or should know, would cause a reasonable person to believe that the creditor would deny them credit or offer them credit on less favorable terms than other borrowers.

The Bureau does not believe that the "knows or should know" standard would be unreasonably difficult to prove as asserted by consumer advocates. The "knows or should know" standard sets an appropriate standard for discouragement claims. It provides a workable test that results in more targeted enforcement. Additionally, it is an appropriate exercise of the Bureau's rulemaking authority that permits the Bureau to adopt regulations necessary or appropriate to prevent circumvention or evasion of ECOA's purposes. In response to comments asserting that the Bureau has not demonstrated how to prove the knows or should know standard, the Bureau has considered these comments but does not find it necessary to provide additional clarification. The term "knows or should know" is a common term and the Bureau uses the term consistent with its ordinary meaning, which it believes creditors can readily understand. Ultimately, whether a creditor knows or should know that its statement would cause a reasonable person to believe that the creditor would deny them credit or offer them credit on less favorable terms on a prohibited basis is a situationally specific question of fact, and any dispute would be appropriately resolved by a fact finder.

Some commenters asserted that under the proposal, lenders may circumvent ECOA's protections via targeted digital advertising, steering, and other pre-application conduct. While digital advertising and marketing technologies that allow lenders to target consumers may present new risks for consumers, the "knows or should know" standard sufficiently addresses the risk.

The Bureau declines to modify the standard provided in § 1002.4(b) to include only statements made with actual knowledge, as requested by some industry commenters. A statement is prohibited discouragement only if a creditor "knows or should know" that the statement would cause a reasonable person to believe that the creditor would deny their credit application, or would grant it on less favorable terms, because of their prohibited basis characteristic(s). A creditor should have known that its statement would cause a reasonable person to believe that the creditor would discriminate against them in their application for credit and the creditor cannot feign ignorance of the statement's effect. This standard does not exceed the Bureau's rulemaking authority as asserted by an industry commenter. As previously stated, the Bureau maintains authority under ECOA section 703(a) to make adjustments in Regulation B that, in its judgement, are necessary or proper to effectuate ECOA's purposes. The adjustments provided in final § 1002.4(b) are consistent with ECOA section 701(a), which makes it "unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction (1) on the basis of race, color, religion, national origin, sex or marital status, or age (provided the applicant has the capacity to contract); (2) because all or part of the applicant's income derives from any public assistance program; or (3) because the applicant has in good faith exercised any right under [the Consumer Credit Protection Act].” The standard does not exceed ECOA's purpose as asserted by an industry commenter. Instead, it furthers ECOA's purpose of prohibiting credit discrimination by preventing evasion or circumvention of the statute.

While a creditor may be permitted to make a statement that an applicant or potential applicant may not like or may disagree with, a creditor is not permitted to make a statement that it knows or should know would cause a reasonable person to believe that the creditor would deny their credit application, or would grant it on less favorable terms, because of their prohibited basis characteristic(s). The Bureau believes that there is a difference between a statement by a creditor that an applicant or potential applicant may not like or may disagree with, and a statement that would cause a reasonable person to believe that the creditor will discriminate against them in the credit transaction. As noted in the proposal, the Bureau believes that difference should be better reflected in Regulation B. Applying the limiting principle would more closely align the regulation with the task of preventing circumvention or evasion of Congress' intent in ECOA. Statements that are controversial or unpopular are not the type of statements that Congress intended to be prohibited under ECOA. Instead, the discouragement prohibition prevents statements that would discourage prospective applicants from even applying for credit.

Final § 1002.4(b) and accompanying commentary do not limit discouragement liability only to the most overtly discriminatory statements as suggested by commenters. It narrows discouragement liability to statements that themselves would cause a reasonable person to believe that the creditor would make a different decision about credit terms or availability based on the consumer's prohibited basis characteristic. In the Bureau's view, these are statements that themselves would cause a reasonable person to believe that the creditor would make a different decision about credit terms or availability based on the applicant or prospective applicant's prohibited basis characteristic(s).

Section 1002.4(b) and accompanying commentary do not authorize creditors to make statements mocking or mistreating prospective applicants on a prohibited basis as long as the statements did not specifically concern the credit decision or credit terms, as suggested by one commenter. As discussed above, final comment 4(b)-1.i.B provides that prohibited discouraging statements include statements directed at the general public that express a discriminatory preference or policy of exclusion in violation of ECOA. The focus on what a creditor expresses is consistent with ECOA's purpose of prohibiting credit discrimination. The Bureau believes it is appropriate to focus the discouragement analysis on whether a reasonable person would believe they would be denied or treated less favorably because of a prohibited basis characteristic.

Thus, the revision would narrow prohibited discouragement to cover only statements that themselves would cause a reasonable person to believe that the creditor would make a different decision about credit terms or availability based on the applicant or prospective applicant's prohibited basis characteristic(s). Prohibited discouragement does not include every statement a creditor makes. As indicated by a commenter, discouragement has been interpreted in the past to capture generalized public-facing speech that is not based on any explicit exclusionary message, but on how certain listeners might react. Focusing on the connection between the credit transaction and the applicant's prohibited basis characteristic provides a clear workable standard.

In addition, final § 1002.4(b) and accompanying commentary reflect a valid policy judgment made within the Bureau's delegated adjustment authority under ECOA section 703(a). Under ECOA section 703(a), the Bureau has authority to make adjustments in Regulation B that, in its judgment, are necessary or proper to effectuate ECOA's purposes. The Bureau is prioritizing a narrower interpretation of discouragement, rather than an overbroad policy that unnecessarily constrains speech and prohibits behavior that is not a circumvention or evasion of ECOA's purposes. Final § 1002.4(b) and accompanying commentary modify the framework used to determine whether conduct is discouraging without eliminating the underlying prohibition and will provide lenders with clear rules and guidelines to comply with. An industry commenter affirmed this, stating that the proposed changes to § 1002.4(b) and the commentary would decrease the regulatory burden for credit unions because the revised provisions are less ambiguous and more straightforward for compliance and examination purposes.

In comments 4(b)-1.ii.B through D, which the Bureau is finalizing, the Bureau provided examples of the types of statements that a creditor would not (or should not) know would cause a reasonable person to believe that the creditor would deny (or would grant on less favorable terms) credit to an applicant or prospective applicant based on their prohibited basis characteristic(s). Some commenters expressed concerns that these examples do not account for the context in which the statements are made. One commenter provided a fact pattern that the commenter believed should be prohibited but would fall within the examples of non-prohibited statements listed in comment 4(b)-1.ii. The Bureau has concluded that the examples of statements in comment 4(b)-1.ii are not, themselves, statements that a creditor would (or should) know would cause a reasonable person to believe that the creditor would deny their credit application, or would grant it on less favorable terms, because of their prohibited basis characteristic(s), and are therefore not prohibited by § 1002.4(b). However, creditors should be mindful of what influences how a reasonable person would understand a statement, and that the context in which oral or written statements are made may illustrate the creditor's intended meaning of the statement. Section 1002.4(b) prohibits statements directed at applicants or prospective applicants that the creditor knows or should know would cause a reasonable person to believe that the creditor would deny their credit application, or would grant it on less favorable terms, because of their prohibited basis characteristic(s). Creditors also remain subject to other obligations under applicable State and Federal laws. Comment 4(b)-2

For the reasons discussed above and stated herein, the Bureau is finalizing its proposed removal of comment 4(b)-2. Currently, comment 4(b)-2 provides that creditors may affirmatively solicit or encourage members of traditionally disadvantaged groups to apply for credit, especially groups that might not normally seek credit from that creditor. As discussed in the proposal, removing current comment 4(b)-2 does not represent a substantive change. The Bureau is merely removing the comment because it is unnecessary. Creditors' Regulation B compliance requirements remain unchanged. Further, final comment 4(b)-1 provides that affirmatively encouraging one particular group of customers to apply for credit does not constitute prohibited discouragement of another group. The final rule addresses the duplicative nature of current comment 4(b)-2 and final comment 4(b)-1 by removing current comment 4(b)-2.

In response to commenters' request that the Bureau also provide guidance explaining when affirmative marketing might become prohibited disparate treatment based on protected characteristics, removing the comment does not change the underlying discrimination standard. Because no substantive change is intended, additional guidance is unnecessary.

In response to commenters' assertion that the deletion will hinder creditors' outreach to underserved communities, expanding outreach to communities that creditors may have avoided or not have previously reached is consistent with and supports Regulation B's objective of "promoting the availability of credit to all creditworthy applicants without regard" to prohibited basis characteristics. Additionally, final comment 4(b)-1 makes clear that creditors are permitted to engage in targeted advertising. Specifically, it provides that selective encouragement directed at one audience would not be treated as discouraging to other audiences who were not the intended recipients of the message. Additionally, final comment 4(b)-1.ii.A provides that statements directed at one group of consumers, encouraging that group of consumers to apply for credit, are not prohibited by § 1002.4(b). Final comments 4(b)-1 and 4(b)-1.ii.A are clear that lawful outreach is permitted. Removing comment 4(b)-2 should not introduce regulatory uncertainty nor increase creditors' compliance costs, as asserted by some commenters.

The Bureau therefore strikes comment 4(b)-2 as unnecessary; no substantive change is intended.

Technical Revision Related to Prospective Applicants

For the reasons discussed above and stated herein, the Bureau is finalizing the technical revision related to prospective applicants in § 1002.15(d)(1)(ii) as proposed. Current § 1002.15(d)(1)(ii) states that the report or results of a privileged self-test may not be obtained or used "by a government agency or an applicant (including a prospective applicant who alleges a violation of § 1002.4(b)) in any proceeding or civil action in which a violation of the Act or this part is alleged." The final rule strikes from § 1002.15(d)(1)(ii) the reference to prospective applicants.

Some commenters expressed concern with the proposed amendment and requested that the Bureau maintain current § 1002.15(d)(1)(ii). As discussed in the proposal, this is a technical correction, and no substantive change is intended. Only an "aggrieved applicant" has standing under ECOA to bring a private cause of action. To the extent a prospective applicant qualifies as an "aggrieved applicant" for the purposes of section 706(a), that plaintiff would similarly be an "applicant" for the purposes of § 1002.15(d)(1)(ii). A person who is not an aggrieved applicant under 706(a) would not have a private cause of action, and, thus, there would be no civil action to which § 1002.15(d)(1)(ii) could apply. The revision merely conforms the language of § 1002.15(d)(1)(ii) with the statutory language of ECOA sections 704A(a)(2) and 706. Any government agency or applicant who currently can allege a violation of ECOA or Regulation B in a civil action will still be able to do so, and the privilege protections of § 1002.15(d)(1)(ii) would apply just as they currently do.

Alternatives

The Bureau considered, but is not adopting, alternatives to proposed § 1002.4(b). The Bureau requested comment on the merits of an alternative approach in which the Bureau would revise only one or two aspects of § 1002.4(b), instead of the proposed three, and, if such an approach were adopted, which aspects of § 1002.4(b) should be revised, but commenters did not appear to directly address this request.

With respect to the request to address lender fraud protection efforts, the Bureau does not believe amendments to Regulation B specific to lender fraud prevention efforts are necessary in this rulemaking. The proposed amendments, as finalized, do not prohibit creditors from engaging in non-discriminatory fraud prevention activities. Additionally, amendments to Regulation V, implementing the FCRA, are beyond the scope of this rulemaking. The Bureau is also unable to establish a new Federal agency, as requested by a commenter.

D. Special Purpose Credit Programs

Proposed Rule

[Omitted]

Editor's Note

Very few banks are involved with Special Purpose Credit Programs. If your bank is involved, you may wish to review this section using the link above.

IV. Effective Date

[Omitted]

V. CFPA Section 1022(b) Analysis

[Omitted]

PART 1002—EQUAL CREDIT OPPORTUNITY ACT (REGULATION B)

1. The authority citation for part 1002 continues to read as follows:

Authority: 12 U.S.C. 5512, 5581; 15 U.S.C. 1691b. Subpart B is also issued under 15 U.S.C. 1691c–2.

Subpart A—General

§1002.4 General rules.

* * * * *

(b) **Discouragement.** A creditor shall not make any oral or written statement, in advertising or otherwise, directed at applicants or prospective applicants that the creditor knows or should know would cause a reasonable person to believe that the creditor would deny, or would grant on less favorable terms, a credit application by the applicant or prospective applicant because of the applicant or prospective applicant's prohibited basis characteristic(s). For purposes of this paragraph (b), oral or written statements are spoken or written words, or visual images such as symbols, photographs, or videos.

§1002.6 Rules concerning evaluation of applications.

(a) General rule concerning use of information. Except as otherwise provided in the Act and this part, a creditor may consider any information obtained, so long as the information is not used to discriminate against an applicant on a prohibited basis. The Act does not provide that the "effects test" applies for determining whether there is discrimination in violation of the Act.

* * * * *

§1002.8 Special purpose credit programs.

(a) * * *

(3) * * *

(i) The program is established and administered pursuant to a written plan that:

(A) Identifies the class of persons that the program is designed to benefit;

(B) Sets forth the procedures and standards for extending credit pursuant to the program;

(C) Provides evidence of the need for the program;

(D) Explains why, under the organization's standards of creditworthiness, the class of persons would not receive such credit in the absence of the program; and

(E) When the persons in the class are required to share one or more common characteristics that would otherwise be a prohibited basis, explains why meeting the special social needs addressed by the program:

(1) Necessitates that its participants share the specific common characteristics that would otherwise be a prohibited basis; and

(2) Cannot be accomplished through a program that does not use otherwise prohibited bases as participant eligibility criteria; and

(ii) The program is established and administered to extend credit to a class of persons who, under the organization's standards of creditworthiness, would not receive such credit.

(b) Controlling provisions

* * * * *

(2) **Common characteristics.** A program described in paragraph (a)(2) or (3) of this section qualifies as a special purpose credit program only if it was established and is administered so as not to discriminate against an applicant on any prohibited basis; however, except as provided in paragraphs (b)(3) and (4) of this section, all program participants may be required to share one or more common characteristics that would otherwise be a prohibited basis so long as the program was not established and is not administered with the purpose of evading the requirements of the Act or this part.

(3) **Prohibited common characteristics.** A special purpose credit program described in paragraph (a)(3) of this section shall not use the race, color, national origin, or sex, or any combination thereof, of the applicant, as a common characteristic or factor in determining eligibility for the program.

(4) **Otherwise prohibited bases in for- profit programs.** Subject to paragraph (b)(3) of this section, a special purpose credit program described in paragraph (a)(3) of this section may require its participants to share one or more common characteristics that would otherwise be a prohibited basis only if the for-profit organization provides evidence for each participant who receives credit through the program that in the absence of the program the participant would not receive such credit as a result of those specific characteristics.

(c) **Special rule concerning requests and use of information.** If participants in a special purpose credit program described in paragraph (a) of this section are required to possess one or more common characteristics that would otherwise be a prohibited basis and if the program otherwise satisfies the requirements of paragraphs (a) and (b) of this section, a creditor may request and consider information regarding the common characteristic(s) in determining the applicant's eligibility for the program

* * * * *

§1002.15 Incentives for self-testing and self-correction.

(d) * * *

(1) * * *

(ii) By a government agency or an applicant in any proceeding or civil action in which a violation of the Act or this part is alleged.

* * * * *

Supplement I to Part 1002—Official Interpretations

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Section 1002.2—Definitions

* * * * *

2(p) Empirically Derived and Other Credit Scoring Systems

1. ***Purpose of definition.*** *The definition under §1002.2(p)(1)(i) through (iv) sets the criteria that a credit system must meet in order to use age as a predictive factor. Credit systems that do not meet these criteria are judgmental systems and may consider age only for the purpose of determining a "pertinent element of creditworthiness." (Both types of systems may favor an elderly applicant. See §1002.6(b)(2).)*

2. ***Periodic revalidation.*** *The regulation does not specify how often credit scoring systems must be revalidated. The credit scoring system must be revalidated frequently enough to ensure that it continues to meet recognized professional statistical standards for statistical soundness. To ensure that predictive ability is being maintained, the creditor must periodically review the performance of the system. This could be done, for example, by analyzing the loan portfolio to determine the delinquency rate for each score interval, or by analyzing population stability over time to detect deviations of recent applications from the applicant population used to validate the system. If this analysis indicates that the system no longer predicts risk with statistical soundness, the system must be adjusted as necessary to reestablish its predictive ability. A creditor is responsible for ensuring its system is validated and revalidated based on the creditor's own data.*

3. ***Pooled data scoring systems.*** *A scoring system or the data from which to develop such a system may be obtained from either a single credit grantor or multiple credit grantors. The resulting system will qualify as an empirically derived, demonstrably and statistically sound, credit scoring system provided the criteria set forth in §1002.2(p)(1)(i) through (iv) are met. A creditor is responsible for ensuring its system is validated and revalidated based on the creditor's own data when it becomes available.*

4. ***Disparate treatment.*** *An empirically derived, demonstrably and statistically sound, credit*

scoring system may include age as a predictive factor (provided that the age of an elderly applicant is not assigned a negative factor or value). Besides age, no other prohibited basis may be used as a variable. Generally, credit scoring systems treat all applicants objectively and thus avoid problems of disparate treatment. In cases where a credit scoring system is used in conjunction with individual discretion, disparate treatment could conceivably occur in the evaluation process.

* * * * *

Section 1002.4—General Rules

* * * * *

Paragraph 4(b)

*1. **Discouragement.** Generally, the regulation's protections apply only to persons who have requested or received an extension of credit. In keeping with the purpose of the Act—to promote the availability of credit on a nondiscriminatory basis—§1002.4(b) prohibits creditors from making oral or written statements directed at applicants or prospective applicants that the creditor knows or should know would cause a reasonable person to believe that the creditor would deny their credit application, or would grant it on less favorable terms, because of their prohibited basis characteristic(s). For purposes of §1002.4(b), encouraging statements directed at one group of consumers cannot discourage other consumers who were not the intended recipients of the statements.*

i. Statements prohibited by §1002.4(b) include:

A. A statement that the applicant should not bother to apply, after the applicant states that he is retired.

B. Statements directed at the general public that express a discriminatory preference or a policy of exclusion against consumers based on one or more prohibited basis characteristics in violation of the Act.

C. The use of interview scripts that discourage applications on a prohibited basis.

ii. Statements not prohibited by §1002.4(b) include:

A. Statements directed at one group of consumers, encouraging that group of consumers to apply for credit.

B. Statements in support of local law enforcement.

C. Statements recommending that, before buying a home in a particular neighborhood, consumers investigate, for example, the neighborhood's schools, its proximity to grocery stores, and its crime statistics.

D. Statements encouraging consumers to seek out resources to develop their financial literacy.

* * * * *

Section 1002.6—Rules Concerning Evaluation of Applications

6(a) General Rule Concerning Use of Information

1. ***General.*** *When evaluating an application for credit, a creditor generally may consider any information obtained. However, a creditor may not consider in its evaluation of creditworthiness any information that it is barred by §1002.5 from obtaining or from using for any purpose other than to conduct a self-test under §1002.15.*

2. ***Disparate treatment.*** *The Act prohibits practices that discriminate on a prohibited basis regarding any aspect of a credit transaction. The Act does not provide for the prohibition of practices that are facially neutral as to prohibited bases, except to the extent that facially neutral criteria function as proxies for protected characteristics designed or applied with the intention of advantaging or disadvantaging individuals based on protected characteristics.*

* * * * *

Section 1002.8—Special Purpose Credit Programs

8(a) Standards for Programs

1. ***Determining qualified programs.*** *The Bureau does not determine whether individual programs qualify for special purpose credit status, or whether a particular program benefits an "economically disadvantaged class of persons." The agency or creditor administering or offering the loan program must make these decisions regarding the status of its program.*

2. ***Compliance with a program authorized by Federal or State law.*** *A creditor does not violate Regulation B when it complies in good faith with a regulation promulgated by a government agency implementing a special purpose credit program under §1002.8(a)(1). It is the agency's responsibility to promulgate a regulation that is consistent with Federal and State law.*

3. ***Expressly authorized.*** *Credit programs authorized by Federal or State law include programs offered pursuant to Federal, State, or local statute, regulation or ordinance, or pursuant to judicial or administrative order.*

4. ***Creditor liability.*** *A refusal to grant credit to an applicant is not a violation of the Act or regulation if the applicant does not meet the eligibility requirements under a special purpose credit program.*

5. ***Determining need****. In designing a special purpose credit program under §1002.8(a)(3), a for-profit organization must determine that the program will benefit a class of people who would otherwise be denied credit. This determination can be based on a broad analysis using the organization's own research or data from outside sources, including governmental reports and studies. For example, a creditor might design new products to reach consumers who would not meet its traditional standards of creditworthiness due to such factors as credit inexperience or the use of credit sources that may not report to consumer reporting agencies. Or, a bank could review Home Mortgage Disclosure Act data along with demographic data for its assessment area.*

6. ***Elements of the program.*** *The written plan must contain information that supports the need for the particular program. The plan also must either state a specific period of time for*

which the program will last, or contain a statement regarding when the program will be reevaluated to determine if there is a continuing need for it. reevaluated to determine if there is a continuing need for it.

8(b) Controlling Provisions

1. ***Applicability of rules.*** *A creditor that rejects an application because the applicant does not meet the eligibility requirements (common characteristic or financial need, for example) must nevertheless notify the applicant of action taken as required by §1002.9.*

2. ***Use of common characteristics.*** *Section 1002.8(b)(2) permits a creditor to determine eligibility for a special purpose credit program using one or more common characteristics that would otherwise be a prohibited basis only so long as that section's requirements, the requirements of §1002.8(b)(3) and (4), and the other requirements of this part are satisfied. Under §1002.8(b)(2), once the characteristics of the program's class of participants are established, the creditor is prohibited from discriminating among potential participants on a prohibited basis.*

8(c) Special Rule Concerning Requests and Use of Information

1. ***Request of prohibited basis information.*** *This section permits a creditor to request and consider certain information that would otherwise be prohibited by §§1002.5 and 1002.6 to determine an applicant's eligibility for a particular program.*

2. ***Example.*** *An example of a program under which the creditor can ask for and consider information about a prohibited basis is an energy conservation program to assist the elderly, for which the creditor must consider the applicant's age.*

* * * * *

What you Need to Do:

Please share with affected team members. Much of this change will have no impact on your operations.

Section 2: ECOA; Regulation B; Subpart B 1071

CFPB: Small Business Lending Under the Equal Credit Opportunity Act (Regulation B) (May 1, 2026)

Link

https://www.govinfo.gov/content/pkg/FR-2026-05-01/pdf/2026-08494.pdf

Text

The Consumer Financial Protection Bureau (Bureau or CFPB) is revising certain provisions of Regulation B, subpart B, which implements changes to the Equal Credit Opportunity Act made by section 1071 of the Dodd- Frank Wall Street Reform and Consumer Protection Act. The Bureau is amending coverage of certain credit transactions and financial institutions; the small business definition; inclusion of certain data points and how others are collected; and the compliance date. The Bureau believes these changes will streamline the rule, reduce complexity for lenders, improve data quality, and advance the purposes of section 1071.

DATES:

This final rule is effective on June 30, 2026. The compliance date for the rule is January 1, 2028.

SUPPLEMENTARY INFORMATION:

I. Background

In 2010, Congress passed the Dodd- Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Section 1071 of that Act amended the Equal Credit Opportunity Act (ECOA) to require that financial institutions collect and report to the Bureau certain data regarding applications for credit for women-owned, minority-owned, and small businesses. Section 1071's statutory purposes are to (1) facilitate enforcement of fair lending laws, and (2) enable communities, governmental entities, and creditors to identify business and community development needs and opportunities of women- owned, minority-owned, and small businesses. Section 1071 directs the Bureau to prescribe such rules and issue such guidance as may be necessary to carry out, enforce, and compile data pursuant to section 1071.

The Bureau worked toward a section 1071 rulemaking for a number of years and has sought public comment from stakeholders numerous times. The Bureau held a field hearing on May 10, 2017, and published a request for information regarding the small business lending market. On July 22, 2020, the Bureau issued a survey to collect information about potential one- time costs to financial institutions to prepare to collect and report data on small business lending.

On September 15, 2020, the Bureau released an Outline of Proposals Under Consideration and Alternatives Considered pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA). On October 15, 2020, the Bureau convened a Small Business Review Panel for the section 1071 rulemaking, and the Panel met with small entity representatives (SERs). The Panel Report, publicly released on December 15, 2020, was the culmination of the SBREFA process for the section 1071 rulemaking and included feedback from SERs and written feedback from other stakeholders as well.

On October 8, 2021, the Bureau published in the Federal Register a proposed rule (2021 proposed rule) amending Regulation B to implement changes to ECOA made by section 1071 of the Dodd-Frank Act. The comment period for the 2021 proposed rule closed on January 6, 2022.

The Bureau received approximately 2,100 comments on the 2021 proposed rule during the comment period. Approximately 650 of these comments were unique, detailed comment letters representing diverse interests. These commenters included lenders such as banks and credit unions, community development financial institutions (CDFIs), community development companies, Farm Credit System (FCS) lenders, online lenders, and others; national and regional industry trade associations; software vendors; business advocacy groups; community groups; research, academic, and other advocacy organizations; Members of Congress; Federal and State government offices/ agencies; small businesses; and individuals.

On May 31, 2023, the Bureau published a final rule in the Federal Register to implement section 1071 by adding subpart B to Regulation B (2023 final rule). Further details about section 1071, small business lending market dynamics, and the Bureau's rulemaking process leading up to the 2023 final rule can be found in the preamble to the 2023 final rule.

On July 3, 2024, the Bureau published in the Federal Register an interim final rule (2024 interim final rule) to extend the rule's compliance dates in accordance with orders issued by the United States District Court for the Southern District of Texas.

Challenges to the 2023 final rule filed by various plaintiffs remain ongoing in three jurisdictions; each of those courts stayed the rule's compliance deadlines for some market participants. However, the courts did not stay the compliance dates for those who are not plaintiffs or intervenors in those cases.

On June 18, 2025, the Bureau published in the Federal Register an interim final rule (2025 interim final rule) to extend compliance deadlines by approximately one year to facilitate consistent compliance across all covered financial institutions. The Bureau sought comment on the 2025 interim final rule.

On October 2, 2025, the Bureau published in the Federal Register a final rule (2025 compliance date final rule) that confirmed its findings in the 2025 interim final rule and determined upon a review of comments received that no further substantive changes were necessary. The Bureau received 20 comments in response to the 2025 interim final rule. Most commenters addressed the 2025 interim final rule itself. Other comments addressed provisions of the 2023 final rule not addressed by the 2025 interim final rule, some of which are discussed below.

On November 13, 2025, the Bureau published in the Federal Register a proposed rule to amend the 2023 final rule (2025 proposed rule). The comment period for the 2025 proposed rule closed on December 15, 2025. The Bureau received approximately 410 comments on the proposal during the comment period. These commenters included lenders such as banks and credit unions, community development financial institutions (CDFIs), Farm Credit System (FCS) lenders, online lenders, and others; national and regional industry trade associations; service providers; advocacy groups; community groups; Members of Congress; an independent office of a Federal agency; small businesses; and individuals. Materials on the record, including any ex parte submissions and summaries of ex parte discussions, are available on the public docket for this rulemaking.

Based on reactions to the 2023 final rule, including continued feedback from stakeholders and the ongoing litigation, on comments received on the 2025 proposed rule, and on further consideration, the Bureau now believes that at the onset of a potentially long- term data collection regime, it should start with more modest requirements, focusing on core lending products, lenders, and data. The Bureau believes that that reaction to the 2023 final rule was in part based on its expansive approach, appearing to seek broad coverage of lenders, products, and information collected. The Bureau does not believe that alignment with the statutory purposes of section 1071 requires the use of its discretionary authority to collect data with such a breadth of scope.

The Bureau now believes that the 2023 final rule should have given more weight to qualitative differences among certain types of lenders and the likelihood that smaller lenders would face difficulties—which they had expressed in comments on the 2021 proposed rule, after the 2023 final rule, and on the 2025 proposed rules— addressing the complexity of a rule of broad scope, both of which could potentially diminish the quality of the data they collect.

The Bureau believes, based on this experience, that a longer-term approach to advance the statutory purposes of section 1071 is to commence the collection of data with a narrower scope to ensure its quality and to limit, as much as possible, any disturbance of the provision and availability of credit to small businesses. The statutory purposes of the rule are not well served by an expansive rule that could create disruptions in small business lending markets.

Rather, the Bureau now believes that an incremental approach will better serve the statutory purposes of section 1071 in the long term. Such an approach will start with core lending products, core providers, and core data points. This approach complies with section 1071 and furthers its statutory purposes while reducing the rule's initial impact on small businesses and lenders. Over time, as the Bureau and financial institutions learn from early iterations of data collections, the Bureau could consider amending the rule.

The gradual development of data collection under the Home Mortgage Disclosure Act (HMDA) and its implementing Regulation C over the past 50 years demonstrates the value of an incremental approach. Congress passed HMDA in 1975, and the Board Governors of the Federal Reserve System (Board) promulgated implementing regulations in 1976, requiring the collection of relatively few data points from relatively few lenders. At various points, HMDA amendments passed by Congress, among other things, expanded the breadth of financial institutions covered, as well as the number of data points collected from those reporting institutions. Over time, rulemakings by the Board and the Bureau implemented these amendments, added and removed data points, and expanded and contracted the scope of Regulation C.

The Bureau believes that it should approach the section 1071 data collection regime as a longer-term project akin to HMDA. The Bureau believes that it is a proper use of its authority under 15 U.S.C. 1691c–2 to make changes to several portions of the 2023 final rule to commence data collection with a focus on core lending products, core lenders, and mostly statutory data points. The Bureau believes that this incrementalist approach—starting with a more modest rule with a limited set of products, lenders, or data points—will serve the long-term interests of section 1071. In addition, on January 20, 2025, the President issued Executive Order (E.O.) 14168, "Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government" (Defending Women E.O.). That order, among other things, directs Federal agencies to remove references and questions discussing gender identity. The order also identifies a binary of male/female sex, directing agencies to use those terms when seeking information about an individual's sex.

The Bureau has consulted with the appropriate prudential regulators and other Federal agencies regarding consistency with any prudential, market, or systemic objectives administered by these agencies as required by section 1022(b)(2)(B) of the Dodd-Frank Act.

II. Legal Authority

The Bureau is issuing this final rule pursuant to its authority under section 1071. As discussed above, in the Dodd- Frank Act, Congress amended ECOA by adding section 1071, which directs the Bureau to adopt regulations governing the collection and reporting of small business lending data. Specifically, section 1071 requires financial institutions to collect and report to the Bureau certain data on applications for credit for women-owned, minority- owned, and small businesses. Congress enacted section 1071 for the purpose of (1) facilitating enforcement of fair lending laws and (2) enabling communities, governmental entities, and creditors to identify business and community development needs and opportunities of women-owned, minority-owned, and small businesses.

To advance these statutory purposes, section 1071 grants the Bureau general rulemaking authority for section 1071, providing that the Bureau shall prescribe such rules and issue such guidance as may be necessary to carry out, enforce, and compile data pursuant to section 1071. Section 1071, in 15 U.S.C. 1691c–2(g)(2), also permits the Bureau to adopt exceptions to any requirement of section 1071 and to conditionally or unconditionally exempt any financial institution or class of financial institutions from the requirements of section 1071, as the Bureau deems necessary or appropriate to carry out the purposes of section 1071. The Bureau relies on its general rulemaking authority under 15 U.S.C. 1691c–2(g)(1) in this final rule and relies on 15 U.S.C. 1691c–2(g)(2) when providing specific exceptions or exemptions to section 1071's requirements.

See the 2023 final rule for a more detailed discussion of the Bureau's legal authorities.

Appendix E to Part 1002—Sample Form for Collecting Certain Applicant- Provided Data Under Subpart B of This Part BILLING CODE 4810–AM–P

Sample data collection form

Federal law requires that we request the following information to help ensure that all small businesses applying for loans and other kinds of credit are treated fairly and that communities' small business credit needs are met.

One or more employees or officers involved in making a determination concerning your application may have access to the information provided on this form. However, **FEDERAL LAW PROHIBITS DISCRIMINATION** on the basis of your answers on this form. Additionally, we cannot discriminate on the basis of whether you provide this information.

Information about your application (without your name or other directly identifying information) may eventually be available to the public. Though filling out this form will help to ensure that all small business owners are treated fairly, **YOU ARE NOT REQUIRED TO PROVIDE THIS INFORMATION.**

Demographic information about principal owners

As a reminder, **APPLICANTS ARE NOT REQUIRED TO PROVIDE THIS INFORMATION**. We cannot discriminate on the basis of any person's ethnicity, race, or sex. Further, we cannot discriminate on the basis of whether you provide this information. **PLEASE FILL OUT ONE SHEET FOR EACH PRINCIPAL OWNER.**

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1. What is your ethnicity?
(Check only one)

- ☐ **I do not wish to provide my ethnicity**
- ☐ **Hispanic or Latino**
- ☐ **Not Hispanic or Latino**

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2. What is your race?
(Check one or more)

- ☐ **I do not wish to provide my race**
- ☐ **American Indian or Alaska Native**
- ☐ **Asian**
- ☐ **Black or African American**
- ☐ **Native Hawaiian or Other Pacific Islander**
- ☐ **White**

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3. What is your sex?
(Check only one)

- ☐ **I do not wish to provide my sex**
- ☐ **Male**
- ☐ **Female**

The size of the random sample, under column B, shall depend on the size of the financial institution's small business lending application register, as shown in column A of table 1 to this appendix.

The thresholds in column C of table 1 to this appendix reflect the number of unintentional errors a financial institution may make within a particular data field (e.g., the credit product data field within the credit type data point or the sex data field for a particular principal owner within the ethnicity, race, and sex of principal owners data point) in a small business lending application register that would be deemed bona fide errors for purposes of §1002.112(b).

For instance, a financial institution that submitted a small business lending application register containing 11,000 applications would be subject to a threshold of four errors per data field. If the financial institution had made two errors in reporting loan amount and two errors reporting gross annual income, all of these errors would be covered by the bona fide error provision of §1002.112(b) and would not constitute a violation of the Act or this part. If the same financial institution had made five errors in reporting loan amount and two errors reporting gross annual revenue, the bona fide error provision of §1002.112(b) would not apply to the five loan amount errors but would still apply to the two gross annual revenue errors.

Even when the number of errors in a particular data field do not equal or exceed the threshold in column C, if either there is a reasonable basis to believe that errors in that field were intentional or there is evidence that the financial institution did not maintain procedures reasonably adapted to avoid such errors, then the errors are not bona fide errors under §1002.112(b).

For purposes of determining bona fide errors under §1002.112(b), the term "data field" generally refers to individual fields. Some data fields may allow for more than one response. For example, with respect to information on the ethnicity or race of an applicant's principal owners, a data field may identify more than one race or more than one ethnicity for a given person. If one or more of the ethnicities or races identified in a data field are erroneous, they count as one (and only one) error for that data field.

What You Need to Do:

Very few banks who attend the CBC program will have to comply, as compliance will be mandatory at 1,000 commercial loans, excluding agricultural loans. This information is for your review.

Section 3: Real Estate Lending Escrow Accounts

OCC: Real Estate Lending Escrow Accounts: Final Rule (May 15, 2026)

Link

https://www.federalregister.gov/d/2026-10036

Editor's Note

This only applies to OCC regulated institutions. We have omitted much of the text. If you would like to review the full text, use the link above.

Text

Summary

The Office of the Comptroller of the Currency (OCC) is issuing a final rule to codify longstanding powers of national banks and federal savings associations to establish or maintain real estate lending escrow accounts and to exercise flexibility in making business judgments as to the terms and conditions of such accounts, including whether and to what extent to offer any compensation or to assess any fees related thereto.

Note for Community Banks

The final rule applies to all community banks.

Dates

This final rule is effective on June 18, 2026.

Highlights

The final rule codifies that (1) the powers of national banks and federal savings associations include establishing and maintaining escrow accounts in connection with real estate loans; and (2) the terms and conditions of such escrow accounts (including, but not limited to, the investment of escrowed funds, fees assessed for the provision of such accounts, and whether and to what extent interest or other compensation is calculated and paid to customers whose funds are placed in the escrow account) are business decisions to be made by each bank in its discretion.

SUPPLEMENTARY INFORMATION:

I. Introduction

[Omitted]

II. National Banks' Real Estate Lending and Escrow Account Powers; Discussion of Public Comments

[Omitted]

III. Description of the Final Rule

After considering all comments received in light of the text and purpose of the applicable statutes, the OCC has adopted the proposal without amendment.

The final rule amends the OCC's real estate lending and appraisals regulations applicable to national banks and its lending and investment regulations applicable to Federal savings associations to add a definition of "escrow account," expressly codify banks' power to establish and maintain escrow accounts, and to clarify that the terms and conditions of escrow accounts, including the extent of any compensation paid to customers, are business decisions to be made by each bank.

First, the final rule defines an "escrow account" used by national banks as an account established in connection with a loan or extension of credit secured by a lien on interest in real estate in which the borrower places funds for the purpose of assuring payment of taxes, insurance premiums, or other charges with respect to the property. The final rule defines "escrow accounts" in substantially similar terms in the context of Federal savings associations. One commenter supported the definition but suggested expanding it to avoid unintended gaps by adding explicit references to other terminology used to describe escrow accounts, including "reserve account" or "impound account." The OCC believes this change would be unnecessary as the final rule defines the term "escrow account" by way of the account's use and purpose, rather than the terminology used. Another commenter suggested expanding the rule to cover other accounts with features similar to, but distinct from, escrow accounts. The OCC will continue to monitor whether there are other instances where banks' real estate lending powers may benefit from further regulatory clarity, but the OCC has determined not to expand the scope of the final rule at this time.

Second, the final rule codifies national banks' escrow powers, including the flexibility such banks have as to how to organize and manage escrow accounts. Specifically, the final rule codifies that (1) the powers of national banks include establishing and maintaining escrow accounts in connection with real estate loans; and (2) the terms and conditions of such escrow accounts (including, but not limited to, the investment of escrowed funds, fees assessed for the provision of such accounts, and whether and to what extent interest or other compensation is calculated and paid to customers whose funds are placed in the escrow account) are business decisions to be made by each national bank in its discretion. The final rule codifies these powers in the context of Federal savings associations in substantially similar terms.

One commenter recommended that the final rule establish boundaries that protect homeowners' escrow funds and prevent abusive or unpredictable practices. The OCC remains committed to ensuring that homeowners' escrow funds are protected against abusive practices. The OCC has determined that sufficient statutory, regulatory, and supervisory protections and practices already exist addressing this concern and has accordingly decided that additional regulatory requirements here would be redundant.

PART 34—REAL ESTATE LENDING AND APPRAISALS

Subpart A—General

§34.2 Definitions.

* * * * *

(b) **Escrow account** means an account established in connection with a loan or extension of credit secured by a lien on interest in real estate in which the borrower places funds for the purpose of assuring payment of taxes, insurance premiums, or other charges with respect to the property.

* * * * *

34.3 General rule.

* * * * *

(d) **National banks may establish or maintain escrow accounts.** The terms and conditions of any such escrow account, including the investment of escrowed funds, fees assessed for the provision of such accounts, or whether and to what extent interest or other compensation is calculated and paid to customers whose funds are placed in the escrow account, are business decisions to be made by each national bank in its discretion.

PART 160—LENDING AND INVESTMENT

§160 Definitions.

* * * * *

Escrow account means an account established in connection with a real estate loan in which the borrower places funds for the purpose of assuring payment of taxes, insurance premiums, or other charges with respect to the property.

* * * * *

§160.3 General lending and investment powers of Federal savings associations.

* * * * *

Table 1 to Paragraph (a)

* * * * *

(b) Federal savings associations may establish or maintain escrow accounts. The terms and conditions of any such escrow account, including the investment of escrowed funds, fees assessed for the provision of such accounts, or whether and to what extent interest or other compensation is calculated and paid to customers whose funds are placed in the escrow account, are business decisions to be made by each Federal savings association in its discretion.

What You Need to Do:
Impacts OCC regulated institutions. Please share with appropriate staff.

Section 4: OCC: Interest on Escrow Laws

OCC: Preemption Determination on State Interest-on-Escrow Laws: Final Rule (May 15, 2026)

Link

https://www.federalregister.gov/documents/2026/05/19/2026-10037/preemption-determination-state-interest-on-escrow-laws

Text

[Omitted]

Editor's Note

This only applies to OCC regulated institutions, and impacts loans in specific states. As none of the states that are impacted by this change is part of the CBC, except for Wisconsin. Wisconsin banks who are regulated by the OCC may wish to review the full text, using the link above. All other states will not be impacted by this regulation. We have only included the regulatory text in this manual.

PART 34—REAL ESTATE LENDING AND APPRAISALS

(a) **Purpose.** This section codifies preemption determinations issued by the Office of the Comptroller of the Currency.

(b) **Escrow.** The OCC has determined that Federal law preempts State laws that restrict a national bank's or Federal savings association's flexibility to decide whether and to what extent to pay interest or other compensation on funds placed in escrow accounts or assess fees for such accounts, including the following State laws:

(1) California: Cal. Civ. Code sec. 2954.8;

(2) Connecticut: Conn. Gen. Stat. sec. 49-2a;

(3) Guam: 11 Guam Code Ann. sec. 106103;

(4) Maine: Me. Rev. Stat. Ann. tit. 9-B, sec. 429; Me. Rev. Stat. Ann. tit. 33, sec. 504;

(5) Maryland: Md. Code Ann., Com. Law secs. 12-109, 12-109.2;

(6) Massachusetts: Mass. Gen. L. ch. 183, sec. 61;

(7) Minnesota: Minn. Stat. Ann. sec. 47.20, subd. 9;

(8) New York: N.Y. Gen. Oblig. Law sec. 5-601;

(9) Oregon: Or. Rev. Stat. secs. 86.245, 86.250;

(10) Rhode Island: 19 R.I. Gen. Laws sec. 19-9-2;

(11) United States Virgin Islands: V.I. Code tit. 9, sec. 67;

(12) Utah: Utah Code Ann. sec. 7-17-3;

(13) Vermont: Vt. Stat. Ann. tit. 8, sec. 10404; and

(14) Wisconsin: Wis. Stat. secs. 138.051, 138.052.

What You Need to Do:

This only applies the Wisconsin banks who are regulated by the OCC. All others may ignore this change, unless they have loans in the states listed above. For those banks impacted by the change, share with appropriate staff members.

Section 5: Special Purpose Credit Programs

Federal Register: Equal Credit Opportunity (Regulation B): Special Purpose Credit Programs; Rescission (June 17, 2026)

Link

https://www.federalregister.gov/documents/2026/06/17/2026-12149/equal-credit-opportunity-regulation-b-special-purpose-credit-programs-rescission

Text

SUMMARY:

The Consumer Financial Protection Bureau (Bureau) is rescinding an advisory opinion issued in December 2020 regarding Regulation B, which implements the Equal Credit Opportunity Act (ECOA), as it applies to certain aspects of special purpose credit programs designed and implemented by for-profit organizations to meet special social needs.

DATES:

The advisory opinion is rescinded on June 17, 2026.

Editor's Note

Most banks who participate in the CBC program are not involved with special purpose credit programs. This is a recission of an advisory opinion. If you are involved in a special purpose credit program, you might want to review this information. However, since this will have such a limited impact on CBC banks, we have chosen to omit the text from the manual. If you feel you have a need to review the material, the link is above.

What You Need to Do:
Informational; please share with all team members.

Section 6: Mortgage Lending Data

FFIEC: Publishes 2025 Data on Mortgage Lending (June 23, 2026)

Link

https://www.ffiec.gov/news/press-releases/2026/an-06-23

Text

The Federal Financial Institutions Examination Council (FFIEC) recently published data on 2025 mortgage lending transactions reported under the Home Mortgage Disclosure Act (HMDA) by 4782 U.S. financial institutions. The Snapshot National Loan-Level Dataset released contains the national HMDA datasets as of June 1, 2026.

The FFIEC released several data products to serve a variety of data users, including the 2025 Snapshot National Loan-Level Dataset, the HMDA Dynamic National Loan-Level Dataset, and Aggregate and Disclosure Reports. The One-Year National Loan Level Dataset for 2024 and the Three-Year National Loan Level Dataset for 2022 were released as well. Users can use the Data Browser Dataset Filtering tool to download customized reports based on the updated data.

For any questions regarding HMDA Data products, please contact HMDAHelp@cfpb.gov.

What You Need to Do:
Please share with affected team members.

Section 7: CFPB Promoting Access to Mortgage Credit

Federal Register: Request for Information Regarding Promoting Access to Mortgage Credit (July 9, 2026)

Link

https://www.federalregister.gov/documents/2026/07/09/2026-13834/request-for-information-regarding-promoting-access-to-mortgage-credit

Text

Summary

This notice requests information from the public about potential regulatory changes that may reduce regulatory burdens and promote access to mortgage credit, as appropriate and consistent with applicable law. The Consumer Financial Protection Bureau (Bureau or CFPB) seeks to reduce unwarranted regulatory burdens to ensure that creditworthy borrowers can access mortgage credit. Specifically, the CFPB is.

Dates:

Comments must be received on or before August 10, 2026.

SUPPLEMENTARY INFORMATION:

I. Summary of the Notice and Request for Information

A. Executive Order 14393—Promoting Access to Mortgage Credit

On March 13, 2026, the President issued Executive Order (E.O.) 14393, entitled "Promoting Access to Mortgage Credit." E.O. 14393 provides, in part, that statutory and regulatory changes "have increased the compliance costs of mortgage origination" and "contributed to a significant decline in [community] bank participation in mortgage lending." E.O. 14393 states that the regulatory and rule changes have "resulted in reduced access to credit for some creditworthy borrowers." E.O. 14393 provides that it is the policy of the United States to, among other things, "improve the availability and affordability of mortgage credit," "facilitate community bank engagement in mortgage activity," and "modernize origination and closing standards to reduce lending costs."

Section 2 of E.O. 14393 states, in part, that the CFPB "shall consider, as appropriate and consistent with applicable law:

(i) proposing amendments to Regulation Z that tailor the following requirements for smaller banks: ATR and QM requirements (including potentially a broader QM safe harbor for portfolio loans) and the requirements of the Truth in Lending Act, Public Law 90-321 (TILA), Real Estate Settlement Procedure[s] Act, Public Law 93-533 (RESPA), and TILA-RESPA Integrated Disclosure (TRID) rules;

(ii) replacing TRID timing rules with a materiality-based standard that preserves consumer clarity and reduces closing delays; [and]

****

(vii) exempting rate-and-term refinancing (including cash-out refinancing) from rescission rights."

The CFPB recognizes certain regulations may contribute to higher costs for borrowers needing access to mortgage credit. Consistent with E.O. 14393 and the CFPB's express objective to ensure "outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens," the CFPB is issuing this notice.

B. TILA-RESPA Integrated Disclosures

Background

In 2013, as required by sections 1098 and 1100A of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the CFPB issued the Integrated Mortgage Disclosures under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z) final rule (2013 final rule). The CFPB has since finalized amendments to the 2013 final rule, including in 2015 (twice), 2017, and 2018. The 2013 final rule and subsequent amendments to that rule are referred to collectively herein as the TRID Rule.

On November 22, 2019, the CFPB published a request for information (RFI) in the Federal Register as part of its assessment of the TRID Rule's effectiveness and invited the public to submit comments and information on a variety of topics. On October 1, 2020, the CFPB issued its TRID Rule Assessment Report, which describes the comments and summarizes the information received. The full comments are available at https://www.regulations.gov/document/CFPB-2019-0055-0001/comment.

Scope of the TRID Rule

The TRID Rule generally requires creditors to provide the Loan Estimate and Closing Disclosure forms for closed-end consumer credit transactions secured by real property or a cooperative unit, other than reverse mortgages. Rather than adopting a small creditor exemption, such as one based on asset size, the TRID Rule retained the existing volume-based exemptions in Regulation Z. In particular, Regulation Z defines "creditor," in pertinent part, as a person who regularly extends consumer credit. Regulation Z further provides that a person regularly extends consumer credit only if it extended credit (other than high-cost mortgages) more than 25 times (or more than five times for transactions secured by a dwelling) in the preceding calendar year.

The following is an overview of the Loan Estimate and Closing Disclosure forms and accuracy and timing standards applicable to each.

Loan Estimate

The Loan Estimate form integrates disclosures under the TILA and RESPA statutes, as required by the Dodd-Frank Act. For example, the Loan Estimate integrates the early TILA disclosures provided near the time of application and the RESPA Good Faith Estimate (GFE).

The Loan Estimate may be provided to the consumer in electronic form, subject to compliance with the statutory provisions of the Electronic Signatures in Global and National Commerce Act (E-Sign Act). The E-Sign Act provides that electronic documents and electronic signatures have the same validity as paper documents and handwritten signatures—and that disclosures may be provided in electronic form if the consumer affirmatively consents after receiving a notice and if certain other conditions are met. The TRID Rule does not require consumers to sign Loan Estimates, but it provides creditors the option to include a line for consumer signatures to acknowledge receipt.

In accordance with TILA, mailed disclosures are presumed to be received by the consumer three business days after mailing. If the creditor has evidence that the consumer received the disclosures earlier, the creditor may rely on that evidence and consider it to be received on that earlier date.

Good Faith

TILA requires that "good faith" estimates of disclosures on the Loan Estimate must be delivered or placed in the mail within three business days of application. RESPA similarly requires that "good faith" estimates of settlement costs must be provided within three business days of application. The TRID Rule provides bright-line tolerance standards for the objective determination of whether the estimates were made in "good faith." If the consumer is ultimately charged more than the applicable tolerances because of changed circumstances, the TRID Rule also permits creditors to reset the tolerances with revised estimates as discussed below. As discussed in the TRID Rule preamble, these tolerance standards are similar to preexisting Regulation X disclosure standards that implement RESPA. Moreover, TILA generally authorizes the CFPB to adopt tolerances necessary to facilitate compliance with the statute, provided such tolerances are narrow enough to prevent misleading disclosures or disclosures that circumvent the purposes of the statute. The TRID Rule preamble states that the rule's tolerances "are appropriate, will facilitate compliance with the statute by providing bright-line rules for the determination of `good faith' based on the knowledge of costs that creditors have, or reasonably should have, and prevent misleading disclosures." The TRID Rule preamble further states that the rule's tolerances "will effectuate the statute's goals by ensuring more reliable estimates, which will increase the level of shopping for mortgage loans and foster honest competition for prospective consumers among financial institutions."

Zero Tolerance

Estimates of charges paid to creditors or mortgage brokers (or their affiliates) and transfer taxes are in good faith if the consumer is not charged more than the estimates. Estimates of third-party charges are also subject to zero tolerance if the creditor requires the consumer to use creditor-selected service providers (rather than permitting the consumer to shop for third-party service providers). In response to the November 2019 RFI, several commenters stated that transfer taxes and third-party appraisal fees are particularly difficult for creditors to estimate within three business days of application and that the CFPB should not include these fees in the zero tolerance category.

10 Percent Tolerance

Estimates of recording fees and certain third-party charges are deemed to have been made in good faith when the creditor permits the consumer to shop for third-party service providers if, in the aggregate, the consumer is charged no more than 10 percent in excess of the estimates. Specifically, estimates of unaffiliated third-party charges are subject to the 10 percent tolerance if the creditor permits the consumer to shop for that service, but nonetheless the consumer either does not choose a provider, or chooses a provider identified by the creditor.

Unlimited Tolerance

Estimates of other third-party charges are in good faith—regardless of how much the consumer is charged—if the consumer chooses a third-party service provider that is not on the creditor's list of providers (so long as the estimate was based on the best information reasonably available). Estimates of prepaid interest, property insurance premiums, escrowed amounts, property taxes, and charges for non-required services similarly have no tolerance limit.

Seven-Business-Day Waiting Period

As required by TILA, the Loan Estimate must be delivered or placed in the mail not later than seven business days prior to consummation. After receiving the Loan Estimate, in accordance with TILA, the consumer may waive the seven-business-day waiting period for a bona fide personal financial emergency.

Revised Estimates

As noted above, TILA requires initial “good faith” estimates within three business days of application—and the TRID Rule provides bright-line tolerance standards for the determination of “good faith.” If the consumer is charged more than the tolerances (e.g., zero or 10 percent tolerances), the TRID Rule also permits creditors to reset the tolerances with revised estimates if they are provided within three business days of receipt of information necessitating the revision (i.e., changed circumstance). In response to the November 2019 RFI, several commenters stated that tracking such changes and issuing revised estimates to the consumer within three business days is unduly burdensome.

The TRID Rule prohibits providing revised Loan Estimates on or after the date on which the creditor provides the Closing Disclosure form. Accordingly, the TRID Rule also permits creditors to reset tolerances (e.g., zero or 10 percent tolerances) with a Closing Disclosure if it is provided within three business days of receipt of information necessitating the revision (i.e., changed circumstance).

Closing Disclosure

The Closing Disclosure form integrates the final TILA disclosures and the RESPA Settlement Statement (HUD-1), as required by the Dodd-Frank Act. The Closing Disclosure may be provided to the consumer in electronic form, subject to compliance with the statutory provisions of the E-Sign Act as noted above. The TRID Rule does not require consumers to sign the Closing Disclosure, but it provides creditors the option to include a line for consumer signatures to acknowledge receipt.

Three-Business-Day Waiting Period

The consumer must receive the Closing Disclosure no later than three business days before consummation. TILA generally requires that, if the annual percentage rate (APR) disclosed in the early TILA disclosures becomes inaccurate (subject to an APR tolerance of 0.125 percent for most loans), the creditor must provide corrected disclosures to the consumer no later than three business days before consummation. After receiving the Closing Disclosure, in accordance with TILA, the consumer may waive the three-business-day waiting period for a bona fide personal financial emergency.

A new three-business-day waiting period is required if one of the following events occurs: (1) the APR becomes inaccurate, subject to APR tolerances discussed above and in accordance with TILA; (2) the loan product changes; or (3) a prepayment penalty is added. In accordance with TILA, the consumer may similarly waive the new three-business-day waiting period for a bona fide personal financial emergency. For other changes besides the three types of changes listed above, a new three-business-day waiting period is not required (but the consumer must receive a corrected Closing Disclosure at or before consummation).

In response to the November 2019 RFI, several commenters stated that the CFPB should provide additional guidance or otherwise streamline consumers' ability to waive the Closing Disclosure three-business-day waiting period. For refinancing transactions for which there is a three-business-day rescission period after consummation under TILA, several commenters stated that requiring a three-business-day waiting period before consummation is redundant and an undue burden.

C. Right of Rescission

TILA established a consumer's statutory right to rescind most transactions for which the home is taken as collateral, other than transactions for the purchase of the home. TILA and Regulation Z provide consumers with a three-day period to rescind a consummated agreement for any reason. The rescission period begins after the last of three events: consummation of the transaction; delivery of all material disclosures; and delivery to the consumer of the required rescission notice. No money may be disbursed other than in escrow, no services may be performed, and no materials may be delivered until the rescission period has expired and the creditor is reasonably satisfied that the consumer has not rescinded.

Provided a consumer has not waived the right of rescission to meet a bona fide personal financial emergency, the three-day post-consummation rescission waiting period, coupled with the three-day pre-consummation TRID waiting period, means that a consumer whose loan is subject to rescission has approximately one week to review the loan's final terms before they become binding.

In 2018 the CFPB issued an RFI (2018 Inherited Rules RFI) seeking public input regarding the substance of the regulations the CFPB inherited from other Federal agencies, including whether the CFPB should issue additional rules. A few industry commenters requested that the CFPB eliminate the right of rescission because the TRID Rule's three-day pre-consummation review period gives consumers sufficient time to review the material disclosures, and the post-consummation waiting period harms consumers refinancing into a lower interest rate loan.

D. Reverse Mortgages

Under Regulations X and Z, a reverse mortgage transaction is a nonrecourse consumer credit obligation in which a security interest is created against the consumer's principal dwelling securing one or more advances, and which is generally due and payable when the consumer dies, the dwelling is transferred, or the consumer ceases to occupy the dwelling as the principal dwelling. Reverse mortgages are excluded from coverage of the TRID Rule. Regulations X and Z, implementing RESPA and TILA, require creditors and settlement agents to give consumers who apply for and obtain a reverse mortgage loan different but overlapping disclosure forms regarding the loan's terms and costs.

Overlapping Disclosure Requirements—Regulations X and Z

For closed-end reverse mortgages, TILA and Regulation Z require creditors to provide an early Truth-in-Lending (TIL) disclosure within three business days after application and at least seven business days before consummation, and before the consumer has paid a fee other than a fee for obtaining a credit report. If subsequent events make the TIL disclosure inaccurate, the creditor must provide corrected disclosures before consummation. However, if subsequent events cause the APR to exceed certain tolerances, the creditor must provide a corrected disclosure that the consumer must receive at least three business days before consummation. For open-end reverse mortgages, creditors must provide disclosures on or with an application that contains information about the creditor's open-end reverse mortgage plans. These disclosures do not include information dependent on a specific borrower's creditworthiness or value of the dwelling because these application disclosures are provided before underwriting takes place. Creditors are required to provide transaction-specific costs and terms at the time that an open-end reverse mortgage plan is opened.

RESPA and Regulation X also contain disclosure requirements for reverse mortgage transactions. For closed-end reverse mortgages, a lender must provide a GFE within three business days of receiving an application for a reverse mortgage. For open-end reverse mortgages, if the TILA open-end disclosures required under 12 CFR 1026.40 are provided at the time of application, the GFE requirements are deemed to be satisfied. Lenders may not charge a fee, other than a credit report fee, prior to providing a GFE and obtaining a consumer's intent to proceed with the reverse mortgage loan. For closed-end and open-end reverse mortgage transactions, the settlement agent must permit the borrower to inspect the HUD-1 settlement statement at least one business day before closing. The GFE and HUD-1 disclosures are not tailored for reverse mortgages.

In response to the 2018 Inherited Rules RFI, an industry commenter requested that the CFPB adopt a reverse-mortgage specific disclosure regime similar to the TILA-RESPA integrated disclosures created for forward mortgages.

Total Annual Loan Cost (TALC)

Pursuant to TILA and Regulation Z, all reverse mortgage creditors must provide the TALC rate disclosure in accordance with appendix K of Regulation Z at least three business days before account opening for an open-end reverse mortgage, or consummation for a closed-end reverse mortgage. The table of TALC rates shows the estimated cost of the reverse mortgage loan, expressed as an annual rate, in nine scenarios. In order to show the effect of time and home-value appreciation on the cost of the reverse mortgage, TALC rates are based on at least three credit transaction periods (two years, a period equal to the youngest consumer's life expectancy, and a period equal to 1.4 times the youngest consumer's life expectancy); and on assumed annual house appreciation rates of 0 percent, 4 percent, and 8 percent. Generally, the longer the consumer keeps a reverse mortgage, the lower the relative cost will be because the upfront costs of the reverse mortgage will be amortized over a longer period of time. Thus, the TALC rates usually will decline over time even though the total dollar cost of the reverse mortgage is rising.

Generic Brochures and Booklets

In addition, TILA and Regulation Z require creditors to provide mortgage applicants, including reverse mortgage applicants, with certain generic brochures or booklets. For example, in open-end transactions, creditors must provide the home equity brochure entitled "What You Should Know About Home Equity Lines of Credit" or a suitable substitute when an application for a home equity line of credit is provided to the consumer. While most closed-end reverse mortgages are fixed-rate transactions, in the rare circumstance of a closed-end adjustable rate reverse mortgage, lenders would be required to provide a booklet titled "Consumer Handbook on Adjustable Rate Mortgages" or a suitable substitute.

II. Request for Comment

Consistent with E.O. 14393, the CFPB is considering potential regulatory changes, as appropriate and consistent with applicable law. This RFI is seeking comment from the public about some of those potential regulatory changes pertaining to (1) TILA-RESPA integrated disclosure requirements; (2) TILA rescission rights; and (3) reverse mortgages. The CFPB requests that, where possible, comments include supporting data or other information on the advantages and disadvantages of suggested regulatory changes.

A. Timing Requirements—TRID Rule and Right of Rescission

Question 1. Do the timing requirements materially affect consumers' ability to obtain mortgage credit? If so, in what ways and to what extent is credit availability affected?

Question 2. Do the timing requirements increase costs for mortgage brokers, creditors, or consumers? If so, do these costs outweigh any benefits to consumers provided by such timing requirements? If so, how do these costs compare to the costs of implementing changes to the timing requirements?

Question 3. Are there certain transaction types or specific scenarios that are inhibited or complicated by the timing requirements?

Question 4. Are there opportunities to provide initial Loan Estimates earlier in the mortgage origination process to meet the statutorily required waiting periods while allowing consumers time to shop and reducing closing delays?

Question 5. Are there ways to reduce the incidence of revised disclosures being issued while providing consumers with timely updates to settlement costs and avoiding closing delays?

Question 6. Are there opportunities to provide Closing Disclosures earlier in the mortgage origination process to meet the statutorily required waiting periods while allowing consumers time to understand loan costs, prepare for loan consummation, and avoid closing delays?

Question 7. What additional guidance or model forms could the CFPB issue to better facilitate consumers' decision to waive the statutorily required waiting periods for a bona fide personal financial emergency?

Question 8. Are there any materiality-based standards that could replace or supplement timing rules, recognizing TILA's timing requirements for delivery of disclosures after application and before consummation - including issuance of a revised disclosure upon a change in APR above the prescribed tolerance? If so, how should CFPB consider defining and structuring these standards (e.g., as an optional supplement to TILA's timing requirements or a complete substitution for them)? Would these materiality-based standards result in improved administrative efficiencies while preserving or improving consumer clarity and reducing closing delays?

Question 9. Does the three-business-day post-consummation rescission waiting period, coupled with the three-business-day pre-consummation TRID waiting period, unduly delay loan funding for refinance transactions? If so, how could the CFPB adjust the right of rescission or TRID waiting periods?

B. Other TRID Requirements

Question 10. Are there adjustments to the tolerance thresholds that could improve loan execution and result in improved credit access and lower consumer costs? For example, are there instances where the CFPB should consider adjusting tolerances for transfer taxes because transfer taxes cannot be determined within three business days of application?

Question 11. Is there additional guidance that CFPB should provide around changed circumstances, which result in the issuance of revised estimates? For example, should the CFPB consider providing additional guidance around changed circumstances in cases where a purchaser continues to negotiate with the seller for payment of charges customarily paid by the borrower?

Question 12. Should the TRID disclosure forms be modified in a way that would improve clarity for consumers and loan execution for mortgage brokers or creditors?

Question 13. Is there additional guidance that CFPB should provide regarding the acceptability of electronic or digital forms and signatures that would promote their use and lower costs for consumers?

Question 14. Are there changes or clarifications to requirements specific to construction loans that would provide consumer clarity, reduce costs, or otherwise promote access to credit for the construction of residential housing? For example, should the CFPB waive certain requirements as the CFPB did when it issued a "Trial Disclosure Program Waiver Template" to the Independent Community Bankers of America (ICBA) covering the ICBA's alterative versions of the Loan Estimate and Closing Disclosure tailored to construction loans?

Question 15. Are there other changes to the TRID Rule that CFPB should consider to facilitate compliance with the disclosure requirements of TILA and RESPA and to aid the consumer in understanding the transaction?

Question 16. For any potential changes recommended regarding TRID requirements, are there any considerations for pricing or secondary market participants that CFPB should consider, such as concerns around acceptance of materiality-based standards in lieu of timing standards? For example, how would potential changes impact the pricing, liquidity, or demand for mortgages, mortgage backed securities, mortgage servicing rights, or other mortgage backed capital markets instruments?

C. Tailored Requirements for Small Banks and Credit Unions

Question 17. Are there unique aspects of the loan origination process performed by small banks and credit unions for which the CFPB should consider changes to the TRID Rule specifically tailored for small banks and credit unions? If so, how should CFPB consider structuring these tailored changes (e.g., exemptions or alternative requirements)?

Question 18. Would changes exclusive to small banks and credit unions lower costs for originators, creditors, or consumers?

D. Reverse Mortgages

Question 19. The CFPB is aware that the reverse mortgage industry faces significant difficulties applying the disclosure requirements of TILA and RESPA to reverse mortgages, in light of those transactions' unusual terms and features. Would integrated and tailored reverse mortgage disclosures enable consumers to make more informed decisions?

Question 20. Would a different set of scenario assumptions in the calculation of total annual loan cost rates in the TALC table give consumers more reasonable and accurate likely cost estimates of reverse mortgages?

Question 21. Would a table that demonstrates how the reverse mortgage balance grows over time, using dollar amounts rather than annualized loan cost rates in the current TALC table, help consumers to better understand and evaluate the costs and the benefits of the reverse mortgage? If so, what are the important features of such a chart?

Question 22. Would consumers benefit from a tailored disclosure informing consumers about how reverse mortgages work and about terms and risks that are important to consumers when selecting a reverse mortgage, instead of the generic brochures and booklets? If so, please provide any research or analysis of material that would be beneficial.

III. Regulatory Matters

[Omitted]

What You Need to Do:

Respond to the questions if you wish. Remember that if you do not choose to answer the questions, you will have no impact on any potential changes.

Depository Issues

FDIC: Rescinds Supervisory Guidance on Multiple Re-Presentment NSF Fees (April 10, 2026)

Link

https://www.fdic.gov/news/financial-institution-letters/2026/fdic-rescinds-supervisory-guidance-multiple-re-presentment

Text

Summary:

On June 16, 2023, the FDIC issued a Financial Institution Letter (FIL-32-2023) titled FDIC Clarifying Supervisory Approach Regarding Supervisory Guidance on Multiple Re-Presentment NSF Fees. This guidance described the FDIC's supervisory approach relating to supervised institutions assessing multiple non-sufficient funds (NSF) fees arising from the re-presentment of the same unpaid transaction. The FDIC is rescinding FIL-32-2023 effective immediately.

Statement of Applicability: The contents of, and material referenced in, this FIL apply to all FDIC-supervised financial institutions.

Highlights:

On June 16, 2023, the FDIC issued FIL-32-2023, which rescinded and replaced FIL-40-2022, entitled "Supervisory Guidance on Multiple Re-Presentment NSF Fees."

Based on a review and assessment of the guidance in FIL-32-2023, the FDIC concludes that the guidance is overly broad in scope and has raised uncertainty regarding when, for instance, disclosures regarding re-presentments may result in "unfairness" concerns under Section 5 of the Federal Trade Commission Act.

As a result, the FDIC is rescinding FIL-32-2023 effective immediately.

Supervised institutions should ensure their disclosures to consumers accurately reflect their practices and are provided in accordance with applicable laws, regulations, and other current legal requirements.

Editor's Note

The information below is the text of the guidance which is being withdrawn.

Supervisory Guidance on Multiple Re-Presentment NSF Fees

August 2022 (Revised June 2023)

The Federal Deposit Insurance Corporation (FDIC) is issuing guidance to ensure that supervised institutions are aware of the consumer compliance risks associated with assessing multiple non-sufficient funds (NSF) fees arising from the re-presentment of the same unpaid transaction. Additionally, the FDIC is sharing its supervisory approach where a violation of law is identified and full corrective action is expected.

Background

Many financial institutions charge NSF fees when checks or Automated Clearinghouse (ACH) transactions are presented for payment, but cannot be covered by the balance in a customer's transaction account. After receiving notice of declination, merchants may subsequently resubmit the transaction for payment. Some financial institutions charge additional NSF fees for the same transaction when a merchant re-presents a check or ACH transaction on more than one occasion after the initial unpaid transaction was declined. In these situations, there is an elevated risk of violations of law and harm to consumers.

During consumer compliance examinations, the FDIC has identified violations of law when financial institutions charged multiple NSF fees for the re-presentment of unpaid transactions. The FDIC found that some disclosures provided to customers did not fully or clearly describe the institution's re-presentment practice, including not explaining that the same unpaid transaction might result in multiple NSF fees if an item was presented more than once.

Potential Risks Arising from Multiple Re-Presentment NSF Fees

<u>Consumer Compliance Risk:</u> Practices involving the charging of multiple NSF fees arising from the same unpaid transaction results in heightened risks of violations of Section 5 of the Federal Trade Commission (FTC) Act, which prohibits unfair or deceptive acts or practices (UDAP). While specific facts and circumstances ultimately determine whether a practice violates a law or regulation, the failure to disclose material information to customers about re-presentment and fee practices has the potential to mislead reasonable customers, and there are situations that may also present risk of unfairness if the customer is unable to avoid fees related to re-presented transactions.

- <u>Deceptive Practices</u>*:* In a number of consumer compliance examinations, the FDIC determined that if a financial institution assesses multiple NSF fees arising from the same transaction, but disclosures do not adequately advise customers of this practice, the misrepresentation and omission of this information from the institution's disclosures is material. The FDIC found that if this information is not disclosed clearly and conspicuously to customers, the material omission of this information is considered to be deceptive pursuant to Section 5 of the FTC Act.
- <u>Unfair Practices</u>: In certain circumstances, a failure to adequately advise customers of fee practices for re-presentments raises unfairness concerns because the practices may result in substantial injuries to customers; the injury may not be reasonably avoidable; and there may be no countervailing benefits to either customers or competition. In particular, a risk of unfairness may be present if multiple NSF fees are assessed for the same transaction in

a short period of time without sufficient notice or opportunity for customers to bring their account to a positive balance in order to avoid the assessment of additional NSF fees. While revising disclosures may address the risk of deception, doing so may not fully address the unfairness risks.

Third-Party Risk: Third parties, including core processors, often play significant roles in processing payments, identifying and tracking re-presented items, and providing systems that determine when NSF fees are assessed. Such third-party arrangements may present risks if not properly managed. Institutions are expected to maintain adequate oversight of third-party activities and appropriate quality control over products and services provided through third-party arrangements. In addition, institutions are responsible for identifying and controlling risks arising from third-party relationships to the same extent as if the third-party activity was handled within the institution. Institutions are encouraged to review and understand the risks presented from their core processing system settings related to multiple NSF fees, as well as understand the capabilities of their core processing system(s), such as identifying and tracking re-presented items and maintaining data on such transactions.

Litigation Risk: Multiple NSF fee practices may result in heightened litigation risk. Numerous financial institutions, including some FDIC-supervised institutions, have faced class action lawsuits alleging breach of contract and other claims because of the failure to adequately disclose re-presentment NSF fee practices in their account disclosures. Some of these cases have resulted in substantial settlements, including customer restitution and legal fees.

Risk Mitigation Practices

Institutions are encouraged to review their practices and disclosures regarding the charging of NSF fees for re-presented transactions. The FDIC has observed various risk-mitigating activities that financial institutions have taken to reduce the potential risk of consumer harm and avoid potential violations of law regarding multiple re-presentment NSF fee practices. These include:

- Eliminating NSF fees.
- Declining to charge more than one NSF fee for the same transaction, regardless of whether the item is re-presented.
- Conducting a comprehensive review of policies, practices, and monitoring activities related to re-presentments and making appropriate changes and clarifications, including providing revised disclosures to all existing and new customers.
- Clearly and conspicuously disclosing the amount of NSF fees to customers and when and how such fees will be imposed, including:
    - o Information on whether multiple fees may be assessed in connection with a single transaction when a merchant submits the same transaction multiple times for payment;
    - o The frequency with which such fees can be assessed; and
    - o The maximum number of fees that can be assessed in connection with a single transaction.
- Reviewing customer notification or alert practices related to NSF transactions and the timing of fees to ensure customers are provided with an ability to effectively avoid multiple

fees for re-presented items, including restoring their account balance to a sufficient amount before subsequent NSF fees are assessed.

If institutions self-identify re-presentment NSF fee issues, the FDIC expects supervised financial institutions to:

- Take full corrective action, including providing restitution to harmed customers, consistent with the restitution approach described in this guidance;
- Promptly correct NSF fee disclosures and account agreements for both existing and new customers, including providing revised disclosures and agreements to all customers;
- Consider whether additional risk mitigation practices are needed to reduce potential unfairness risks; and
- Monitor ongoing activities and customer feedback to ensure full and lasting corrective action.

FDIC's Supervisory Approach

When exercising supervisory and enforcement responsibilities regarding multiple re-presentment NSF fee practices, the FDIC will take appropriate action to address consumer harm and violations of law. The FDIC's supervisory response will focus on identifying re-presentment related issues and ensuring correction of deficiencies and remediation to harmed customers, when appropriate.

In reviewing compliance management systems, the FDIC recognizes an institution's proactive efforts to self-identify and correct violations. Examiners will generally not cite UDAP violations that have been self-identified and fully corrected prior to the start of a consumer compliance examination. In addition, in determining the scope of any restitution requested, the FDIC will consider the likelihood of substantial consumer harm from the practice as well as an institution's record keeping practices and any challenges an institution may have with retrieving, reviewing, and analyzing transaction data or other information about the frequency and timing of re-presentment fees.

If examiners identify violations of law due to re-presentment NSF fee practices that have not been self-identified and fully corrected prior toa consumer compliance examination, the FDIC will evaluate appropriate supervisory or enforcement actions, including civil money penalties and restitution, where appropriate.

What You Need to Do:

This is only for FDIC regulated institutions. Even though the prior guidance is being withdrawn, banks should assure that all disclosures regarding this issue are clear and conspicuous. This withdrawal does not mean that banks' risk of UDAAP or other citations will end.

Other Issues

OCC: Preemption of Illinois Interchange Fee Prohibition Act: Interim Final Order (April 29, 2026)

Link

https://www.govinfo.gov/content/pkg/FR-2026-04-29/pdf/2026-08341.pdf

Text

The OCC is issuing an interim final order concluding that Federal law preempts the Illinois Interchange Fee Prohibition Act, which purports to prohibit national banks and Federal savings associations from charging or receiving interchange fees on the tax and gratuity portions of payment card transactions; and restrict the use of payment card transaction data. The OCC invites public comments on this interim final order.

Dates

The interim final order is effective June 30, 2026. Comments on the interim final order must be received on or before May 29, 2026.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

Credit and debit cards (payment cards) are vital and deeply rooted components of the modern American and global economy. They are among the most universally accepted and common payment methods, routinely used by millions of customers to pay merchants for products and services worldwide.

National banks and Federal savings associations serve essential roles within card networks, which are a crucial means of exercising their statutory deposit-taking and lending powers. They contract with card networks (e.g., Visa and Mastercard) and others to facilitate payment card transactions. As the issuers of credit and debit cards, they provide payment cards to customers, assess cardholder risk, and offer services including fraud detection and prevention, dispute resolution, and rewards programs. As acquirers, they contract with merchants who accept payment cards and connect these merchants to the card network so that transactions are seamlessly processed and settled.

As compensation, national banks and Federal savings associations are paid fees for their payment card services. These fees, which include interchange fees, compensate these institutions for the costs of their participation, incentivize their provision of services and continued participation in the network, and enable enhancements, such as fraud detection and prevention rewards programs, and technology upgrades.

Interchange fees have often been the focus of lawmakers. In 2010, as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), Congress limited certain debit card interchange fees in a provision generally known as “the Durbin Amendment.” In 2024, in an effort to balance the State’s budget, the Illinois legislature enacted the Interchange Fee Prohibition Act (IFPA), which becomes effective on July 1, 2026. The IFPA (1) prohibits charging or receiving interchange fees on the tax and gratuity portions of payment card transactions; and separately (2) restricts the use of payment card transaction data.

The IFPA may have a destabilizing effect on the nation’s payment card systems. At a minimum, the systems’ participants, including national banks and Federal savings associations, may have to spend “staggering” sums to comply with this single State’s law. Card network participants may have to significantly alter their operations, which could include national banks or Federal savings associations declining payment card transactions subject to the IFPA. Some have stated that compliance with the IFPA could lead to “potentially business-ending consequences” for some participants.

As applied to national banks and Federal savings associations, the IFPA also runs afoul of the Supremacy Clause of the U.S. Constitution and is preempted. Although the OCC believes that this conclusion is clear under relevant Supreme Court precedent, the IFPA has been the subject of litigation since shortly after its enactment, which has led to substantial uncertainty for national banks and Federal savings associations. As such, the OCC is issuing this interim final order concluding that the IFPA is preempted by (1) the National Bank Act with respect to national banks; and (2) the Home Owners’ Loan Act of 1933 (HOLA) respect to Federal savings associations. This order will provide urgently needed clarity to help ensure national banks’ and Federal savings associations’ continued safe, sound, reliable, efficient, and effective participation in the payment card system. Given the importance of this issue, the OCC also invites public comment on all aspects of this order and intends to issue a final order as soon as possible after the close of the comment period and after sufficient time to consider and address comments. The agency notes that nothing in this order would change the applicability of any other federal laws that do or may in the future apply to national banks or Federal savings associations regarding payment cards or otherwise.

B. Summary of the IFPA

Interchange Fee Prohibition. The first operative provision of the IFPA prohibits card issuer banks, card networks, acquirer banks, and other participants from receiving or charging a merchant an interchange fee on the tax or gratuity amount of a payment card transaction. This prohibition applies if the merchant informs the acquirer bank of the tax or gratuity amount as part of the authorization or settlement of the transaction. Alternatively, the merchant has 180 days to transmit the relevant documentation (e.g., paper receipts) to the acquirer bank, after which the issuer bank has 30 days to credit the merchant for any interchange fee charged on the tax or gratuity amount. Violations of the interchange fee prohibition carry a civil penalty of $1,000 per transaction.

Data Use Limitation. The second operative provision of the IFPA provides that no “entity, other than the merchant, involved in facilitating or processing” a payment card transaction may “distribute, exchange, transfer, disseminate, or use” transaction data except to facilitate or process the transaction or as otherwise required by law. Violations of the data use limitation are violations of the Illinois Consumer Fraud and Deceptive Business Practices Act.

II. Preemption Analysis

[Omitted]

IV. Order

[Omitted]

V. Preemption Procedures

[Omitted]

VI Other Analysis

[Omitted]

What You Need to Do:

Informational; Illinois banks should review this information in detail. Banks outside of Illinois are not impacted by this rule.

Section 2: FDIC Official Signs FAQ's

FDIC: Updated Questions and Answers Regarding FDIC Official Signs and Advertising Requirements (May 15, 2026)

Link

https://www.fdic.gov/news/financial-institution-letters/2026/updated-questions-and-answers-regarding-fdic-official-signs

Text

Summary:

The Federal Deposit Insurance Corporation (FDIC) is updating its Questions and Answers (Q&As) related to the FDIC's regulation governing FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC Name or Logo, to reflect the FDIC's 2026 amendments to the rule (part 328). The Q&As provide answers to a collection of questions from stakeholders, including insured depository institutions (IDIs), trade associations, technology companies, vendors, and other entities, and are intended to promote transparency and support implementation efforts.

The Q&As can be found on the FDIC's website.

Highlights:

- The final rule, issued in January 2026, amends part 328's signage requirements for IDI websites, mobile applications, and automated teller machines and like devices.
- The final rule's compliance date is April 1, 2027.
- The FDIC published the first set of Q&As on this topic in 2024 and has periodically updated them since that time.
- The FDIC will continue to update the Q&As periodically on the FDIC's website, as needed.

Below are answers to a collection of questions about the FDIC's regulation, Official Signs and Advertising Requirements, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo ("regulation" or "part 328"), 12 CFR part 328. This collection of questions and answers will be periodically updated on the FDIC's website.

Please Note: On January 29, 2026, the FDIC amended requirements relating to the display of the FDIC Official Digital Sign and other signage on insured depository institution (IDI) websites, mobile applications, and automated teller machines (ATMs) in sections 328.4 and 328.5 of the regulation. The compliance date for these amended provisions is April 1, 2027. For more information, please see the Financial Institution Letter (FIL-3-2026).

The answers below are updated as of May 13, 2026 unless otherwise indicated.

I. Physical Premises

A. FDIC Official Sign

1. With respect to the display of the physical FDIC official sign, does the regulation require the FDIC official sign to be posted at a new accounts desk?

Answer: If a banker at a new accounts desk "usually and normally" receives and processes deposits (e.g., processes a check deposit at the new accounts desk), then the official sign must be posted at the new accounts desk. In a scenario where the banker at the new accounts desk always walks the initial deposit over to the teller line, then the teller is "receiving" the deposit and the official sign posted at the teller window is sufficient; therefore, in that situation, an official sign would not be required at the new accounts desk.

(Updated May 13, 2026)

2. Are IDIs required to provide any initial disclosures about FDIC insurance coverage, either orally or in writing, before opening an account?

Answer: No. Part 328 does not require IDIs to provide "initial disclosures" about FDIC coverage before account opening.

(Updated July 15, 2024)

3. Is the FDIC official sign required at night drop facilities?

Answer: No. The official sign is required wherever deposits are usually and normally received. FDIC staff does not view that deposits are usually and normally received by the IDI when placed in a night depository.

(Updated July 15, 2024)

4. What are the display requirements for the physical FDIC official sign?

Answer: The regulation requires use of the standard, in-branch official FDIC sign, which is 7x3 inches in size with black lettering and gold background. Upon request, the FDIC will continue to provide the official sign at no cost to IDIs. As has been the case traditionally, IDIs may, at their expense, procure from commercial suppliers signs that vary from the official sign in size, color, or material. An IDI may display signs that vary from the official sign in size, color, or material at any location where display of the official sign is required or permitted. However, any such varied sign that is displayed in locations where display of the official sign is required must not be smaller in size than the official sign, must have the same color for the text and graphics, and include the same content. 12 CFR § 328.3(b)(4).

(Updated May 13, 2026)

5. Is an IDI required to display the FDIC official sign in a drive-through location?

Answer: Under part 328, if insured deposits are usually and normally received in areas of the premises other than teller windows or stations, the IDI must display the official sign continuously, clearly, and conspicuously in one or more locations in a manner that ensures a copy of the official sign is large enough so as to be legible from anywhere in those areas. 12 CFR § 328.3(b)(2). Because drive-through lanes at IDIs can vary greatly, each IDI should assess their situation and apply the requirements under part 328 as appropriate. For example, bank branches may have one or more drive-through lane(s) with teller windows, deposit drop boxes, or ATMs. Each of these scenarios would be subject to different signage requirements.

(Updated May 13, 2026)

6. **In a small bank branch where there is limited space and where deposit and non-deposit products are offered in the same area, can a banker switch between displaying the FDIC official sign and "non-deposit" signage in the same room when discussing different products?**

   Answer: Yes. In general, if non-deposit products are offered within an IDI's premises, the space where those products are offered must be physically segregated from areas where insured deposits are usually and normally accepted. The institution must identify areas where activities related to the sale of non-deposit products occur and clearly delineate and distinguish those areas from the areas where insured deposit-taking activities occur.

   In limited situations where physical considerations present challenges to offering non-deposit products in a distinct area from deposit products, IDIs must take prudent and reasonable steps to minimize customer confusion. For example, due to limited space, an IDI that offers both deposit and non-deposit products in the same private office and at the same desk, may switch between displaying the FDIC official sign and non-deposit sign when discussing the relevant product to help minimize customer confusion. However, at no time should a non-deposit sign be displayed in close proximity to the FDIC official sign.

   (Updated December 2, 2024)

B. Non-Deposit Signs

1. **Is the non-deposit sign required to be displayed in the individual offices within IDIs where non-deposit products are offered?**

   Answer: Yes. Under 12 CFR § 328.3(c)(2), an IDI must continuously, clearly, and conspicuously display the required non-deposit signage at each location within the premises where non-deposit products are offered. If non-deposit products are offered in individual offices, the non-deposit sign should be visible in those offices.

   (Updated July 15, 2024)

II. Digital Channels (e.g., Websites or Apps)

A. Placement and Display of Official Digital Sign

1. **Are IDIs' websites considered deposit taking channels for purposes of the digital signage requirements?**

Answer: Under part 328, the FDIC official digital sign must be displayed on "digital deposit taking channels," which includes IDIs' "websites and web-based or mobile applications, that offer the ability to make deposits electronically and provide access to deposits at insured depository institutions." 12 CFR § 328.5(a). If an IDI's website is purely informational, with no ability to make deposits or access deposits, it would not be a digital deposit-taking channel.

(Updated July 15, 2024)

2. **Can the official digital sign appear only on the IDI's "homepage" and not on the other web pages that make up the website?**

   Answer: No. Under part 328, the FDIC official digital sign must be displayed on the (1) initial page or homepage of the IDI's website or application, (2) login page, and (3) the page or screen where a consumer first initiates a deposit account opening. 12 CFR § 328.5(c).

   (Updated May 13, 2026)

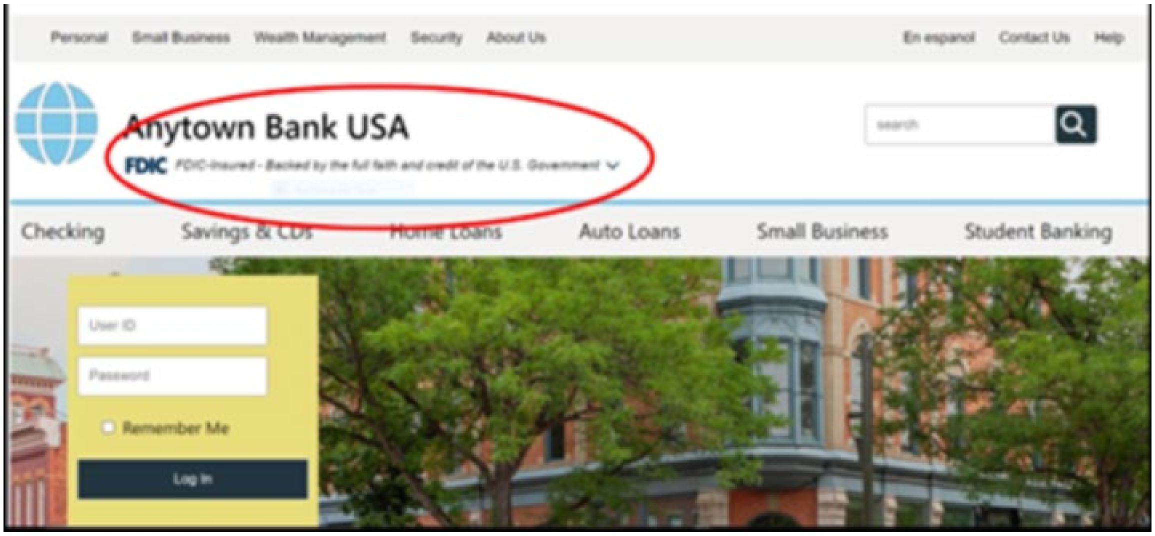
3. **Where are IDIs required to place the FDIC official digital sign on a bank web page or app to ensure compliance with the requirement that the official digital sign be displayed clearly, continuously, and conspicuously? Can the FDIC official digital sign be placed in the footer?**

   Answer: Part 328 requires IDIs to display the FDIC official digital sign in a clear, continuous, and conspicuous manner. (See answer II.A.2. above for the applicable pages). The regulation provides explicit examples of FDIC official digital sign placement to assist banks with satisfying the "clear, continuous, and conspicuous" standard including, but not limited to, the homepage of an IDI's website that continuously displays the FDIC official digital sign near the top of the page and adjacent to the IDI's name; the login page for an IDI's mobile application that displays the FDIC official digital sign immediately adjacent to the username and password fields; and the deposit account opening page for an IDI's web-based application that displays the FDIC official digital sign near the top or center of the page.

   The FDIC official digital sign may be placed in other areas of the page or in the footer if displayed clearly, continuously, and conspicuously.

   Below is an example of the clear, continuous, and conspicuous display of the FDIC official digital sign near the top of a homepage and adjacent to the IDI's name:

   Anytown Bank USA name next to FDIC Digital Sign



(Updated May 13, 2026)

4. Can the official digital sign be dismissed once a customer logs in?

Answer: No. Part 328 requires that the official digital sign be displayed "in a continuous manner," which means it must remain visible on the (1) initial page or homepage of the website or application, (2) login page, and (3) page where consumers first initiate a deposit account opening. 12 CFR § 328.5(c). Part 328 does not, however, require the official digital sign to continue to follow the user as they scroll up or down the screen.

(Updated May 13, 2026)

5. Does the official digital sign need to be linked to the FDIC's website?

Answer: No. Part 328 does not require the official digital sign to be linked to the FDIC's website. However, optional versions of the official digital sign that are linked to BankFind and FDIC's Electronic Deposit Insurance Estimator (EDIE) are available to bankers on FDICconnect, a secure website operated by the FDIC that FDIC-insured institutions can use to exchange information with the FDIC. Bankers can also download the FDIC official digital sign on FDICconnect.

(Updated May 13, 2026)

6. How should IDIs display the FDIC official digital sign on mobile devices with screen resolutions that do not support the ability to display the entirety of the digital sign on one line?

Answer: Generally, the FDIC official digital sign should be displayed as presented (shown below) at 12 CFR § 328.5(b), with no alteration to the text except for color variation as noted in the regulation text.

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If the image does not fit a particular device or screen, the official digital sign can be scaled, "wrapped" or "stacked" to fit the relevant screen (shown below).

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(Updated May 13, 2026)

7. Does the FDIC official digital sign need to be displayed every time an IDI's name appears on a page or screen of the IDI's website or app?

Answer: No. IDIs are not required to display the FDIC official digital sign every time the IDI's name appears.

(Updated May 13, 2026)

8. Is the official digital sign required on pages where customers may transact with deposits?

Answer: No. The requirement to display the official digital sign on pages where the customer may transact with deposits was removed from the regulation in 2026.

(Updated May 13, 2026)

9. Is an IDI required to display the official FDIC digital sign on a dashboard or portal of an IDI's website or app after the customer logs into the account?

Answer: No. In general, a "dashboard" or "portal" is an account summary web page or screen on a website or app that typically displays a customer's financial information regarding various products after logging in. For example, a dashboard may provide an overview of an IDI customer's checking, savings, mortgage, investment, and retirement account balances. For the purposes of part 328, a dashboard or portal as described here is not an initial or homepage, login page, or a page where a consumer first initiates a deposit account opening. Accordingly, an IDI is not required to display the official FDIC digital sign on such a dashboard or portal.

(Updated May 13, 2026)

10. Where should the official digital sign be placed if the IDI's app or website does not currently display the IDI's full name; it only displays the IDI's logo or a partial name?

Answer: Part 328 provides that an official digital sign continuously displayed near the top of the relevant page or screen and adjacent to the IDI's name would be considered clear and conspicuous. 12 CFR § 328.5(e)(1).

If an IDI displays its full name, a partial name of the IDI, or the logo of the IDI (or any similar symbol used to identify the IDI) near the top of the page or screen, and continuously displays the official digital sign adjacent to it, this approach would be considered clear and conspicuous.

(Updated May 13, 2026)

11. How should IDIs incorporate the digital sign on mobile devices in accordance with part 328's requirements while also remaining compliant with the Americans with Disabilities Act (ADA)?

Answer: Part 328 does not supersede or alter the requirements of IDIs to comply with ADA's digital accessibility rules. As IDIs implement part 328's requirements, IDIs should take steps to ensure that their web content is fully compliant with other laws and regulations.

(Updated May 13, 2026)

12. Do the FDIC official digital sign requirements apply to downloadable content such as terms and conditions or other digital collateral available via an IDI's online channels?

Answer: Generally, no. The FDIC official digital sign is required on digital-deposit taking channels, including websites and web-based applications, that offer the ability to make deposits electronically and provide access to deposits. Whether the content is downloadable does not affect whether these requirements apply.

(Updated May 13, 2026)

13. Is an IDI required to display the FDIC official digital sign in the app store where the IDI's app is available for download?

Answer: No. An IDI is not required to post the official digital sign in the app store where its app is available for download.

(Updated August 16, 2024)

14. Is it permissible to translate the FDIC official digital sign into Spanish or another language other than English, and still be in compliance with part 328?

Answer: IDIs must display the FDIC official digital sign in English, as shown below and specified under 12 CFR § 328.5(b). In addition to displaying the required FDIC official

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digital sign, IDIs may also display a translation of the official digital sign in another language.

(Updated May 13, 2026)

15. **Are sweep accounts considered non-deposit products or uninsured deposit products for purposes of part 328's digital sign requirement? In other words, should the FDIC official digital sign be displayed on digital channels where customers can transact in sweep accounts?**

    Answer: The regulation does not require that IDIs display either the FDIC digital sign or non-deposit signage on pages relating to "hybrid products." Banks typically offer business overnight sweep accounts where money is swept from traditional business deposit checking accounts into investments that are not FDIC-insured. Such sweep accounts are considered "hybrid products" under part 328. 12 CFR § 328.1. However, customer disclosure requirements related to the insurability of sweep accounts apply consistent with 12 CFR § 360.8(e).

    (Updated May 13, 2026)

B. Non-Deposit Signs

1. **On IDIs' web pages or apps where IDIs are required to display the non-deposit sign, where should the non-deposit sign be displayed?**

   Answer: An IDI must clearly, conspicuously, and continuously display a non-deposit sign on each page primarily dedicated to advertising or providing information about, or access to, one or more non-deposit products.

   An example of clear and conspicuous placement is to place non-deposit signage towards the bottom of the page in a manner that distinguishes the text of the non-deposit signage from the smallest text on the page using, for example, bold or larger text, or surrounding the signage with a text box. 12 CFR § 328.5(e)(4).

   (Updated May 13, 2026)

2. **How can an IDI satisfy the requirement to display a "one-time notification" before a customer accesses a third-party website?**

   Answer: If an IDI's website or mobile application provides access to a third party platform that offers non-deposit products, the IDI must provide a one-time per web session notification before a customer who has logged in leaves the IDI's platform to access the third party platform. The one-time notification could include, for example, an IDI using a "pop-up," "speedbump," or "overlay" that appears before the IDI's customer may initially access the third party's online platform. The notification may be dismissed either automatically after three seconds, manually by the customer, or a combination of these two methods.

   The notification must clearly and conspicuously indicate that the third party's non-deposit products: are not insured by the FDIC; are not deposits; and may lose value. 12 CFR § 328.5(d)(2)(ii). As with all of part 328's signage requirements, IDIs may, but are not required to, include additional disclosures in the notification that may help prevent consumer confusion, including, for example, that the IDI customer is leaving the IDI's website.

   (Updated May 13, 2026)

3. Does the requirement for a non-deposit "one-time notification" before a customer accesses a third-party website need to appear twice in the same session, if the customer clicks on the same link twice?

Answer: No. If an IDI customer who is logged into an IDI's digital deposit-taking channel (such as an IDI's website and app) clicks on a hyperlink that takes them to a third-party's website and then the customer clicks on the same hyperlink again in the same session, the IDI would only be required to provide the one-time notification the first time the customer clicks the link, and not each subsequent time that the customer clicks on the same link in the same session.

On the other hand, the notification should be given twice during the same session if a consumer clicks on a link to access a third-party website and then in the same session clicks on a different link that takes them to a different third party's website.

(Updated August 16, 2024)

4. How are affiliated entities treated for the purpose of complying with the requirement under 12 CFR § 328.5(d)(2) for a "one-time notification" for bank customers related to a third party's non-deposit products?

Answer: For the purposes of 12 CFR § 328.5(d)(2), the FDIC views affiliated entities as third parties. Accordingly, if an IDI's website or mobile application provides access to an affiliate's platform that offers non-deposit products, the IDI must display a "one-time" notification before a logged-in bank customer may leave the IDI's platform to access the affiliate's platform. For additional information, see 12 CFR § 328.5(d)(2) and the response to question II.B.2 above.

(Updated May 13, 2026)

5. Would displaying a shortened version of the Interagency Statement on Retail Non-Deposit Investments disclosure satisfy the requirements of the FDIC non-deposit sign?

Answer: Yes. A shortened version of the Retail Non-Deposit Investments disclosure ("not FDIC insured; no bank guarantee; may lose value") can be substituted for the non-deposit sign ("are not insured by the FDIC; are not deposits; and may lose value"), as long as the language is displayed clearly, conspicuously, and continuously on each webpage primarily dedicated to advertising or providing information about, or access to, one or more non-deposit products.

(Updated May 13, 2026)

6. If an IDI identifies instances on its website where a consumer could be confused about a product offering or other issues, does the IDI have flexibility to provide additional clarifying information to consumers?

Answer: Yes. An IDI may provide additional or supplemental clarifying disclosures to consumers on its digital channels. Part 328 expressly provides IDIs with the latitude to display additional disclosures through subsection 12 CFR § 328.5(f), which provides that the signage requirements for digital deposit taking channels do not limit IDIs' ability to display signage and disclosures in addition to those required by part 328. Examples of additional disclosures on IDIs' digital deposit-taking channels include, but are not limited to: "FDIC insurance availability on this page only applies to deposit accounts at [IDI name]" and "[IDI name] deposit products are FDIC insured."

(Updated May 13, 2026)

7. **When disability insurance or credit insurance is added to a loan, such as a car loan, does the bank need to post the "not FDIC insured" sign?**

   Answer: Generally, FDIC staff has viewed credit life insurance as well as disability insurance as part of the offering of credit. Under 12 CFR § 328.1, the definition of "non-deposit product" does not include "credit products," which means the non-deposit sign is not required when an IDI offers credit products.

   (Updated May 13, 2026)

8. **Is an IDI required to display the non-deposit sign on a bank's navigation menu near a link to a non-deposit product page, and provide a one-time notification, such as a pop-up screen?**

   Answer: Generally, no. Non-deposit signage is only required on pages or screens primarily dedicated to advertising or providing information about, or access to, non-deposit products. A page would not meet this standard solely because it includes a navigation menu that includes links to a non-deposit product page.

   However, for logged-in bank customers, an IDI would only be required to provide a one-time notification, such as a "pop-up," "speedbump," or "overlay," if the link offers access to non-deposit products from a non-bank third party's online platform. 12 CFR § 328.5(d)(2). The IDI may, but is not required to, include additional disclosures in the notification that may help prevent consumer confusion, including, for example, that the IDI customer is leaving the IDI's website. See answer II.B.2 for additional information regarding the "one-time notification" requirement.

   (Updated May 13, 2026)

C. Use of Advertising Statement on Digital Channels

1. **Should IDIs include the "Member FDIC," "Member of FDIC," or "FDIC-Insured" advertising statement on every page of their digital platforms?**

   Answer: The advertising statement (e.g., "Member FDIC") must be displayed on advertisements, consistent with 12 CFR § 328.6. It is not intended to overlap with the official digital sign, and the advertising statement is not required on web pages where an IDI displays the official digital sign, such as the bank's homepage. However, an IDI is not prohibited from displaying the advertising statement on a page that also includes the official digital sign, so long as the use of the advertising statement on that page is otherwise consistent with the official advertising statement requirements in 12 CFR § 328.6.

   (Updated July 15, 2024)

2. **If a customer clicks on a hyperlink on an IDI's web page to get marketing information about specific deposit products, would such a marketing page that a customer subsequently views require the FDIC official digital sign?**

   Answer: Advertising pages (i.e., commercial messages, in any medium, designed to attract public attention or patronage to a product or business) must adhere to the requirements of 12 CFR § 328.6, which requires the inclusion of an official advertising statement, either "Member of the Federal Deposit Insurance Corporation," or a short title of "Member of FDIC," "Member FDIC," "FDIC-insured," or a reproduction of the FDIC's symbol. IDIs are not required to display the official FDIC digital sign on advertising pages.

   (Updated May 13, 2026)

3. **Can the FDIC provide a translation of the new "FDIC-Insured" optional short title of the official advertising statement?**

   Answer: Under the regulation, IDIs have the option to use "FDIC-Insured" as a short form of the official advertising statement to satisfy advertising statement requirements under 12 CFR § 328.6. Under part 328, a non-English equivalent of the official advertising statement may be used in any advertisement, provided that the translation has the prior written approval of the FDIC.

   Editor's Note: We have modified this answer, as the additional information is not likely to be useful. However, we have included the following portion of the answer:

   Below please find the translation of the optional short title, "FDIC-Insured," in 26 non-English languages that IDIs may use as the official advertising statement pursuant to part 328. For convenience, the FDIC is also providing the 26 non-English translations of the other optional short titles "Member FDIC" and "Member of FDIC."

   (Updated May 13, 2026)

4. **When does an IDI need the FDIC's consent to use non-English translations for the advertising statement and how is consent obtained?**

   Answer: An IDI does not need FDIC's consent or prior approval to use any of the translations provided above in II.C.3. IDIs requesting to use a different translation may send an email with their request to DepositInsuranceBank@FDIC.gov.

   (Updated May 13, 2026)

D. Automated Teller Machines or Like Devices

1. **When implementing new official digital signage on ATMs, are IDIs required to remove existing physical signs, or can both types of signage be displayed simultaneously?**

   Answer: IDIs are not required to take down physical FDIC official signs attached to ATMs. If an IDI's ATM or like device either (1) was placed into service before April 1, 2027 or (2) does not permit customers to transact with non-deposit products, the IDI has the option of meeting the signage requirement by either (1) displaying the FDIC official digital sign electronically on the initial ATM screen or (2) displaying the physical official sign by attaching or posting it to the ATM. 12 CFR § 328.4(c).

(Updated May 13, 2026)

2. If an IDI's ATM accepts deposits but does not permit customers to transact with non-deposit products, on what pages or screens are IDIs required to post or display official FDIC signs?

Answer: For ATMs or like devices that (1) are currently in service, or that will be put into service before April 1, 2027, or (2) do not offer access to non-deposit products, IDIs may comply with the official sign requirement in one of two ways.

The first option is to post or attach the physical official FDIC sign (as described in 12 CFR § 328.2) on the ATM.

The second option is to display the FDIC official digital sign as described in § 328.5 on the ATM's initial screen. Under 12 CFR § 328.4(b), the "initial screen" does not include a screen saver or an advertisement for products, services, or events on the screen of an idle ATM. The "initial screen" is the screen that is displayed before an IDI's customer inserts a debit card or other credentials to access the device (sometimes referred to as a "welcome screen").

(Updated May 13, 2026)

3. For an IDI's deposit taking ATM, is the IDI required to post non-deposit signage when a debit card from another institution is used to log into an ATM?

Answer: IDIs are required to display non-deposit signage on the first page or screen displayed when an IDI's customer initiates a transaction with a non-deposit product. This requirement does not apply to a non-customer, such as a user logging into their account at another institution using a debit card issued by that other institution. 12 CFR § 328.4(d).

(Updated May 13, 2026)

4. Is the FDIC official digital sign required on all ATMs, and if the sign is required, must it be displayed on all screens?

Answer: Except as described below, an IDI's ATM or like device that receives deposits for an IDI must clearly, continuously, and conspicuously display the FDIC official digital sign on the initial screen of such an ATM or like device. For purposes of this requirement, a screen saver—such as an advertisement for products, services, or events on the screen of an idle ATM—is not considered the "initial screen."

If the ATM does not offer access to non-deposit products, or if the ATM was placed into service before April 1, 2027, part 328 provides flexibility to meet the signage requirement, allowing the IDI to display the physical FDIC official sign by physically attaching it to the ATM instead of using the electronic sign on its initial screen.

(Updated May 13, 2026)

5. If an ATM allows transfers of funds between deposit accounts but does not accept cash or check deposits, is the ATM subject to the sign requirements described in section 328.4?

Answer: No. The sign requirements in section 328.4 only apply to IDIs' ATMs and other remote electronic facilities that receive deposits.

(Updated May 13, 2026)

6. Where a non-bank owns and operates a bank-branded ATM (e.g., displays bank sign on top of the machine, bank's name and logo is displayed on screen, etc.), is it permissible under part 328 for the ATM to display the FDIC official digital sign?

Answer: It depends. The FDIC has explained that display of the FDIC official digital sign by non-bank third parties is generally improper because display of the sign would imply that the non-bank is FDIC-insured. See 89 Fed. Reg. 3504, 3511-12 (Jan. 18, 2024). However, staff believes use of the FDIC official digital sign by a bank on non-bank owned, bank-branded ATMs does not raise this concern where the ATM includes a sufficient amount of a bank's branding to clearly imply that the customer is doing business with the bank (e.g., there's a bank sign on the ATM and the bank's name and logo is on the ATM screen). In such cases, staff believes the FDIC official digital sign may be displayed on the ATM in a manner consistent with section 328.4.

(Updated December 2, 2024)

E. Social Media

1. Are IDIs required to post the FDIC official digital sign on its social media advertisements?

Answer: No. IDIs are not required to display the FDIC official digital sign on its social media advertisements. IDIs should ensure that social media advertisements are compliant with the official advertising statement requirements contained in 12 CFR § 328.6.

(Updated May 13, 2026)

III. Advertising for Non-Deposit Products

1. In marketing materials that feature safe deposit boxes or credit products alongside insured products like checking accounts, should IDIs include a disclosure stating that these products are not FDIC-insured?

Answer: For the purposes of part 328, safe deposit boxes and credit products are excluded from the definition of "non-deposit product." Therefore, there is no requirement under part 328 for an IDI to include such a disclosure in marketing material for these products.

(Updated July 15, 2024)

IV. Implementation Information

1. **If an IDI took all necessary actions to ensure it complied with the part 328 final rule adopted in 2023, would that IDI also be in full compliance with the part 328 final rule adopted in 2026?**

   Answer: For the most part, IDIs that have already complied with the signage requirements of the 2023 final rule would also be in compliance with the 2026 final rule. However, as noted in the preamble to the 2026 final rule, one possible exception is that IDIs are expressly required under the 2026 rule to display the FDIC official digital sign on a page or screen where the consumer first initiates a deposit account opening, whereas the 2023 rule was unclear as to whether the broader requirement to display the sign on "pages where a customer may transact with deposits" included deposit account opening pages.

   (Updated May 13, 2026)

What You Need to Do:
Please share with affected team members.

Joint Agencies: List of Distressed and Underserved Nonmetropolitan Middle-Income Geographies (June 30, 2026)

Links

https://www.ffiec.gov/sites/default/files/media/pressreleases/2026/2026DistressedorUnderservedTracts.pdf

https://www.ffiec.gov/sites/default/files/media/press-releases/2026/sourcelist2026.pdf

Text

Federal bank regulatory agencies today released the 2026 list of certain geographies where certain bank activities are eligible for Community Reinvestment Act (CRA) credit.

Under the CRA, the agencies assess a bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations. The list released by the agencies includes distressed or underserved nonmetropolitan middle-income geographies where revitalization or stabilization activities are eligible to receive CRA consideration. The designations reflect local economic conditions, including unemployment, poverty, and population changes.

Previous years' lists and criteria for designating these areas are available here.

Revitalization or stabilization activities in these geographies are eligible to receive CRA consideration under the community development definition for 12 months after publication of the current list. As with past lists, the agencies apply a one-year lag period for geographies that were included in 2025 but are no longer designated as distressed or underserved in the current list.

What You Need to Do:
Distressed or underserved nonmetropolitan middle-income geographies are census tracts where revitalization or stabilization activities are eligible to receive CRA consideration. ***See Appendix A for your State's 2025 – 2026 List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies***. Please review and share with CRA Officer and other appropriate team members.

Bank Secrecy Act

Section 1: CDD FAQs

FinCEN: CDD Rule FAQs (February 13, 2026)

Link

https://www.fincen.gov/resources/statutes-and-regulations/cdd-rule-faqs

Text

The Financial Crimes Enforcement Network ("FinCEN") is re-issuing frequently asked questions (FAQs) regarding customer due diligence requirements for covered financial institutions. These FAQs were separately published on July 19, 2016, April 3, 2018, and August 3, 2020, to assist covered financial institutions in understanding the scope of the final rule Customer Due Diligence Requirements for Financial Institutions, published on May 11, 2016, and amended on September 29, 2017 ("CDD Rule" or "the Rule"). The purpose of re-issuing the FAQs is to consolidate the three sets of FAQs into one document and update certain FAQs to align with the exceptive relief order FinCEN issued on February 13, 2026 (FIN-2026-R001) ("Account Opening Exceptive Relief Order").

For further information regarding customer due diligence requirements, including the CDD Rule, please see FinCEN's CDD webpage.

A. General Questions

A. 1. Why did FinCEN issue the CDD Rule?

FinCEN issued the CDD Rule to amend existing Bank Secrecy Act (BSA) regulations in order to clarify and strengthen customer due diligence (CDD) requirements for certain financial institutions. The CDD Rule outlines explicit customer due diligence requirements and imposes a new requirement for these financial institutions to identify and verify the identity of beneficial owners of legal entity customers, subject to certain exclusions and exemptions. Within this construct, as stated in the preamble to the rule, FinCEN intends that the legal entity customer identify its ultimate beneficial owner or owners and not "nominees" or "straw men."

[Issued July 19, 2016; updated May 6, 2026]

A. 2. Does the CDD Rule apply to all financial institutions?

No. The CDD Rule applies to covered financial institutions.

[Issued July 19, 2016]

A. 3. What was the effective date of the CDD Rule?

July 11, 2016, which was 60 days from the publication of the CDD Rule in the Federal Register.

[Issued July 19, 2016; updated May 6, 2026]

A. 4. When must covered financial institutions implement the final rule?

Covered financial institutions had until May 11, 2018, two years from the date the final CDD Rule was published in the Federal Register, to implement and comply with the CDD Rule.

[Issued July 19, 2016; updated May 6, 2026]

A. 5. Which financial institutions are covered under the CDD Rule?

For purposes of the CDD Rule, covered financial institutions are federally regulated banks and federally insured credit unions, mutual funds, brokers or dealers in securities, futures commission merchants, and introducing brokers in commodities. The term covered financial institution is defined at 31 CFR 1010.605(e)(1).

[Issued July 19, 2016]

A. 6. Are there any changes to the AML program requirements for covered financial institutions in the Rule?

Yes. The CDD Rule amends the AML program requirements for each covered financial institution to explicitly require covered institutions to implement and maintain appropriate risk-based procedures for conducting ongoing customer due diligence, to include:

- Understanding the nature and purpose of the customer relationships; and
- Conducting ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information.

A covered financial institution's AML program must include, at a minimum: (1) a system of internal controls; (2) independent testing; (3) designation of a compliance officer or individual(s) responsible for day-to-day compliance; (4) training for appropriate personnel; and (5) appropriate risk-based procedures for conducting ongoing CDD to understand the nature and purpose of customer relationships and to conduct ongoing monitoring to identify and report suspicious transactions, and, on a risk basis, to maintain and update customer information.

[Issued July 19, 2016]

B. Beneficial Ownership Information Collection under the CDD Rule

B. 1.a. What are the requirements for covered financial institutions to collect beneficial ownership information under the CDD Rule?

The CDD Rule requires covered financial institutions to establish and maintain written procedures that are reasonably designed to identify and verify the beneficial owners of legal entity customers. These procedures must enable the institution to identify the beneficial owners of each legal entity customer at the time a new account is opened, unless the customer is otherwise excluded, the account is exempted, or the covered financial institution chooses to avail itself of the Account Opening Exceptive Relief Order (see Question B.1.b.). In addition, the procedures must establish risk-based practices for verifying the identity of each beneficial owner identified to the covered financial institution, to the extent reasonable and practicable. The procedures must contain the elements required for verifying the identity of customers that are individuals under applicable customer identification program (CIP) requirements located at 31 CFR 1020.220(a)(2), 31 CFR 1023.220(a)(2), 31 CFR 1024.220, and 31 CFR 1026.220(a)(2).

In short, covered financial institutions are required to obtain, verify, and record the identities of the beneficial owners of legal entity customers.

[Issued July 19, 2016; updated May 6, 2026]

B. 1.b. What does the Account Opening Exceptive Relief Order authorize?

On February 13, 2026, FinCEN granted exceptive relief to covered financial institutions from the requirements set forth in 31 CFR 1010.230(b) to identify and verify the identities of beneficial owners of legal entity customers at each new account opening—the Account Opening Exceptive Relief Order. Rather than having to identify and verify a legal entity customer's beneficial owners each time that customer opens an account, covered financial institutions may instead limit their identification and verification of the identities of beneficial owners under 31 CFR 1010.230(b) to the following circumstances: (1) when a legal entity customer first opens an account with a covered financial institution; (2) any time thereafter when the covered financial institution has knowledge of facts that would reasonably call into question the reliability of beneficial ownership information previously obtained about the legal entity customer; and (3) as needed based on a covered financial institution's risk-based procedures for conducting ongoing customer due diligence.

Whether a covered financial institution chooses to avail itself of the Account Opening Exceptive Relief Order is within the discretion of the covered financial institution. Thus, a covered financial institution may elect to either establish or continue existing customer due diligence processes of identifying and verifying the identities of a legal entity customer's beneficial owners at each new account opening.

[Issued May 6, 2026]

B. 2. Must a covered financial institution's procedures for identifying and verifying the identity of beneficial owners of legal entity customers under the CDD Rule be identical to its customer identification program?

No. However, the CDD Rule requires that the procedures, at a minimum, contain the same elements as required for verifying the identity of customers that are individuals under the applicable CIP rule. Additionally, financial institutions may use photocopies or other reproductions of identification documents in the case of documentary verification.

[Issued July 19, 2016]

B. 3. Are covered financial institutions required to include the procedures for identifying and verifying the identity of the beneficial owners of legal entity customers in the institution's anti-money laundering (AML) compliance program?

Yes. The CDD procedures must be included in the covered financial institution's AML compliance program.

[Issued July 19, 2016]

B. 4. Are covered financial institutions required to collect any information about beneficial ownership from the legal entity customer?

Yes. Covered financial institutions must collect information on individuals who are beneficial owners of a legal entity customer in addition to the information they are required to collect on the customer under the CIP requirement.

[Issued July 19, 2016]

B. 5. Who is a "beneficial owner" under the CDD Rule?

The CDD Rule defines "beneficial owner" as each of the following:

- Each individual, if any, who, directly or indirectly, owns 25% or more of the equity interests of a legal entity customer (i.e., the ownership prong); and
- A single individual with significant responsibility to control, manage, or direct a legal entity customer, including an executive officer or senior manager (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer); or any other individual who regularly performs similar functions (i.e., the control prong). This list of positions is illustrative, not exclusive, as there is significant diversity in how legal entities are structured.

Under this definition, a legal entity will have a total of between one and five beneficial owners (i.e., one person under the control prong and zero to four persons under the ownership prong).

[Issued July 19, 2016]

B. 6. Are covered financial institutions required to obtain information directly from the beneficial owners of legal entity customers?

No. The CDD Rule requires financial institutions to obtain information about the beneficial owners of a legal entity from the individual seeking to open a new account at the covered financial institution on behalf of the legal entity customer. This individual could, but would not necessarily, be a beneficial owner.

[Issued July 19, 2016; updated May 6, 2026]

B. 7. What types of information are covered institutions required to collect on the beneficial owners of legal entity customers?

As with CIP for individual customers, covered financial institutions must collect from the legal entity customer the name, date of birth, address, and social security number or other government identification number (passport number or other similar information in the case of foreign persons) for individuals who own 25% or more of the equity interest of the legal entity (if any), and an individual with significant responsibility to control/manage the legal entity.

[Issued July 19, 2016]

B. 8. May a legal entity provide the identification of a nominee owner in response to a financial institution's request for the identification of a beneficial owner?

No. As stated in the preamble to the CDD Rule, FinCEN intends that the legal entity customer identify its ultimate beneficial owner or owners and not "nominees" or "straw men." FinCEN reiterates that it is the responsibility of the legal entity customer to identify its ultimate beneficial owners and that the financial institution may rely upon the information provided, unless the institution has reason to question its accuracy.

[Issued July 19, 2016]

B. 9. What types of individuals satisfy the definition of a person with "significant responsibility to control, manage, or direct a legal entity customer?"

Under the CDD Rule, a legal entity must provide information on a control person with "significant responsibility to control, manage, or direct the company." The Rule also provides examples of the types of positions that could qualify, including "[a]n executive officer or senior manager (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer)." FinCEN's expectation is that the control person identified must be a high-level official in the legal entity, who is responsible for how the organization is run, and who will have access to a range of information concerning the day-to-day operations of the company. The list of positions is illustrative, not exclusive.

[Issued July 19, 2016]

B. 10. Must covered financial institutions collect beneficial ownership information on all of the beneficial owners of a legal entity customer?

Covered financial institutions must collect and verify the beneficial ownership information of each person who meets the definition under the ownership prong, and of one person under the control prong. Under the ownership prong, covered financial institutions are required to collect the beneficial ownership information only for each individual who owns directly or indirectly 25% or more of the equity interest of a legal entity and under the control prong, for one individual with significant responsibility to control, manage, or direct the entity. However, the Rule recognizes that there may be instances when no one individual owns 25% or more of the equity interest of the legal entity; in such instances, the financial institution is still required to collect the required information for one individual who controls, manages, or directs the legal entity customer.

[Issued July 19, 2016]

B. 11. Can a covered financial institution adopt and implement more stringent written internal policies and procedures for the collection of beneficial ownership information than the obligations set the CDD Rule and set forth in 31 CFR 1010.230?

Yes. Covered financial institutions may choose to implement stricter written internal policies and procedures for the collection and verification of beneficial ownership information than the requirements prescribed by the CDD Rule.

Transparency in beneficial ownership provides highly valuable information that supports law enforcement, tax, regulatory, or counterterrorism investigations. The Rule sets forth the standard for collecting such valuable information at 25% of beneficial ownership. Therefore, covered financial institutions will meet their beneficial ownership obligations by collecting information on individuals, if any, who hold directly or indirectly, 25% or more of the equity interests in and one individual who has managerial control of a legal entity customer. A covered financial institution may choose, however, to collect such information on natural persons who own a lower percentage of the equity interests of a legal entity customer as well as information on more than one individual with managerial control.

[Issued April 3, 2018; updated May 6, 2026]

B. 12. Are there circumstances where covered financial institutions should consider collecting beneficial ownership information at a lower equity interest threshold under the AML program rules with regard to certain customers?

There may be circumstances where a financial institution may determine that collection and verification of beneficial ownership information at a lower threshold may be warranted, based on the financial institution's own assessment of its risk relating to its customer.

Transparency in beneficial ownership, however, is only one aspect of a covered financial institution's customer due diligence obligations. A financial institution may reasonably conclude that collecting beneficial ownership information at a lower equity interest than 25% would not help mitigate the specific risk posed by the customer or provide information useful to the financial institution in analyzing the risk. Rather, any additional heightened risk could be mitigated by other reasonable means, such as enhanced monitoring or collecting other information, including expected account activity, in connection with the particular legal entity customer.

In all cases, however, it is important that covered financial institutions establish and maintain written procedures that are reasonably designed to identify and verify the identity of beneficial owners of legal entity customers and to include such procedures in their AML compliance program.

[Issued April 3, 2018]

B. 13. When a legal entity is identified as owning 25% or more of a legal entity customer that is opening an account, is it necessary for a covered financial institution to request beneficial ownership information on the legal entity identified as an owner?

Under the CDD Rule's beneficial ownership identification requirement, a covered institution must collect, from its legal entity customers, information about any individual(s) that are the beneficial owner(s) (unless the entity is excluded or the account is exempted). Therefore, covered financial institutions must obtain from their legal entity customers the identities of individuals who satisfy the definition, either directly or indirectly through multiple corporate structures, as illustrated in the following example.

For purposes of the Rule, Allan is a beneficial owner of Customer because he owns indirectly 30% of its equity interests through his direct ownership of Company A. Betty is also a beneficial owner of Customer because she owns indirectly 20% of its equity interests through her direct ownership of Company A plus 16⅔% through Company B for a total of indirect ownership interest of 36⅔%. Neither Carl nor Diane is a beneficial owner because each owns indirectly only 16⅔% of Customer's equity interests through their direct ownership of Company B.

A covered financial need not independently investigate the legal entity customer's ownership structure and may accept and reasonably rely on the information regarding the status of beneficial owners presented to the financial institution by the legal entity customer's representative, provided that the institution has no knowledge of facts that would reasonably call into question the reliability of the information.

[Issued April 3, 2018]

B. 14. What means of identity verification are sufficient to reliably confirm beneficial ownership under the CDD Rule?

Covered financial institutions must verify the identity of each beneficial owner according to risk-based procedures that contain, at a minimum, the same elements financial institutions are required to use to verify the identity of individual customers under applicable CIP requirements. This includes the requirement to address situations in which the financial institution cannot form a reasonable belief that it knows the true identity of the legal entity customer's beneficial owners. Although the CDD Rule's beneficial ownership verification procedures must contain the same elements as existing CIP procedures, they are not required to be identical to them. For example, a covered financial institution's policies and procedures may state that the institution will accept photocopies of a driver's license from the legal entity customer to verify the beneficial owner(s)' identity if the beneficial owner is not present, which is not permissible in the CIP rules. (See Question B.16)

A financial institution's CIP must contain procedures for verifying customer identification, including describing when the institution will use documentary, non-documentary, or a combination of both methods for identity verification. Covered financial institutions may use the same methods to verify the identity of the beneficial owner of a legal entity customer. In addition, in contrast to the CIP rule, the CDD Rule expressly authorizes covered financial institutions to use photocopies or other reproduction documents for documentary verification.

Documentary verification may include unexpired government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard, such as a driver's license or passport. Non-documentary methods of verification may include contacting a beneficial owner; independently verifying the beneficial owner's identity through the comparison of information provided by the legal entity customer (or the beneficial owner, as appropriate) with information obtained from other sources; checking references with other financial institutions; and obtaining a financial statement.

Financial institutions should conduct their own risk-based analysis to determine the appropriate method(s) of verification and the appropriate documents or types of photocopies or reproductions to accept in order to comply with the beneficial owner verification requirement.

[Issued April 3, 2018; updated May 6, 2026]

B. 15. What address should be obtained for a legal entity customer's beneficial owner(s) to comply with the certification requirement — residential or business?

The address requirements for certification under the CDD Rule are the same as those outlined in the CIP rule. For an individual beneficial owner, covered financial institutions must obtain either a residential or a business street address. If neither is available, acceptable substitutes may include an Army Post Office (APO) or Fleet Post Office (FPO) box number, or the residential or business street address of next of kin or of another contact individual.

[Issued April 3, 2018; updated May 6, 2026]

B. 16. What process should a covered financial institution use to identify and verify the identity of a beneficial owner of a legal entity customer when the beneficial owner is unavailable to appear in person during the opening of a new account?

A covered financial institution may identify the beneficial owner(s) of a legal entity customer either by obtaining a completed Certification Form (Appendix A to the Rule) or equivalent information from the legal entity customer's representative and may rely on such information, provided that it has no knowledge of facts that would reasonably call into question the reliability of such information. Furthermore, covered financial institutions may verify the identity of a beneficial owner who does not appear in person, through a photocopy or other reproduction of a valid identity document, or by non-documentary means described in response to Question B.14 above.

[Issued April 3, 2018; updated May 6, 2026]

B. 17. If an individual named as a beneficial owner of a new legal entity account is an existing customer of the covered financial institution subject to the financial institution's CIP, is a covered financial institution still required to identify and verify the identity of this individual, or may it rely on the CIP identification and verification of the individual that it previously performed?

Pursuant to the CDD Rule, a covered financial institution must identify and verify the identity of the beneficial owner(s) of legal entity customers at the time each new account is opened. However, pursuant to the Account Opening Exceptive Relief Order, a covered financial institution may, but is not required to, limit its identification and verification of the identities of beneficial owners under the CDD Rule to the following scenarios: (1) when a legal entity customer first opens an account with a covered financial institution, (2) any time thereafter when the covered financial institution has knowledge of facts that would reasonably call into question the reliability of beneficial ownership information previously obtained about the legal entity customer, and (3) as needed based on a covered financial institution's risk-based procedures for conducting ongoing customer due diligence.

If the individual identified as the beneficial owner is an existing customer of the financial institution and is subject to the financial institution's CIP, a financial institution may rely on information in its possession to fulfill the identification and verification requirements, provided the existing information is up-to-date, accurate, and the legal entity customer's representative certifies or confirms (verbally or in writing) the accuracy of the pre-existing CIP information.

For example, a representative of X Corp opens a new account for the company at a covered financial institution and identifies John Doe, who has a personal account at the institution, as a 25% equity owner of X Corp. As required under the CIP rule, the institution identified and verified John Doe's identity at the time the personal account was established. In this situation, a covered financial institution may rely on the pre-existing CIP identification and verification information it maintains for John Doe, provided that X Corp's representative certifies or confirms (verbally or in writing) the accuracy of the pre-existing information on John Doe in order to comply with the Rule. The covered financial institution's records of beneficial ownership for the new account could cross-reference the relevant CIP records, and the verification of information would not need to be repeated.

[Issued April 3, 2018; updated May 6, 2026]

B. 18. Are covered financial institutions required to obtain or update beneficial ownership information during routine periodic reviews of existing accounts, absent risk-based concerns; that is, are such reviews a trigger for the application of the Rule's beneficial ownership requirements?

No. Covered financial institutions do not have an obligation to solicit or update beneficial ownership information as a matter of course during regular or periodic reviews, absent specific risk-based concerns. Financial institutions are required to develop and implement risk-based procedures for conducting ongoing customer due diligence, including regular monitoring to identify and report suspicious activity and, on a risk basis, to maintain and update customer information. Thus, periodic reviews are not by themselves a trigger to obtain or update beneficial ownership information. As stated in response to Question B.20, the obligation to obtain or update information is triggered when, in the course of normal monitoring, a financial institution becomes aware of information about a customer or an account, including a possible change of beneficial ownership information, relevant to assessing or reassessing the customer's overall risk profile. Absent such a risk-related trigger or event, collecting or updating of beneficial ownership information is at the discretion of the covered financial institution. Financial institutions may exercise this discretion to collect or update beneficial ownership information on customers as often as they deem appropriate.

[Issued April 3, 2018]

B. 19. If an update to beneficial ownership information is required, can the change(s) be made in a covered financial institution's databases without physically obtaining and re-certifying the information?

It depends. A covered financial institution must develop written internal policies, procedures, and internal controls with respect to collecting, maintaining, and updating a legal entity's beneficial ownership information. The CDD Rule requires the covered financial institutions monitor, and on a risk-basis, update the customer information, including the beneficial ownership information, and does not require re-certification when the information is up-to-date and accurate. Covered financial institutions may therefore update their records to reflect a change of information for an existing beneficial owner using the same or similar processes the institution implemented to record account information it obtains from customers in connection with the institution's account opening processes. For example, if the update were only to a change of address for an existing beneficial owner whose identity information has already been collected and verified, then full re-certification would likely not be required. In this circumstance, it may be reasonable for the covered financial institution to communicate verbally with the legal entity customer to confirm the accuracy of the change of address and reflect such information in its databases. If, however, the updated information were a change of beneficial ownership, then the new beneficial owner's identity would need to be collected, certified, and verified.

[Issued April 3, 2018; updated May 6, 2026]

B. 20. Does FinCEN distinguish between the requirements for identifying and verifying beneficial owner information at the time of a new account opening and at the time of a triggering event?

No. Whether a covered financial institution identifies and verifies the identity of the beneficial owner at the time a legal entity initially opens a new account or at the time of a triggering event, the fundamental elements of identification and verification are the same. That is, covered financial institutions must identify each beneficial owner by obtaining their name, date of birth, address, and identifying number (such as a social security number or other identifying number permissible under the CIP rule), and verify their identities. However, financial institutions' written policies, procedures, and processes, as well as the sum of information, may differ with respect to the collection of information at the time a legal entity customer opens a new account or at the time an existing account is updated after a triggering event.

The breadth of information collected as the result of a triggering event during the normal course of monitoring to identify and report suspicious activity and to maintain and update customer information should be determined by what information has changed. That is, only the information that has changed must be updated (e.g., changing the address of the beneficial owner). To the extent that the triggering event results in a determination that the beneficial ownership of the legal entity may have changed entirely, the identity of any new beneficial owner(s) must be collected, certified, and verified, consistent with section 1010.230(b).

[Issued April 3, 2018; updated May 6, 2026]

B. 21. Are covered financial institutions required to identify and verify the identity of the beneficial owners that own 25% or more of the ownership interests of a

pooled investment vehicle whose operators or advisers are not excluded from the definition of legal entity customer?

No. Although the CDD Rule requires covered financial institutions to collect and verify the identity of beneficial owners who own 25% or more of the equity interests of a legal entity customer, in general, institutions are not required to look through a pooled investment vehicle to identify and verify the identity of any individuals who own 25% or more of its equity interests. Because of the way in which ownership of a pooled investment vehicle fluctuates, it would be impractical for covered financial institutions to collect and verify ownership identity for this type of entity. Therefore, there is no requirement that the financial institution should request the customer to look through the pooled investment vehicle to determine and report any individual's equity interest. However, covered financial institutions must collect beneficial ownership information for the pooled investment vehicle under the control prong to comply with the Rule (i.e., an individual with significant responsibility to control, manage, or direct the vehicle; such individuals could be, e.g., a portfolio manager, commodity pool operator, commodity trading advisor, or general partner of the vehicle). In cases where such manager, operator or advisor is itself an entity, then it would be necessary to identify an individual with responsibility to control, manage or direct the manager, operator, advisor or general partner.

[Issued April 3, 2018; updated May 6, 2026]

B. 22. When 25% or more of the equity interests of a legal entity customer are owned by a trust that is overseen by multiple trustees, are covered financial institutions required to identify and verify the identity of all trustees?

No. If a trust owns directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, 25% or more of the equity interests of a legal entity customer, the beneficial owner under the ownership/equity prong is the trustee. Where there are multiple trustees, financial institutions are expected to collect and verify the identity of, at a minimum, one trustee of a multi-trustee trust who owns 25% or more of the equity interests of a legal entity customer that is not subject to an exclusion. A covered financial institution may choose to identify additional trustees as part of its customer due diligence, based on its risk assessment and the customer risk profile and in accordance with the institution's account opening procedures.

[Issued April 3, 2018; updated May 6, 2026]

B. 23. If a legal entity is the trustee (e.g., law firm, bank trust department, etc.) of a trust that owns 25% or more of the equity interests of a legal entity customer, can that entity be identified as a beneficial owner under the ownership/equity prong or does a natural person need to be so identified?

If a trust owns directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, 25% or more of the equity interests of a legal entity customer, the beneficial owner for purposes of the ownership/equity prong is the trustee, regardless of whether the trustee is a natural person or a legal entity. In circumstances where a natural person does not exist for purposes of the ownership/equity prong, a natural person would not be identified. However, a covered institution should collect identification information on the legal entity trustee as part of its CIP, consistent with the covered institution's risk assessment and the customer risk profile.

In addition to the ownership/equity prong, covered financial institutions are also required to identify and verify a natural person as the beneficial owner of the legal entity customer under the control prong to comply with the Rule.

The ownership/equity and control prongs, although related, are independent requirements. Thus, satisfaction of, or exclusion from, regulatory obligations under one prong does not mean a covered financial institution's obligations under the other prong are also satisfied or excluded.

[Issued April 3, 2018; updated May 6, 2026]

B. 24. Are covered financial institutions required to collect or update beneficial ownership information on customers with accounts opened prior to May 11, 2018, the Rule's applicability date?

Financial institutions are not required to conduct retroactive reviews to obtain beneficial ownership information from customers with accounts opened prior to May 11, 2018. The obligation to obtain or update beneficial ownership information on legal entity customers with accounts established before May 11, 2018, is triggered when a financial institution becomes aware of information about the customer during the course of normal monitoring relevant to assessing or reassessing the risk posed by the customer, and such information indicates a possible change of beneficial ownership.

[Issued April 3, 2018; updated May 6, 2026]

C. Account

C. 1. How is "account" defined in the CDD Rule?

In order to maintain consistency with CIP, FinCEN added to the CDD Rule the same definition of the term "account" that is in the CIP rules for banks, brokers or dealers in securities, mutual funds, and futures commission merchants and introducing brokers in commodities.

[Issued July 19, 2016]

C. 2. What is a "new account" and does opening a new account require identification and verification of a legal entity customer's beneficial owner(s)?

The CDD Rule defines a "new account" as each account opened at a covered financial institution by a legal entity customer on or after the May 11, 2018, applicability date. Pursuant to the CDD Rule, a covered financial institution must identify and verify the identity of the beneficial owner(s) of legal entity customers at the time each new account is opened unless the customer is otherwise excluded or the account is exempted. However, pursuant to the Account Opening Exceptive Relief Order, a covered financial institution may, but is not required to, limit its identification and verification of the identities of beneficial owners under the CDD Rule to the following scenarios: (1) when a legal entity customer first opens an account with a covered financial institution, (2) any time thereafter when the covered financial institution has knowledge of facts that would reasonably call into question the reliability of beneficial ownership information previously obtained about the legal entity customer, and (3) as needed based on a covered financial institution's risk-based procedures for conducting ongoing customer due diligence. Refer to the Account Opening Exceptive Relief Order for further details.

[Issued July 19, 2016; updated May 6, 2026]

C. 3. Does a covered financial institution have to obtain beneficial information on existing accounts?

No. The rule does not cover existing accounts that were opened before the applicability date.

[Issued July 19, 2016]

C. 4. Are there any type of accounts that are not covered by the CDD Rule?

Yes. Subject to certain limitations, covered financial institutions are also not required to identify and verify the identity of the beneficial owner(s) of a legal entity customer when the customer opens any of the following four categories of accounts:

- Accounts established at the point-of-sale to provide credit products, solely for the purchase of retail goods and/or services at these retailers, up to a limit of $50,000;
- Accounts established to finance the purchase of postage and for which payments are remitted directly by the financial institution to the provider of the postage products;
- Accounts established to finance insurance premiums and for which payments are remitted directly by the financial institution to the insurance provider or broker; and
- Accounts established to finance the purchase or lease of equipment and for which payments are remitted directly by the financial institution to the vendor or lessor of this equipment.

These exemptions will not apply under either of the following two circumstances:

- If the accounts are transaction accounts through which a legal entity customer can make payments to, or receive payments from, third parties; and
- If there is the possibility of a cash refund for accounts opened to finance purchase of postage, insurance premium, or equipment leasing. If there is the possibility of a cash refund, the financial institution must identify and verify the identity of the beneficial owner(s) either at the initial remittance, or at the time such refund occurs.

[Issued July 19, 2016; updated May 6, 2026]

C. 5. FinCEN understands that after a covered financial institution (particularly in the securities and futures industries) opens a new account for a legal entity customer and identifies its beneficial ownership, the financial institution may subsequently open one or more additional accounts or subaccounts for that customer—for the institution's own recordkeeping or operational purposes and not at the customer's specific request—so that the customer may, for example invest in particular products or implement particular trading strategies. Would such accounts fall within the definition of "new accounts" for purposes of the beneficial ownership requirement?

The beneficial ownership requirement applies to a "new account," which is defined to mean "each account opened by a legal entity customer" [emphasis added]. An account (or subaccount) relating to a legal entity customer will not be considered a "new account" or an "account" for purposes of the CDD Rule when a financial institution creates such an account (or subaccount) for its own administrative or operational purposes and not at the customer's request—such as to accommodate a specific trading strategy—and the financial institution has already collected beneficial ownership information on such legal entity customer. The distinction between such accounts opened by customers and those opened by financial institutions for their own administrative or operational purposes is a facts-and-circumstances determination, and financial institutions should document the basis for their determinations.

However, if a legal entity customer subsequently opens a new account (or subaccount) with a covered financial institution, the covered financial institution may, but is not required to, limit its identification and verification of the identities of beneficial owners under the CDD Rule to the following scenarios: (1) when a legal entity customer first opens an account with a covered financial institution, (2) any time thereafter when the covered financial institution has knowledge of facts that would reasonably call into question the reliability of beneficial ownership information previously obtained about the legal entity customer, and (3) as needed based on a covered financial institution's risk-based procedures for conducting ongoing customer due diligence. This is pursuant to the Account Opening Exceptive Relief Order, absent knowledge or need as identified in scenarios (2) or (3) from the Account Opening Exceptive Relief Order and in Question B.1.b. Refer to the Account Opening Exceptive Relief Order for details.

[Issued April 3, 2018; updated May 6, 2026]

C. 6. Are financial institutions required to have their legal entity customers certify the beneficial owners for existing customers during the course of a financial product renewal (e.g., a loan renewal or certificate of deposit)?

Consistent with the definition of “account” in the CIP rules and subsequent interagency guidance, each time a loan is renewed or a certificate of deposit is rolled over, the bank establishes another formal banking relationship, and a new account is established. Pursuant to the CDD Rule, covered financial institutions are required to obtain information on the beneficial owners of a legal entity that opens a new account, meaning (in the case of a bank) for each new formal banking relationship established, even if the legal entity is an existing customer.

Under that framework, covered financial institutions must obtain or request confirmation of certified beneficial ownership information of the legal entity customer product and service renewal at the time of the first renewal following that date. At the time of each subsequent renewal, to the extent that the legal entity customer and the financial service or product (e.g., loan or CD) remains the same, the customer certifies or confirms that the beneficial ownership information previously obtained is accurate and up-to-date, and the institution has no knowledge of facts that would reasonably call into question the reliability of the information, the financial institution would not be required to collect the beneficial ownership information again. In the case of a loan renewal or CD rollover, because we understand that these products are not generally treated as new accounts by the industry and the risk of money laundering is very low, if at the time the customer certifies its beneficial ownership information, it also agrees to notify the financial institution of any change in such information, such agreement can be considered the certification or confirmation from the customer and should be documented and maintained as such, so long as the loan or CD is outstanding.

However, pursuant to the Account Opening Exceptive Relief Order, opening a new account for an existing legal entity customer does not, by itself, require a covered financial institution to identify and verify the identity of the legal entity customer's beneficial owner(s). A covered financial institution may instead—but is not required to—limit its identification and verification of the identities of beneficial owners under the CDD Rule to the following scenarios: (1) when a legal entity customer first opens an account with a covered financial institution, (2) any time thereafter when the covered financial institution has knowledge of facts that would reasonably call into question the reliability of beneficial ownership information previously obtained about the legal entity customer, and (3) as needed based on a covered financial institution's risk-based procedures for conducting ongoing customer due diligence. Consequently, covered financial institutions may choose not to obtain or request confirmation of certified beneficial ownership information from a legal entity customers at the time of renewal of a financial product or service, absent knowledge or need as identified in scenarios (2) or (3) from the Account Opening Exceptive Relief Order and in Question B.1.b. Refer to the Account Opening Exceptive Relief Order for details.

[Issued April 3, 2018; updated May 6, 2026]

D. Certification Form

D. 1. Are covered financial institutions required to use the beneficial ownership Certification Form (Appendix A to the Rule), and if so, how can they obtain a copy of the Form?

No. There is no requirement that covered financial institutions use the Certification Form. Rather, the form is optional and provided for the convenience of covered financial institutions as one possible method to obtain the required beneficial ownership information. Financial institutions may choose to comply with the requirements of the Rule by using another method, such as through the institutions' own forms, or any other means that comply with the substantive requirements of this obligation. Covered financial institutions should retain the form and not file it with FinCEN.

Covered financial institutions may obtain a fillable and non-fillable copy of the optional Certification Form in Appendix A of the CDD Rule at www.fincen.gov/resources/filing-information.

[Issued April 3, 2018]

D. 2. If a covered financial institution has updated the beneficial ownership information on the account(s) of a legal entity customer, and subsequently a new account is opened on behalf of the same legal entity customer, is the institution required to retain all sets of beneficial ownership documentation, thereby retaining up to three sets of information: the original set collected at account opening, the updated set, and a third, a duplicate of the second (updated) set for the new account?

Covered financial institutions are required to retain all beneficial ownership information collected about a legal entity customer for specified periods. Identifying information, including the Certification Form or its equivalent, must be maintained for a period of five years after that account is closed. All verification records must be retained for a period of five years after the record is made.

Therefore, whether a financial institution must retain a set of identification or verification records is dependent upon the date an account is opened and closed, or the date a record is made. For example, if a covered financial institution relies on pre-existing beneficial ownership information in its possession as true and accurate identification information when opening a new account for a legal entity customer, the financial institution should maintain the original records, and any updated information, including a record of any verbal or written confirmation of pre-existing information until five years after the closing of the new account in order to comply with the recordkeeping requirements in the regulation. Covered financial institutions must also retain a description of every document relied on for verification, any non-documentary methods and results of measures undertaken for verification, as well as the resolution of any substantive discrepancies discovered in identifying and verifying the identification information for five years after the record is made.

[Issued April 3, 2018; updated May 6, 2026]

D. 3. If a legal entity customer opens multiple accounts at a covered financial institution (whether or not simultaneously), must the financial institution identify and verify the customer's beneficial ownership for each account?

Pursuant to the CDD Rule, covered financial institutions must identify and verify the legal entity customer's beneficial ownership information for each new account opening, regardless of the number of accounts opened or over a specific period of time. However, an institution that has already obtained a Certification Form (or its equivalent) for the beneficial owner(s) of the legal entity customer may rely on that information to fulfill the beneficial ownership requirement for subsequent accounts, provided the customer certifies or confirms (verbally or in writing) that such information is up-to-date and accurate at the time each subsequent account is opened and the financial institution has no knowledge of facts that would reasonably call into question the reliability of such information. The institution would also need to maintain a record of such certification or confirmation, including for both verbal and written confirmations by the customer.

Additionally, pursuant to the Account Opening Exceptive Relief Order, a covered financial institution may limit its identification and verification of identities of the beneficial owner(s) of a legal entity customer to three scenarios: (1) when the legal entity customer first opens an account with a covered financial institution; (2) any time thereafter when the covered financial institution has knowledge of facts that would reasonably call into question the reliability of beneficial ownership information previously obtained about the legal entity customer; and (3) as needed based on a covered financial institution's risk-based procedures for conducting ongoing customer due diligence. Refer to the Account Opening Exceptive Relief Order for further details. When scenario (3) arises—that is, when a covered financial institution determines, based on its risk-based procedures for conducting ongoing customer due diligence, that it needs to identify and verify the beneficial owner(s) of a legal entity customer—the covered financial institution may rely on beneficial ownership information previously obtained in accordance with 31 CFR

1010.230(b)(1), provided the customer certifies or confirms (verbally or in writing) that such information is up-to-date and accurate. The covered financial institution must maintain a record of such certification or confirmation, including for both verbal and written confirmations by the customer.

[Issued April 3, 2018; updated May 6, 2026]

E. Legal Entity Customer

E. 1. Who is a "legal entity customer"?

The CDD Rule defines a "legal entity customer" as a corporation, limited liability company, other entity created by the filing of a public document with a Secretary of State or similar office, a general partnership, and any similar entity formed under the laws of a foreign jurisdiction that opens an account. The definition also includes limited partnerships, business trusts that are created by a filing with a state office, and any other entity created in this manner.

A legal entity customer does not include sole proprietorships, unincorporated associations, or natural persons opening accounts on their own behalf.

[Issued July 19, 2016]

E. 2. Are there any entities that are excluded from the definition of the legal entity customer and for which a covered financial institution is not required to obtain beneficial ownership information?

Yes. The CDD Rule excludes from the definition of legal entity customer, certain entities that are subject to Federal or State regulation and for which information about their beneficial ownership and management is available from the Federal or State agencies, such as:

- Financial institutions regulated by a Federal functional regulator or a bank regulated by a State bank regulator;
    - Certain exempt persons for purposes of the currency transactions reporting obligations:
    - A department or agency of the United States, of any State, or of any political subdivision of a State;
    - Any entity established under the laws of the United States, or any State, or of any political subdivision of any State, or under an interstate compact;
    - Any entity (other than a bank) whose common stock or analogous equity interests are listed on the New York, American, or NASDAQ stock exchange;
    - Any entity organized under the laws of the United States or of any State at least 51% of whose common stock or analogous equity interests are held by a listed entity;
- Issuers of securities registered under section 12 of the Securities Exchange Act of 1934 (SEA) or that is required to file reports under 15(d) of that Act;
- An investment company, as defined in section 3 of the Investment Company Act of 1940, registered with the U.S. Securities and Exchange Commission (SEC);

- An SEC-registered investment adviser, as defined in section 202(a)(11) of the Investment Advisers Act of 1940;
- An exchange or clearing agency, as defined in section 3 of the SEA, registered under section 6 or 17A of that Act;
- Any other entity registered with the SEC under the SEA;
- A registered entity, commodity pool operator, commodity trading advisor, retail foreign exchange dealer, swap dealer, or major swap participant, defined in section 1a of the Commodity Exchange Act, registered with the Commodity Futures Trading Commission; and
- A public accounting firm registered under section 102 of the Sarbanes-Oxley Act.

Additional regulated entities:

- A bank holding company, as defined in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) or savings and loan holding company, as defined in section 10(n) of the Home Owners' Loan Act (12 U.S.C. 1467a(n));
- A pooled investment vehicle operated or advised by a financial institution excluded from the definition of legal entity customer under the CDD Rule;
- An insurance company regulated by a State; and
- A financial market utility designated by the Financial Stability Oversight Council under Title VIII of the Dodd-Frank Wall Street Reform and Customer Protection Act of 2010.

Excluded Foreign Entities:

- A foreign financial institution established in a jurisdiction where the regulator of such institution maintains beneficial ownership information regarding such institution;
- A non-U.S. governmental department, agency or political subdivision that engages only in governmental rather than commercial activities; and
- Any legal entity only to the extent that it opens a private banking account subject to 31 CFR 1010.620.

[Issued July 19, 2016]

E. 3. Are trusts included in the definition of legal entity customer?

No. The definition of legal entity customer only includes statutory trusts created by a filing with the Secretary of State or similar office. Otherwise, it does not include trusts. This is because a trust is a contractual arrangement between the person who provides the funds or other assets and specifies the terms (i.e., the grantor/settlor) and the person with control over the assets (i.e., the trustee), for the benefit of those named in the trust deed (i.e., the beneficiaries). Formation of a trust does not generally require any action by the state.

The CDD Rule does not supersede existing obligations and practices regarding trusts generally. The preamble to each of the CIP rules notes that, while financial institutions are not required to look through a trust to its beneficiaries, they "may need to take additional steps to verify the identity of a customer that is not an individual, such as obtaining information about persons with control over the account." We understand that where trusts are direct customers of financial institutions, financial institutions generally also identify and verify the identity of trustees, because trustees will necessarily be signatories on trust accounts. Furthermore, under supervisory guidance for banks, "in certain circumstances involving revocable trusts, the bank may need to gather information about the settlor, grantor, trustee, or other persons with the authority to direct the trustee, and who thus have authority or control over the account, in order to establish the true identity of the customer."

[Issued July 19, 2016; updated May 6, 2026]

E. 4. Are sole proprietorships formed by spouses or other unincorporated associations considered legal entity customers under the CDD Rule?

No. Sole proprietorships—individual or spousal—and unincorporated associations are not legal entity customers as defined by the Rule, even though such businesses may file with the Secretary of State in order to register a trade name or establish a tax account. This is because neither a sole proprietorship nor an unincorporated association is a separate legal entity from the associated individual(s), and therefore beneficial ownership is not inherently obscured.

[Issued April 3, 2018; updated May 6, 2026]

E. 5. What methods should covered financial institutions use to verify eligibility for exclusion from the definition of a "legal entity customer"?

Several types of legal entity customers are excluded from the collection and verification requirements of the Rule, under section 1010.230(e)(2), because, for example, their regulators require the reporting of beneficial ownership information or such information is publicly available. A financial institution may rely on information provided by the legal entity customer to determine whether the legal entity is excluded from the definition of a legal entity customer, provided that it has no knowledge of facts that would reasonably call into question the reliability of such information. Whether a financial institution has such knowledge would depend on the facts and circumstances at the time an account is opened. Covered financial institutions must establish and maintain written risk-based procedures reasonably designed to identify and verify the identity of the beneficial owners of all legal entity customers at the time a new account is opened, unless the customer is otherwise excluded from the definition of legal entity customer. Covered financial institutions are expected to address and specify, in their risk-based written policies and procedures, the type of information they will obtain and reasonably rely upon to determine eligibility for exclusions.

[Issued April 3, 2018]

E. 6. Are covered financial institutions limited to the Internal Revenue Code (IRC) definitions of charities, non-profits, or similar entities when assessing their eligibility for exclusion from the definition of legal entity customer?

No. The exclusion from the definition of legal entity customer for charities and non-profit entities is not limited to those entities that meet the definition or description of charitable, nonprofit, or similar entities under the IRC. The Rule does not rely on the tax-exempt status of an entity as described in the IRC. All nonprofit entities—whether or not tax-exempt—that are established as a nonprofit, or nonstock corporation, or similar entity that has been validly organized with the proper State authority are excluded from the ownership/equity prong of the requirement because nonprofit entities generally do not have ownership interests. Financial institutions, however, are required to collect beneficial ownership information under the control prong from any such entity.

[Issued April 3, 2018; updated May 6, 2026]

E. 7. Are companies publicly traded in the United States and entities listed on foreign exchanges excluded from the definition of legal entity customer and, therefore, excluded by the Rule?

Companies traded publicly in the United States are excluded from the definition of legal entity customer. Specifically, the Rule excludes from the definition of legal entity customer certain entities that are considered "exempt persons" under 31 CFR 1020.315(b). This includes any company (other than a bank) whose common stock or analogous equity interests are listed on the New York Stock Exchange, the American Stock Exchange (currently known as NYSE American), or NASDAQ stock exchange. The Rule also excludes a U.S. entity when at least 51% of its common stock or analogous equity interest is held by a listed entity. These U.S. companies are excluded from the Rule because they are subject to public disclosure and reporting requirements that provide information similar to what would otherwise be collected under the Rule.

Companies listed on foreign exchanges are not excluded from the definition of legal entity customer. Such companies may not be subject to the same or similar public disclosure and reporting requirements as companies publicly traded in the United States and, therefore, collecting beneficial ownership information for them is required.

[Issued April 3, 2018; updated May 6, 2026]

E. 8. May covered financial institutions take a risk-based approach for collecting beneficial ownership information from legal entity customers listed on foreign exchanges?

No. Financial institutions may not take a "risk-based approach" to collecting the required beneficial ownership information from legal entity customers that are listed on foreign exchanges, because such institutions are not excluded from the definition of legal entity customer. However, as they may with regard to other legal entity customers, whether listed or not, covered institutions may rely on the public disclosures of such entities, absent any reason to believe such information is inaccurate or not up-to-date.

[Issued April 3, 2018]

E. 9. Does the exclusion for foreign financial institutions from the Rule's definition of "legal entity customer" depend on whether the beneficial ownership requirements applied by such institution's foreign regulator match U.S. requirements?

No. For purposes of beneficial ownership identification, the CDD Rule excludes from the definition of "legal entity customer" a foreign financial institution created in a non-U.S. jurisdiction when the foreign regulator for that financial institution collects and maintains information on the beneficial owner(s) of the regulated institution. The CDD Rule does not require covered financial institutions to research the specific transparency requirements imposed on a foreign financial institution by its regulator and compare them with those imposed on U.S. financial institutions by U.S. Federal functional regulators. However, if the foreign regulator does not collect and maintain beneficial ownership information on the foreign financial institution it regulates, then U.S. financial institutions will have to collect and maintain beneficial ownership information on accounts opened by foreign financial institutions in compliance with the CDD Rule. As with any exclusion, covered financial institutions may rely on the representations of its legal entity customer as to whether an exclusion applies, provided that they have no knowledge of facts that would reasonably call into question the reliability of such representation. (See Question E.5.)

For purposes of existing customer due diligence requirements, covered financial institutions that maintain correspondent accounts for foreign financial institutions are already required to establish and maintain specific risk-based due diligence procedures and controls for such accounts that include consideration of all relevant factors, and are required to identify beneficial ownership for certain high-risk foreign banks. These correspondent accounts will continue to be subject to these existing requirements rather than the requirements set forth in the AML Program requirements contained in the CDD Rule.

[Issued April 3, 2018; updated May 6, 2026]

E. 10. Will the U.S. Government maintain a list of non-U.S. jurisdictions where the regulator of financial institutions within that jurisdiction maintains beneficial ownership information regarding the financial institutions they regulate or supervise?

No. Covered financial institutions should contact the relevant foreign regulator or use other reliable means to ascertain whether the foreign regulator maintains beneficial ownership information for the financial institutions that it regulates or supervises.

[Issued April 3, 2018]

E. 11. What types of entities would be considered a "non-U.S. governmental department, agency, or political subdivision that engages only in governmental rather than commercial activities" such that they would qualify for exclusion from the definition of a legal entity customer?

Examples of legal entity customers that would be considered non-U.S. governmental entities engaged in only governmental and not commercial activities include entities that are owned and operated by a non-U.S. government agency or political subdivision, such as embassies or consulates, as well as entities that are instrumentalities of a foreign government, such as government-owned enterprises engaging in activities that are exclusively governmental in nature, that is, activities involving the direct exercise of legislative, executive, or judicial authority and which do not involve taking profits from the endeavor. Those State-owned enterprises engaged in profit-seeking activities, including, among others, sovereign wealth funds, airlines, or oil companies, would not qualify for the legal entity customer exclusion. Generally, many State-owned enterprises may not have an individual that owns at least a 25% equity interest because a governmental department, agency, or political subdivision holds such interest.

In these circumstances, a covered financial institution would only be required to identify an individual under the control prong. Similarly, with respect to a State-owned enterprise that is a pooled investment vehicle not subject to another exclusion, financial institutions would be required to obtain beneficial ownership information under the control prong but not under the ownership/equity prong of the definition of beneficial owner.

Furthermore, similar to other instances of identification and verification within the Rule's context, a covered financial institution may reasonably rely upon the representations of the legal entity customer, absent knowledge of facts that would call into question the reliability of the beneficial ownership information provided to the financial institution.

[Issued April 3, 2018; updated May 6, 2026]

E. 12. Does the point of sale exception only apply to accounts opened at the cash register or does it refer to all applications for credit accounts that are for use at the private label retailer only?

The CDD Rule provides an exemption from the requirements for a covered financial institution that "opens an account for a legal entity customer that is: [a]t the point-of-sale to provide credit products, including commercial private label credit cards, solely for the purchase of retail goods and/or services at these retailers, up to a limit of $50,000." The point of sale exemption is provided for retail credit accounts opened to facilitate purchases made at the retailer because of the very low risk posed by opening such accounts at the brick and mortar store.

[Issued April 3, 2018]

E. 13. What kind of businesses and equipment are covered under the equipment finance exemption?

The CDD Rule reflects FinCEN's understanding that businesses require financing to obtain equipment to conduct ongoing business operations. Many such businesses, including both large and small businesses, open accounts solely for the purpose of financing the purchase or lease of that equipment. Subject to certain limitations, the CDD Rule provides an exemption from the requirement to identify and verify the identity of a legal entity customer's beneficial owners for equipment finance and lease accounts established at a covered financial institution because of the low risk for money laundering posed by these accounts. The exemption is intended to cover business equipment such as farm equipment, construction machinery, aircraft, computers, printers, photocopiers, and automobiles that a business purchases or leases. The Rule does not limit the exemption to small businesses. Regardless of the application of the exemption, a covered financial must comply with all other applicable BSA/AML obligations, which may include the obligation to file SARs where there is a suspicion that the equipment may be used to facilitate criminal activity.

[Issued April 3, 2018; updated May 6, 2026]

E. 14. Does the equipment lease and purchase exemption apply when the customer leases directly from the covered institution?

Yes, consider the following. Aviation LLC, which operates several flight training schools, visits Aircraft Vendor to acquire five aircraft for its flight training schools. Aviation LLC selects the aircraft and contacts the Lessor Covered Financial Institution to obtain the necessary equipment finance to acquire the aircraft. After a review of the aircraft and Aviation LLC's business, the Lessor Covered Financial Institution agrees to purchase the aircraft from Aircraft Vendor and then lease them to Aviation LLC for a specified rent amount and duration. The Lessor Covered Financial Institution purchases the aircraft, pays the purchase price directly to Aircraft Vendor, and obtains title to the aircraft as collateral. The Lessor Covered Financial Institution then enters into a lease agreement with Aviation LLC, which opens an account at the financial institution solely for the purpose of obtaining the aircraft and making periodic rent payments. There is no possibility of a cash refund to Aviation LLC under the lease terms.

The equipment lease and purchase exemption would apply because the account established at the covered financial institution meets all of the requirements of the exemption, which are that: (1) the account's purpose is to finance the purchase or leasing of equipment; (2) payments are remitted directly by the financial institution to the vendor or lessor; and (3) there is no possibility of a cash refund on the account activity. First, Covered Financial Institution remit full payment directly to the vendor and obtained title to the equipment in order to lease the equipment to the legal entity customer. Second, Aviation LLC opened the account solely for the purpose of financing an equipment lease to acquire aircraft for its training schools. Finally, there is no possibility of a cash refund to Aviation LLC. As noted in the final rule, accounts created to provide financing for equipment lease or purchase, subject to certain conditions, are exempt from the beneficial ownership requirement because they present a low risk for money laundering and terrorist financing.

[Issued April 3, 2018; updated May 6, 2026]

F. Nature and Purpose/Customer Risk Profile/Ongoing Monitoring

F. 1. The CDD Rule requires financial institutions to understand "the nature and purpose of customer relationships to develop a customer risk profile." What type of information should financial institutions collect to satisfy this requirement and may the documentation of the nature and purpose of a customer relationship be made on a risk-basis?

Understanding the nature and purpose of a customer relationship in order to develop a customer risk profile is an important part of ongoing customer due diligence, and is required for all customers and accounts. An understanding based on category of customer means that for certain lower-risk customers, a financial institution's understanding of the nature and purpose of a customer relationship can be developed by inherent or self-evident information, such as the type of customer or type of account, service, or product or other basic information about the customer, including information obtained at first account opening.

The profile may, but need not, include a system of risk ratings or categories of customers. Accordingly, the documentation that is required to demonstrate an understanding of the nature and purpose of a customer relationship would vary with the type of customer, account, service, or product.

[Issued April 3, 2018]

F. 2. Once the nature and purpose of a customer relationship has been established, what are FinCEN's expectations concerning the use of this information?

Understanding the nature and purpose of a customer relationship—the information gathered about a customer at account opening—is essential to developing a customer risk profile. This information should be used to develop a baseline against which customer activity, such as the customer's expected use of wires or typical number of deposits in a month, can be assessed for possible suspicious activity reporting. If account activity changes, particularly with regard to what should be anticipated based on the original nature and purpose of the account, risk-based monitoring may identify a need to update customer information, including, as appropriate, beneficial ownership.

[Issued April 3, 2018]

F. 3. In understanding the nature and purpose of customer relationships, are financial institutions required to develop and document customer risk profiles for self-evident products or customer type (e.g., a safe deposit box)?

Financial institutions must implement risk-based procedures as part of their AML program to demonstrate an understanding of the nature and purpose of customer relationships to develop customer risk profiles. Customer risk profiles refer "to the information gathered about a customer at account opening used to develop a baseline against which customer activity can be assessed for suspicious activity reporting. This may include self-evident information such as the type of customer, or type of account, service or product." It is reasonable that in the case of certain products, such as safety deposit boxes, the nature and purpose are self-evident and therefore no additional documentation would be needed to demonstrate an understanding of their nature and purpose, beyond the documentation to establish the particular type of account.

[Issued April 3, 2018; updated May 6, 2026]

F. 4. Is it a requirement under the CDD Rule that covered financial institutions:

- Collect information about expected activity on all customers at account opening, or on an ongoing or periodic basis;
- Conduct media searches or screening for news articles on all customers or other related parties, such as beneficial owners, either at account opening, or on an ongoing or periodic basis; or
- Collect information that identifies underlying transacting parties when a financial institution offers correspondent banking or omnibus accounts to other financial institutions (i.e., a customer's customer)?

The CDD Rule does not categorically require: (1) the collection of any particular customer due diligence information (other than that required to develop a customer risk profile, conduct monitoring, and collect beneficial ownership information); (2) the performance of media searches or particular screenings; or (3) the collection of customer information from a financial institution's clients when the financial institution is a customer of a covered financial institution.

A covered financial institution may assess, on the basis of risk, that a customer's risk profile is low, and that, accordingly, additional information is not necessary for the covered financial institution to develop its understanding of the nature and purpose of the customer relationship. In other circumstances, the covered financial institution might assess, on the basis of risk, that a customer presents a higher risk profile and, accordingly, collect more information to better understand the customer relationship.

Covered financial institutions must establish policies, procedures, and processes for determining whether and when, on the basis of risk, to update customer information to ensure that customer information is current and accurate. Information collected throughout the relationship is critical in understanding the customer's transactions in order to assist the financial institution in determining when transactions are potentially suspicious.

[Issued August 3, 2020]

F. 5. Is it a requirement under the CDD Rule that covered financial institutions:

- Use a specific method or categorization to risk rate customers; or
- Automatically categorize as "high risk" products and customer types that are identified in government publications as having characteristics that could potentially expose the institution to risks?

It is not a requirement that covered financial institutions use a specific method or categorization to establish a customer risk profile. Further, covered financial institutions are not required or expected to automatically categorize as "high risk" products or customer types listed in government publications.

Various government publications provide information and discussions on certain products, services, customers, and geographic locations that present unique challenges and exposures regarding illicit financial activity risks. However, even within the same risk category, a spectrum of risks may be identifiable and due diligence measures may vary on a case-by-case basis.

A covered financial institution should have an understanding of the money laundering, terrorist financing, and other financial crime risks of its customers to develop the customer risk profile. Furthermore, the financial institution's program for determining customer risk profiles should be sufficiently detailed to distinguish between significant variations in the risks of its customers. There are no prescribed risk profile categories, and the number and detail of these categories can vary.

[Issued August 3, 2020]

F. 6. Is it a requirement under the CDD Rule that financial institutions update customer information on a specific schedule?

There is no categorical requirement that financial institutions update customer information on a continuous or periodic schedule. The requirement to update customer information is risk based and occurs as a result of normal monitoring. Should the financial institution become aware as a result of its ongoing monitoring of a change in customer information (including beneficial ownership information) that is relevant to assessing the risk posed by the customer, the financial institution must update the customer information accordingly. Additionally, if this customer information is relevant to assessing the risk of a customer relationship, then the financial institution should reassess the customer risk profile/rating and follow established financial institutions policies, procedures, and processes for maintaining or changing the customer risk profile/rating. However, financial institutions, on the basis of risk, may choose to review customer information on a regular or periodic basis.

[Issued August 3, 2020]

F. 7. Are covered financial institutions required to implement different processes than currently established to comply with the Rule's ongoing monitoring and updating requirement?

To the extent that a covered financial institution has monitoring processes in place that allow the institution to meet the Rule's requirements, such institution may use its existing monitoring processes to comply with customer due diligence monitoring and updating obligations. As the preamble to the Rule states, "current industry practice to comply with existing expectations for SAR reporting should already satisfy this proposed requirement."

[Issued April 3, 2018; updated May 6, 2026]

G. Other

G. 1. Are covered financial institutions required to comply with the OFAC regulations with respect to beneficial ownership information?

Covered financial institutions should use beneficial ownership information as they use other information they gather regarding customers (e.g., through compliance with the CIP requirements), including for compliance with OFAC-administered sanctions.

[Issued July 19, 2016]

G. 2. Do covered financial institutions now have additional obligations under section 314(a) for beneficial ownership information?

FinCEN does not expect the information obtained under the CDD Rule to add additional 314(a) requirements for financial institutions. The regulation implementing section 314(a) does not require the reporting of beneficial ownership information associated with an account or transaction matching a named subject in a 314(a) request. Covered financial institutions are required to search their records for accounts or transactions matching a named subject and report whether a match exists using the identifying information provided in the request.

[Issued July 19, 2016]

G. 3. Under what circumstances should the transactions of a legal entity customer and those of the beneficial owner(s) be aggregated for purposes of filing a CTR? Are financial institutions required to proactively cross-check beneficial ownership information to comply with the CTR aggregation requirement?

As a general matter, financial institutions are required to aggregate multiple currency transactions "if the financial institution has knowledge that [the multiple transactions] are by or on behalf of any person and result in either cash in or cash out totaling more than $10,000 during any one business day." With respect to legal entity customers that may share a common owner, unless there is an affirmative reason to believe otherwise, covered financial institutions should presume that different businesses that share a common owner are operating separately and independently from each other and from the common owner. Thus, absent indications that the businesses are not operating independently (e.g., the businesses are staffed by the same employees and are located at the same address, the accounts of one business are repeatedly used to pay the expenses of another business or of the common owner), financial institutions should not aggregate transactions involving those businesses with those of each other or with those of the common owner for CTR filing.

[Issued April 3, 2018; updated May 6, 2026]

G. 4. When completing a CTR for a business (i.e., corporations, limited liability companies, and general partnerships) will beneficial owners now need to be listed as beneficiaries in such CTRs? If yes, would this also include trust and estate accounts?

No. The CDD Rule does not change the existing currency transaction reporting requirements or any guidance FinCEN published pursuant to this reporting requirement. Thus, a covered financial institution is not required to list the beneficial owners of a business, or trust or estate account, when completing a CTR as a matter of course. A financial institution must list a beneficial owner in Part 1 of the CTR only if the financial institution has knowledge that the transaction(s) requiring the filing is made on behalf of the beneficial owner and results in either cash in or cash out totaling more than $10,000 during any one business day.

[Issued April 3, 2018]

G. 5. Are covered financial institutions now required to follow specific procedures to approve changes to AML programs or require Boards of Directors or senior management to approve such changes? Can Federal functional regulators direct financial institutions within their jurisdiction to follow a specific approval process?

Covered financial institutions may continue to follow their existing internal procedures for approving AML program changes, including changes that incorporate the Rule's new program requirements. However, these procedures should be consistent with the requirements and expectations of the institution's Federal functional regulator.

[Issued April 3, 2018]

What You Need to Do:
Please share with affected team members.

FinCEN: Rapid Response Program Interdicts Nearly $2 Billion on Behalf of U.S. Cyber-Enabled Fraud Victims (April 15, 2026)

Link

https://www.fincen.gov/news/news-releases/fincens-rapid-response-program-interdicts-nearly-2-billion-behalf-us-cyber

Text

Since President Trump resumed office, the Financial Crimes Enforcement Network's (FinCEN) Rapid Response Program (RRP) has facilitated the interdiction of over $268 million in stolen funds on behalf of U.S. victims, bringing the total to more than $1.8 billion since the program's inception. The RRP is a partnership between FinCEN, U.S. law enforcement, and foreign partners, working together to help cyber-enabled fraud victims and their financial institutions recover stolen funds sent abroad.

Through the RRP, FinCEN can quickly share financial intelligence with counterpart foreign intelligence units and encourage foreign authorities to stop and repatriate the fraudulent transactions using their legal authorities. FinCEN's RRP has been used to confront cyber threats in more than 96 foreign jurisdictions against a multitude of cyber schemes, including business email compromise ($425.2 million interdicted), investment fraud ($49.8 million interdicted), and phone scams ($54.5 million interdicted).

To initiate the RRP process, cyber-enabled fraud victims or their financial institutions must file a complaint with law enforcement, such as the through the Federal Bureau of Investigation's Internet Crime Complaint Center or contact the nearest U.S. Secret Service field office. Financial institutions are encouraged to voluntarily report suspicious activity to FinCEN and immediately notify law enforcement.

FinCEN's RRP supports the Administration's whole-of-government effort to unleash every available tool to stop foreign-backed criminal networks from exploiting everyday Americans and businesses through cyber-enabled fraud pursuant to Executive Order 14390

Since its inception in 2015, the U.S. Department of the Treasury's Financial Crimes Enforcement Network's (FinCEN) Rapid Response Program (RRP) has facilitated the interdiction of $1.8 billion and the recovery of over $1 billion in stolen proceeds on behalf of 5,790 U.S. victims. RRP is a partnership between FinCEN, U.S. law enforcement, and foreign partners working together to help victims and their financial institutions recover stolen funds sent abroad as the result of cyber-enabled fraud.

As the financial intelligence unit (FIU) of the United States, FinCEN uses its authority to share financial intelligence rapidly with counterpart FIUs and encourages foreign authorities to stop and repatriate the fraudulent transactions using authorities under their respective legal and regulatory frameworks. To date, the RRP has confronted cyber threats involving 96 foreign jurisdictions.

Are you a victim of a cyber-related fraud?

TIME IS OF THE ESSENCE!

A victim should immediately contact their financial institution to report fraudulent activity and request assistance. Please do not contact FinCEN directly.

A victim or their financial institution should file a complaint with the FBI's Internet Crime Complaint Center (IC3) (www.IC3.gov) and/or contact the nearest USSS field office (www.secretservice.gov/contact/field-offices).

RRP'S IMPACT SINCE JANUARY 20, 2025

More than $268.2 million in stolen funds interdicted and $157.3 million recovered on behalf of U.S. victims.

Phone Scams	Business E-mail Compromise	Investment Fraud
$33.9 million interdicted	$120.5 million interdicted	$40.2 million interdicted

Activating the RRP

Once law enforcement refers a victim's complaint involving a foreign beneficiary account to FinCEN, the RRP will contact the foreign FIU to encourage the interdiction and repatriation of the stolen funds and will work with the foreign FIU to provide status updates, financial intelligence, and procedural information to law enforcement.

The victim or their financial institution must file a complaint with law enforcement.

Law enforcement reviews the complaint and refers the case to FinCEN, activating the RRP.

RRP shares the financial intelligence with the foreign FIU in an attempt to recover the proceeds and provides information back to law enforcement.

Information to Provide to Law Enforcement to Activate the RRP

FinCEN encourages individuals to report fraudulent activity to law enforcement as quickly as possible. FinCEN is most likely to be able to interdict or recover funds when fraudulently induced wire transfers are reported to law enforcement within 72 hours of the transaction. When requesting law enforcement assistance, the victim or their financial institution should provide as much detail about the scheme and transactions as possible.

The following information *is required* to be provided at the time of filing a complaint with law enforcement:

- Victim's account name and number
- Victim's financial institution's name
- The country of the branch of the victim's financial institution that originated the transaction
- Summary of the fraud
- Beneficiary's account name and number
- Beneficiary's financial institution's name
- The country of the beneficiary's financial institution's branch that received the funds
- Date of wire transaction
- Currency and amount transferred

FinCEN encourages financial institutions to provide secondary information, where available, at the time of filing the complaint, in subsequent communications with law enforcement, and in any suspicious activity reports.

While ***not required*** to activate the RRP, FinCEN recommends financial institutions provide the following additional information if available:

Additional financial institution information, including but not limited to:

- Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment reference code from the victim bank
- Correspondent and intermediary financial institution information

Additional fraud details, including but not limited to:

- Fake names and credentials, including government-issued identification numbers, used by fraud actors
- Mobile application names used by fraud actors, including encrypted chat applications or any social networking sites exploited in the fraud scheme
- Filenames and/or hash values of documents, images, videos, or other digital files sent from the fraud actor
- Emails, unique hashtags, or other unique descriptive information
- Peer-to-peer (P2P) payment details, such as handles, usernames, QR codes, or other unique identifying information associated with fraud actors
- Virtual currency wallet addresses and transaction hashes

Additional cyber indicators, including but not limited to:

- Descriptive information involving any methods of cyber compromise, such as a Common Vulnerabilities and Exploits (CVE) record ID

- Mobile device information (such as device International Mobile Equipment Identity or IMEI numbers) associated with fraud actors.

What You Need to Do:
Please share with BSA Officer and interested / affected team members.

FinCEN: Imposition of Special Measure Prohibiting Certain Transmittals of Funds Involving CIBanco S.A., Institución de Banca Multiple; Amendment (April 15, 2026)

Link

https://www.federalregister.gov/documents/2026/04/16/2026-07416/imposition-of-special-measure-prohibiting-certain-transmittals-of-funds-involving-cibanco-sa

Text

SUMMARY:

FinCEN is issuing notice of an order amending its June 2025 order finding that CIBanco S.A., Institución de Banca Multiple (CIBanco), is a financial institution operating outside of the United States that is of primary money laundering concern in connection with illicit opioid trafficking and imposing a special measure prohibiting certain transmittals of funds involving CIBanco. This amendment allows for certain transmittals of funds to facilitate payments necessary for the Government of Mexico to liquidate CIBanco.

Editor's Note:

As this will likely have no impact on your bank, we have elected to omit the rest of the pronouncement. If your bank needs this information, see the link above.

What You Need to Do:
Please share with BSA Officer and interested / affected team members.

FinCEN: Issues Alert to Stop Money Laundering by Iranian Revolutionary Guard Corps (May 11, 2026)

Link

https://www.fincen.gov/news/news-releases/fincen-issues-alert-stop-money-laundering-iranian-revolutionary-guard-corps

Text

WASHINGTON—Today, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued an Alert to help financial institutions identify and stop funding streams and procurement networks supporting Iran's Islamic Revolutionary Guard Corps (IRGC). The IRGC has engaged in terrorist activity since its inception with the full support of the Iranian regime. The Alert outlines how the IRGC facilitates and launders the proceeds of illicit oil sales by using networks of shell companies and financial facilitators. To promote detection and reporting of suspicious activity by financial institutions, the Alert provides red flags related to the IRGC's oil smuggling, front company abuse, and use of digital assets.

"Degraded by Economic Fury, the Iranian military is desperately trying to fund its weapons programs and terrorist proxies," said S**ecretary of the Treasury Scott Bessent**. "Treasury will continue to deny the Islamic Revolutionary Guard Corps access to the financial networks it exploits to fund its terrorist acts. Financial institutions should be on notice that they have a responsibility to detect suspicious activity and stop it in its tracks."

The IRGC is one of the most destabilizing forces in the Middle East and a primary supporter of terrorism in the region and beyond.

- The IRGC is the parallel organization to Iran's regular armed forces and reports directly to Iran's Supreme Leader. The IRGC, especially the IRGC-Qods Force, conducts covert operations abroad and supports terrorism by supplying funding, training, and weapons to proxy terrorist organizations.
- The IRGC is a U.S.-designated foreign terrorist organization (FTO), having engaged in terrorist activity since its inception with the support of the Iranian regime.

The IRGC derives profits from illicit oil sales by misrepresenting its commercial activity.

- The IRGC and its subordinate units smuggle oil to international buyers and use the proceeds to fund procurement, domestic weapons development, and terrorist activity abroad.
- To smuggle the oil, the IRGC and other Iranian actors use a "shadow fleet" of old and poorly maintained vessels that operate outside of standard maritime regulations and are often owned, managed, or leased by shipping or front companies outside of Iran.
- To further disguise its origins, Iranian oil is sometimes blended with oil from third countries or relabeled with forged documents as the product of another jurisdiction.

Proceeds from oil sales are laundered through networks of exchange houses and front companies.

- The IRGC and other Iranian regime actors rely on multi-jurisdictional "shadow banking" networks comprised of exchange houses, trading companies, and front companies to sell oil and other commodities abroad, launder the proceeds, and then procure weapons and other materiel on the international market.
- Front companies in third-country jurisdictions, usually controlled by exchange houses in Iran, are used to establish bank accounts outside of Iran through which sanctioned entities access the international banking system.
- By using front company accounts outside Iran to receive and remit payments, sanctioned entities like the IRGC are able to conduct transactions through the international financial system without repatriating funds to Iran.

IRGC front company networks are supported by a broad range of facilitators and other service providers.

- IRGC oil smuggling and shadow banking networks are bolstered by a vast web of facilitators, including money services businesses, investment companies, and trust and company service providers, which assist—wittingly and unwittingly—in orchestrating complex money laundering and sanctions evasion schemes.
- In addition, the IRGC often engages in oil smuggling and launders the proceeds in conjunction with terrorist partner and proxy groups such as Ansarallah and Lebanese Hizballah, which have their own global networks of facilitators and intermediaries.

Digital asset transactions serve as a leg of Iran's shadow banking network.

- Digital assets function as part of a complex transactional structure designed to obfuscate Iranian involvement. Like other illicit actors, Iranian facilitators are likely to use stablecoins for this purpose, due to stablecoins' relative liquidity, ease of settlement, and exchange rate stability.
- Iran-based digital asset service providers (DASPs) play a role in enabling Iranian digital assets activity and connectivity with the global digital assets ecosystem.
- Uneven and often inadequate regulation and supervision of digital assets across jurisdictions also enables Iranian facilitators to access digital assets through international DASPs.

Financial institutions should exercise vigilance and look for red flags. The Alert contains a full list of red flags. Examples include:

- Shipping companies with Iranian counterparties
- Efforts to disguise vessel information and ownership, or efforts to disguise oil origins
- Unusual use of exchange houses
- Unusual digital asset payments by petroleum, shipping, trading, or trust companies
- Unregistered P2P exchangers, foreign-located money services businesses, and nested digital asset service providers

Economic Fury

The Treasury Department is maintaining maximum pressure on Iran and targeting the regime's ability to generate, move, and repatriate funds. Treasury is aggressively advancing Economic Fury and has disrupted billions in projected oil revenue, taken actions that have led to the freezing of nearly half a billion dollars in regime-linked cryptocurrency, and cracked down on Tehran's shadow banking networks.

Treasury remains ready to take economic action against Iran's defense industrial base so that Iran cannot reconstitute its production capacity and project power outside its borders. Treasury is also prepared to take action against any foreign company supporting illicit Iranian commerce, including airlines, and, as necessary, may impose secondary sanctions on foreign financial institutions that facilitate Iran's activities—including those connected to the People's Republic of China's independent "teapot" oil refineries.

Any person or vessel facilitating the illicit trade of oil or other commodities, through covert trade or financial channels, risks exposure to U.S. sanctions. Treasury will vigorously target both traditional sanctions evasion schemes and the exploitation of digital assets while continuing to freeze funds stolen from the Iranian people.

Through the blockade, the Trump Administration is directly targeting the regime's primary revenue stream, and any person or vessel facilitating the illicit flow of oil or other products risks exposure to U.S. sanctions.

FinCEN's Advisory Program

The Financial Crimes Enforcement Network's Advisory Program communicates priority money laundering, terrorist financing, and other illicit finance threats and vulnerabilities to the U.S. financial system. Financial institutions may use this information to support effective, risk-based, and reasonably designed AML/CFT programs and suspicious activity monitoring systems to help generate highly useful information for law enforcement and national security agencies. FinCEN's Advisory Program has resulted in highly useful Suspicious Activity Reports that have helped law enforcement and national security agencies "follow the money" to uncover and disrupt criminal activity, protect the U.S. financial system, and hold illicit actors accountable.

FinCEN's Whistleblower Program

FinCEN maintains a whistleblower program to encourage reporting on violations of the Bank Secrecy Act and certain sanctions and national security laws. Individuals who provide actionable information may be eligible for awards if their tip leads to a successful enforcement action. FinCEN encourages individuals with relevant information to submit whistleblower tips and learn more about FinCEN's Whistleblower Program at www.fincen.gov/whistleblower-program.

What You Need to Do:

Please share with BSA Officer and interested / affected team members.

FinCEN: Issues Joint Advisory on Non-Work Authorized Populations and Their Employers and Risks to the Integrity of the U.S. Financial System (June 5, 2026)

Links

https://home.treasury.gov/news/press-releases/sb0523

https://www.fincen.gov/system/files/2026-06/FinCEN-Advisory-Non-Work-Authorized-Populations.pdf

Text

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued an Advisory urging financial institutions to be vigilant against risks presented by the unlawful employment of illegal aliens.

"President Trump has done more than anyone in history to secure our nation's borders. Part of that effort includes securing our financial system," said Secretary of the Treasury Scott Bessent. "This Administration will not allow illegal aliens to abuse financial institutions to steal billions of dollars from hardworking American taxpayers."

By hiring, concealing, and exploiting non-work authorized populations, employers can gain an unfair advantage over legitimate U.S. businesses, depress wages, facilitate identity theft of Americans, and steal tax revenue meant for government benefit programs. Schemes to pay unlawful workers often rely upon access to the U.S. financial system, including U.S. banks. Unlawfully obtained wages can be leveraged to facilitate the financing of transnational criminal organizations—several of which have been designated as Foreign Terrorist Organizations—and their global criminal enterprises, including drug trafficking, human trafficking, and other illicit activity in the United States. In one case study described in the Advisory, two foreign national fraudsters conspired to operate a years-long payroll scheme that employed undocumented aliens working illegally and cost the United States more than $38 million.

FinCEN issued this Advisory jointly with the Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and National Credit Union Administration and in coordination with the Internal Revenue Service. This Advisory supports Executive Order 14406, Restoring Integrity to America's Financial System, and Treasury's continued effort to prevent the exploitation of the U.S. financial system by illegal aliens in the United States.

Financial Institutions are Critical to Detecting and Reporting Illicit Activity Related to Non-Work Authorized Populations

The Advisory calls attention to identity theft and payroll fraud as key features in schemes by complicit employers in the agriculture, construction, domestic service, hospitality, and other industries to conceal violations of U.S. immigration laws.

- Unlawful aliens can illicitly obtain Social Security numbers and other personally identifiable information of U.S. citizens and lawful permanent residents to gain unlawful employment and wages, employer- and government-provided health care benefits in the United States, and access to financial services.

- Complicit employers can also use payroll tax fraud schemes to conceal their hiring of low-wage unlawful alien workers, as well as to evade taxes and workers' compensation benefits.
- In 2025, financial institutions reported over $2.5 billion in suspicious activity associated with these payroll tax fraud schemes.

The Advisory also highlights how these schemes involve a complicit labor broker who sets up a shell company, often an unregistered money services business providing off-the-books payroll or payment processor services for complicit employers and their unlawful alien workers.

- FinCEN's analysis highlights how complicit labor brokers may use a foreign identity document—such as a foreign passport—or an Individual Taxpayer Identification Number (ITIN) to open the account for the shell company at a bank.
- Complicit employers send checks to these shell companies for purported services or products related to their industry.
- The complicit labor broker then launders the funds and sends payments to the unlawful alien workers on behalf of the complicit employers through (i) cash couriers, (ii) checks, or (iii) peer-to-peer platforms without withholding any Federal and state payroll taxes for either the unlawful alien workers or their employers.

Enhanced Due Diligence for Individual Taxpayer Identification Numbers (ITINs)

The Advisory encourages banks to consider the use of an ITIN when applying appropriate risk-based procedures for customer due diligence, in light of the totality of other factors and available information. Specifically, when an ITIN is presented in lieu of a Social Security number or valid employment authorization document to obtain credit products or open an account, banks are encouraged to assess whether the use of an ITIN may be a relevant risk factor.

Reporting Suspicious Activity

The joint Advisory includes 18 red flag indicators to help financial institutions detect, prevent, and report suspicious activity connected to fraud schemes involving the unlawful employment of unlawful aliens. FinCEN requests that financial institutions use the key term "FINANCIALINTEGRITY-2026-A002" in SAR field 2 (Filing Institution Note to FinCEN) and the narrative to indicate a connection between the suspicious activity being reported and the activities highlighted in this Advisory. In addition to filing a Suspicious Activity Report, FinCEN encourages financial institutions and the public to report any tips or complaints about employers that knowingly employ and/or exploit unauthorized workers to Immigration and Customs Enforcement's Tip Form or by calling (866) 347-2423.

FinCEN's Advisory Program

The Financial Crimes Enforcement Network's Advisory Program communicates priority money laundering, terrorist financing, and other illicit finance threats and vulnerabilities to the U.S. financial system. Financial institutions may use this information to support effective, risk-based, and reasonably designed AML/CFT programs and suspicious activity monitoring systems to help generate highly useful information for law enforcement and national security agencies. FinCEN's Advisory Program has resulted in highly useful Suspicious Activity Reports that have helped law enforcement and national security agencies "follow the money" to uncover and disrupt criminal activity, protect the U.S. financial system, and hold illicit actors accountable.

FinCEN's Whistleblower Program

FinCEN maintains a whistleblower program to encourage reporting on violations of the Bank Secrecy Act and certain sanctions and national security laws. Individuals who provide actionable information may be eligible for awards if their tip leads to a successful enforcement action. FinCEN encourages individuals with relevant information to submit whistleblower tips and learn more about FinCEN's Whistleblower Program at www.fincen.gov/whistleblower-program.

Financial Institution:

Casinos

Depository Institutions

Insurance Industry

Money Services Businesses

Mortgage Co/Broker

Precious Metals/Jewelry Industry

Securities and Futures

What You Need to Do:
Please share with BSA Officer and interested / affected team members.

FinCEN: Issues Guidance to Help Financial Institutions Eliminate Fraud Through Information Sharing (June 12, 2026)

Link

https://home.treasury.gov/news/press-releases/sb0531

https://www.fincen.gov/system/files/shared/314bfactsheet.pdf

Text

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued updated guidance to clarify how financial institutions can share information with each other about suspected fraud under section 314(b) of the USA PATRIOT Act.

"Americans lose hundreds of billions of dollars to fraud each year. At Treasury, we follow the money, and we know financial institutions are often the first to see suspicious activity in real time. They need the tools to act quickly and share information that can help stop fraud before it spreads," said Secretary of the Treasury Scott Bessent. "Under President Trump and Vice President Vance's leadership, we will continue targeting fraud wherever it occurs and protecting American taxpayers and consumers."

FinCEN's updated guidance clarifies that a financial institution may share information about activity involving suspected fraud, money laundering, terrorist financing, or other specified unlawful activities, and that it may share that information with any other financial institution eligible to participate in the section 314(b) program to identify illicit financial activity. The fact sheet includes examples of the type of information related to fraud and other criminal activity that financial institutions can share with each other under section 314(b), including video surveillance footage, cyber-related data, such as IP addresses; and fraud indicators like newly added payees followed by large transfers, multiple accounts with the same or similar identifying information, and login activity from geographically distant places.

This guidance supports the Administration's whole-of-government effort to unleash every available tool to stop fraudsters from exploiting everyday Americans and businesses. As a member of the White House Task Force to Eliminate Fraud, led by Vice President JD Vance, Treasury is using all available resources to identify, stop, and prevent fraud.

Information sharing between and among financial institutions is vital to combating fraud and other financial crimes. FinCEN strongly encourages financial institutions to share information related to money laundering, terrorist financing, fraud, and other criminal activities. Information sharing under section 314(b) advances U.S. national and economic security and is an essential component of Treasury's efforts, in partnership with the Federal banking agencies, to modernize the U.S. anti-money laundering/countering the financing of terrorism regime to make it more risk-based and outcomes-focused and to empower financial institutions to allocate more resources toward higher-risk customers and activities, rather than toward lower-risk customers and activities.

Contact FinCEN with questions at FinCEN.gov/contact.

Section 314(b) Fact Sheet

Issue Date: June 12, 2026 The U.S. Department of the Treasury's (Treasury) Financial Crimes Enforcement Network (FinCEN) is issuing this fact sheet in support of Treasury's efforts to promote greater information sharing between and among financial institutions to identify fraud, money laundering, terrorist financing, narcotics trafficking and related crimes, sanctions evasion, and other criminal activity. This fact sheet further clarifies: (1) the permissibility of real-time information sharing under section 314(b) of the USA PATRIOT Act; (2) under what circumstances information, including related to fraud, can be shared; and (3) how information can be shared. This fact sheet expands upon and replaces FinCEN's December 2020 fact sheet.

What is section 314(b)? Section 314(b) provides financial institutions with the ability to share information with one another, under a safe harbor that offers protections from liability, to improve the identification and reporting of activities that may involve money laundering or terrorist activities. Participation in information sharing pursuant to section 314(b) is voluntary. FinCEN strongly encourages financial institutions to participate in the program as information sharing between and among financial institutions can assist financial institutions in managing illicit financing risks and can ultimately provide the government with highly useful information to identify and prevent financial crime.

Among other things, information sharing pursuant to section 314(b) allows financial institutions to respond to threats—activities a financial institution suspects may involve possible terrorist activity or money laundering, such as fraud and other criminal activity—that are carried out by repeat actors moving across financial institutions to evade detection. The section 314(b) program provides financial institutions with the flexibility and connectivity needed to counter these threats and prevent bad actors from exploiting gaps between institutions.

[Updated June 12, 2026]

Sharing Information Involving Terrorism, Money Laundering, Fraud, and Other Activities

What information can be shared pursuant to section 314(b)?

Financial institutions and associations of financial institutions may rely on the safe harbor provided by section 314(b) to share information with one another regarding individuals, entities, organizations, and countries for purposes of identifying and, where appropriate, reporting activities that may involve possible terrorist activity or money laundering (which, as discussed below, may include information about fraud and other specified unlawful activities (SUAs)).

A financial institution or association of financial institutions may, under the protection of the section 314(b) safe harbor, share information about activity that a financial institution or association of financial institutions suspects may involve possible money laundering (which, as discussed below, may include information about fraud and other SUAs) or terrorist financing. It is sufficient for a financial institution or association of financial institutions to transmit, receive, or otherwise share information with any other financial institution or association of financial institutions regarding individuals, entities, organizations, and countries for purposes of identifying and, where appropriate, reporting any activities that the financial institution or association of financial institutions suspects may involve possible terrorist activity or money laundering.

"Money laundering" includes knowingly conducting or attempting to conduct a financial transaction with proceeds from SUA that is intended to promote the SUA. Activity constituting "specified unlawful activity" is defined in 18 U.S.C. § 1956, which lists the predicate crimes for money laundering offenses. These SUAs include a range of fraud offenses, including federal statutes used to charge schemes involving fraud against individuals, organizations, or governments. Accordingly, if a financial institution or association of financial institutions suspects that a transaction may involve the proceeds of fraud (or other criminal activity) or be for the purpose of furthering or concealing a fraudulent scheme or other criminal activity, then it may share related information with other financial institutions or associations of financial institutions under section 314(b).

A financial institution or association of financial institutions may also, under the protection of the section 314(b) safe harbor, share information related to activities that may involve possible terrorist activity or money laundering even if such activities do not constitute a "transaction," as defined in 31 C.F.R. § 1010.100(bbb) or elsewhere. For example, a financial institution or association of financial institutions may share information on attempts to engage in transactions that the financial institution or association of financial institutions suspects may involve money laundering or terrorist activity. A financial institution or association of financial institutions may also share information about attempts to induce others to engage in transactions, such as in a money mule scheme, where the other conditions of section 314(b) are satisfied.

The Bank Secrecy Act (BSA) imposes no limitations on the sharing of personally identifiable information under the section 314(b) safe harbor where such sharing is otherwise consistent with section 314(b) and its implementing regulations. Additionally, with the exception of suspicious activity reports (SARs), as discussed below, neither section 314(b) nor its implementing regulations impose restrictions on the types of information that may be shared. Financial institutions and associations of financial institutions could share, for example, transaction information; video surveillance footage; cyber-related data (such as IP addresses and geolocations); device identification numbers; decisions related to account creation, maintenance, closure, or services (and related research and analytical materials); transaction monitoring system alerts; and indicators that activity may be suspicious, including newly added payees followed by large transfers, multiple accounts with the same or similar identifying information, and login activity from geographically distant locations.

Moreover, the BSA imposes no limitations on how information can be shared. Financial institutions and associations of financial institutions may share information in writing or verbally, as well as through electronic platforms. Sharing may occur between one financial institution or association of financial institutions and another, or financial institutions and associations of financial institutions may share information within a group of participating financial institutions or associations of financial institutions. Regardless of how information is shared, financial institutions and associations of financial institutions must maintain adequate procedures to protect the security and confidentiality of all information shared pursuant to section 314(b) and may only use such information for specified purposes.

In cases where a financial institution files a SAR that has benefited from section 314(b) information sharing, FinCEN encourages financial institutions to note this in the narrative to allow FinCEN to identify and communicate specific examples of the benefits of the section 314(b) program. As discussed below, financial institutions sharing information pursuant to section 314(b) may work together to file joint SARs. While a financial institution or association of financial institutions may share information related to possible terrorist financing or money laundering that has resulted in or may result in a SAR, section 314(b) does not authorize financial institutions to share SARs or reveal their existence.

[Updated June 12, 2026]

Can a financial institution or association of financial institutions share information related to fraud under section 314(b)?

Yes. Fraud offenses are SUAs for money laundering offenses. Accordingly, if a financial institution or association of financial institutions suspects that the information involves a fraud offense (or any other SUA), and the requirements for participation in section 314(b) information sharing are otherwise met, then such information sharing would be covered by the section 314(b) safe harbor. The financial institution or association of financial institutions need not have identified specific proceeds of fraud being laundered to trigger the protections of the section 314(b) safe harbor, which extends to sharing information where a financial institution "suspect[s] possible terrorist or money laundering activities," including fraud activity that may be an SUA for money laundering purposes.

[Issued June 12, 2026]

Can a section 314(b)-registered financial institution or association of financial institutions share information with another section 314(b)-registered financial institution or association of financial institutions, even if the entity sharing the information has no reason to believe the information relates to any specific customer, account, or transaction of the financial institution receiving the information (or, if an association of financial institutions is receiving the information, the association's member financial institutions)?

Yes. A financial institution or association of financial institutions may share, under section 314(b), any information that the financial institution or association of financial institutions suspects may involve possible terrorist activity or money laundering. Such information may include information that relates to any specific customer, account, or transaction of the financial institution receiving the information (or, if an association of financial institutions is receiving the information, the association's member financial institutions). Receiving financial institutions or associations of financial institutions may use such information as permitted under 31 C.F.R. § 1010.540(b)(4)(i).

For example, such information could be shared with and used by the receiving financial institution to strengthen its anti-money laundering and countering the financing of terrorism (AML/CFT) program's capability to identify and, where appropriate, report on money laundering or terrorist activities, including by incorporating the received information into its transaction monitoring system. More generally, the receiving financial institution could use such information to comply with any of its obligations under the BSA and its implementing regulations. Notably, the regulation implementing section 314(b) contemplates that a financial institution receiving information may not have an existing relationship with an individual or entity about which it receives information and expressly permits, among other things, the use of information for the purpose of "determining whether to establish or maintain an account, or to engage in a transaction." Both the sharing party and the receiving party must maintain adequate procedures to protect the information's security and confidentiality as required under 31 C.F.R. § 1010.540(b)(4)(ii).

[Issued June 12, 2026]

Participating Financial Institutions and Associations of Financial Institutions

Who is eligible to participate in section 314(b) information sharing?

Financial institutions subject to an anti-money laundering program requirement under FinCEN regulations, and any association of such financial institutions, are eligible to share information under section 314(b). This currently includes:

- Banks (31 C.F.R. § 1020.540)
- Casinos and Card Clubs (31 C.F.R. § 1021.540)
- Money Services Businesses (31 C.F.R. § 1022.540)
- Brokers or Dealers in Securities (31 C.F.R. § 1023.540)
- Mutual Funds (31 C.F.R. § 1024.540)
- Insurance Companies (31 C.F.R. § 1025.540)

- Futures Commission Merchants and Introducing Brokers in Commodities (31 C.F.R. § 1026.540)
- Dealers in Precious Metals, Precious Stones, or Jewels (31 C.F.R. § 1027.540)
- Operators of Credit Card Systems (31 C.F.R. § 1028.540)
- Loan or Finance Companies (31 C.F.R. § 1029.540)
- Housing Government Sponsored Enterprises (31 C.F.R. § 1030.540)
- Associations consisting of the financial institutions listed above

[Issued December 2020]

Can an entity that is not a financial institution under the BSA and its implementing regulations, such as a compliance services provider, form and operate an association of financial institutions whose members can engage in information sharing covered by the section 314(b) safe harbor?

Yes. FinCEN does not require the organization that forms and operates an association of financial institutions whose members engage in information sharing protected by the section 314(b) safe harbor to itself be a regulated financial institution under the BSA and its implementing regulations. Furthermore, there is no section 314(b) requirement that an entity forming and operating an association of financial institutions be a subsidiary or corporate affiliate of a financial institution.

Any entity forming an association of financial institutions must, of course, conform its activities with the other requirements of section 314(b), including the use and security requirements of 31 C.F.R. § 1010.540(b)(4).

[Issued December 2020]

Can an unincorporated association of financial institutions governed by a contract among the group of financial institutions that constitutes its members engage in information sharing covered by the section 314(b) safe harbor?

Yes. Section 314(b) permits unincorporated associations to engage in information sharing pursuant to the section 314(b) safe harbor. Such unincorporated associations can exist based on contracts among their participants. Of course, such unincorporated associations must conform their membership and activities to the requirements of section 314(b) and its implementing regulations. All members of such an unincorporated association must be financial institutions consistent with the definition of that term in 31 C.F.R. § 1010.540(a)(1). Furthermore, an unincorporated association of financial institutions must operate in compliance with other requirements of section 314(b), including the use and security requirements of 31 C.F.R. § 1010.540(b)(4).

[Issued December 2020]

Benefits and Use of the Section 314(b) Program

What are the benefits of information sharing under section 314(b)?

The section 314(b) program helps financial institutions improve detection of money laundering and terrorist financing and generally enhances their AML/CFT programs. For example, financial institutions can use the section 314(b) program to:

- Share information about fraud and consumer scams and other crimes that occur rapidly and are often carried out by repeat actors who move across financial institutions to evade detection.
- Gather additional information on customers or transactions potentially related to money laundering or terrorist financing, including previously unknown accounts, activities, and/or associated entities or individuals.
- Shed more light upon overall financial trails, especially if they are complex and appear to be layered among numerous financial institutions, entities, and jurisdictions.
- Build a more comprehensive and accurate picture of a customer's activities that may involve money laundering or terrorist financing, allowing for more precise decision making in due diligence and transaction monitoring.
- Alert other participating financial institutions to customers of whose suspicious activities they may not previously have been aware.
- Alert other participating financial institutions in real time to transactions that may be connected to money laundering or terrorist financing.
- Facilitate the filing of more comprehensive SARs than would otherwise be filed in the absence of section 314(b) information sharing.
- Identify and aid in the detection of money laundering and terrorist financing methods and schemes.
- Facilitate efficient SAR reporting decisions—for example, when a financial institution obtains a more complete picture of activity through the information sharing process and determines that no SAR is required for transactions that may have initially appeared suspicious.

[Updated June 12, 2026]

Do section 314(b) and its implementing regulations specify the method by which information must be shared?

No. Provided that information sharing is consistent with the use and security of information requirements contained in 31 C.F.R. § 1010.540(b)(4), neither section 314(b) nor FinCEN's implementing regulations specify the method by which information must be shared. As discussed above, financial institutions and associations of financial institutions may, for example, share information in writing or verbally, or they may use electronic platforms. Similarly, financial institutions and associations of financial institutions may share information in real time as activity is occurring.

[Issued June 12, 2026]

Can a financial institution or association of financial institutions share information with a foreign financial institution, such as a foreign affiliate or subsidiary?

It depends. As applicable to section 314(b), FinCEN's implementing regulations define "financial institution" as any financial institution described in 31 U.S.C. § 5312(a)(2) that is required under 31 C.F.R. Chapter X to establish and maintain an anti-money laundering program or that is treated under 31 C.F.R. Chapter X as having satisfied the requirements of 31 U.S.C. § 5318(h)(1). While this will generally refer to a financial institution located within the United States, it may, in certain circumstances, include a financial institution located outside of the United States that is required under FinCEN's regulations to establish and maintain an anti-money laundering program. The BSA contemplates information sharing by and between such financial institutions.

Where a financial institution has received information pursuant to section 314(b), such information may be shared with a foreign financial institution, such as a foreign affiliate or subsidiary, solely for the purposes identified in 31 C.F.R. § 1010.540(b)(4). Such sharing would not be afforded the safe harbor from liability described in 31 C.F.R. § 1010.540(b)(5) unless the receiving institution is a financial institution as defined at 31 C.F.R. § 1010.540(a)(1)(i). Furthermore, financial institutions should consider any relevant obligations arising under other U.S. legal authorities (including, but not limited to, the Right to Financial Privacy Act, the Gramm-Leach-Bliley Act, or state laws) and, as applicable, aspects of or obligations arising under foreign law, all of which are outside the scope of this guidance.

[Issued June 12, 2026]

May financial institutions that share information pursuant to section 314(b) file joint SARs?

FinCEN's SAR regulations allow for the submission of joint SARs by financial institutions. When financial institutions identify suspicious activity through collaboration pursuant to section 314(b), they may consider whether a joint SAR would be the most efficient way to provide highly useful information (including, as appropriate, joint supporting documentation) to law enforcement. Financial institutions should keep in mind that section 314(b) does not relax the prohibition against SAR disclosures, nor does it otherwise address SAR confidentiality. Financial institutions participating in information sharing pursuant to section 314(b) remain prohibited from disclosing a SAR or any information that would reveal the existence of a SAR notwithstanding section 314(b).

However, financial institutions participating in section 314(b) information sharing that are considering filing or have filed a joint SAR may freely discuss the prospective or already filed joint SAR among themselves and share its contents.

[Updated June 12, 2026]

Participation in the Section 314(b) Program

How do financial institutions or associations of financial institutions participate in the section 314(b) program?

FinCEN's regulation (31 C.F.R. § 1010.540) sets forth the requirements that must be satisfied to benefit from section 314(b) safe harbor protection. A financial institution or association of financial institutions will only benefit from section 314(b) safe harbor protection if it follows the conditions for participation in the program:

<u>Submit a Registration to FinCEN</u>

Information regarding the section 314(b) program is available on FinCEN's website at <u>www.fincen.gov/resources/section-314b</u>.

Financial institutions and associations of financial institutions interested in participating in the section 314(b) program should:

1) Request access to the Financial Industry Portal ("FI Portal") by selecting FI Access

Request at www.fincen.gov/resources/financial-institutions.

2) Once approved, visit the FI Portal Login at fiportal.fincen.gov and navigate to the 314(b) tile and submit their section 314(b) registration. Registrations are processed automatically, and financial institutions and associations of financial institutions will have the option to generate an acknowledgment letter for their records.

Share Information with Other Section 314(b) Participants

Prior to sharing information under section 314(b), financial institutions and associations of financial institutions must take reasonable steps to verify that the other financial institution or association of financial institutions is also a section 314(b) registrant.

To facilitate the identification of section 314(b) program participants, the FI Portal contains a searchable directory of contact information for all participating financial institutions and associations of financial institutions. Financial institutions and associations of financial institutions may designate more than one person as their section 314(b) program point of contact.

Safeguard Shared Information and Use Only for AML/CFT Purposes

Financial institutions and associations of financial institutions must establish and maintain procedures to safeguard the security and confidentiality of shared information and must only use shared information for the purpose of:

- Identifying and, where appropriate, reporting on activities that may involve terrorist financing or money laundering (including activities potentially constituting SUA, such as fraud).
- Determining whether to establish or maintain an account, or to engage in a transaction.
- Assisting in compliance with anti-money laundering requirements.

[Updated June 12, 2026]

Updating Point of Contact Information and Additional Resources

Changes, updates, or deletions of current section 314(b) registration information can be made through the FI Portal. A detailed Section 314(b) Quick Reference Guide is also available on the FI Portal. For additional questions related to section 314(b) information sharing, FinCEN can be reached by submitting an inquiry at www.fincen.gov/contact, noting in the body of the message that the inquiry relates to section 314(b) information sharing.

[Updated June 12, 2026]

What You Need to Do:

Please share with BSA Officer and interested / affected team members.

Federal Register: Permitted Payment Stablecoin Issuer Customer Identification Program (June 22, 2026)

Link

https://www.federalregister.gov/documents/2026/06/22/2026-12460/permitted-payment-stablecoin-issuer-customer-identification-program

Text

SUMMARY:

The Financial Crimes Enforcement Network (FinCEN), together with the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA) are jointly issuing this proposed rule to implement certain provisions of the Guiding and Establishing National and Innovation for U.S. Stablecoins Act (GENIUS Act). Specifically, this rulemaking implements the GENIUS Act's directives to treat permitted payment stablecoin issuers as financial institutions under the Bank Secrecy Act and to require issuers to maintain an effective customer identification program.

DATES:

Comments must be received by August 21, 2026.

SUPPLEMENTARY INFORMATION:

I. Introduction

This proposal implements the GENIUS Act's directives to treat permitted payment stablecoin issuers (PPSIs) as financial institutions for purposes of the Bank Secrecy Act (BSA) and to require such issuers to maintain an “effective customer identification program, including identification and verification of account holders.” This notice of proposed rulemaking (NPRM) is being issued jointly by FinCEN, along with the OCC, Board, FDIC, and NCUA (each an “Agency” and collectively “the Agencies”) as applied to the PPSIs that each Agency supervises. The proposal would also apply to PPSIs that opt for state supervision under the GENIUS Act.

Separately, FinCEN issued a rulemaking proposing changes to its existing regulations to effectuate the GENIUS Act's direction to apply BSA obligations to PPSIs. These changes include creation of a new part in chapter X applicable to PPSIs, proposed part 1033, into which this proposed rule would be incorporated.

II. Background and Authority

The GENIUS Act provides a comprehensive framework for the regulation of payment stablecoins. The GENIUS Act requires that a PPSI “be treated as a financial institution for purposes of the Bank Secrecy Act, and as such, shall be subject to all Federal laws applicable to a financial institution located in the United States relating to economic sanctions, prevention of money laundering, customer identification, and due diligence." In addition to this clear, general directive, the GENIUS Act specifies that a PPSI's obligations include "maintenance of an effective customer identification program, including identification and verification of account holders with the permitted payment stablecoin issuer."

The Bank Secrecy Act, or "BSA," is the common name for a collection of statutory authorities designed to, among other things, safeguard the national security of the United States by combating money laundering, the financing of terrorism, and other illicit finance activity. The Secretary of the Treasury has delegated the authority to implement, administer, and enforce the BSA and its associated regulations to the Director of FinCEN. The BSA requires the Secretary of the Treasury to prescribe "minimum standards" for financial institutions regarding "the identity of the customer that shall apply in connection with the opening of an account," commonly referred to as customer identification programs (CIPs). Under the BSA, these minimum standards the Secretary of the Treasury prescribes must include reasonable procedures for: (1) verifying the identity of any person seeking to open an account to the extent reasonable and practicable; (2) maintaining records of the information used to verify a person's identity, including name, address, and other identifying information; and (3) determining whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency. In prescribing regulations related to these minimum standards, the BSA directs the Secretary of the Treasury to "take into consideration the various types of accounts maintained by various types of financial institutions, the various methods of opening accounts, and the various types of identifying information available." For financial institutions engaging in financial activity described in section 4(k) of the Bank Holding Company Act of 1956, such regulations must be jointly prescribed by the Secretary of the Treasury and the appropriate Federal functional regulator.

FinCEN, jointly with the appropriate Federal functional regulators, has issued implementing regulations imposing CIP obligations on various types of financial institutions under the BSA, including banks, brokers or dealers in securities, mutual funds, and futures commission merchants and introducing brokers. In contrast, money transmitters do not have a CIP obligation, but they are required to, for certain activity, verify an individual's identity. Stablecoin issuers are presently subject to BSA obligations as financial institutions and, more specifically, as money transmitters under FinCEN's regulations, which are a type of money services business (MSB).

The GENIUS Act directs the Secretary of the Treasury to issue regulations, tailored to the size and complexity of the PPSI, to implement the GENIUS Act's treatment of PPSIs as financial institutions for purposes of the BSA, including the requirement that PPSIs maintain effective customer identification programs. The GENIUS Act also directs the Secretary of the Treasury and each primary Federal payment stablecoin regulator—the OCC, Board, FDIC, and NCUA—to issue regulations through appropriate notice and comment rulemaking and to coordinate, as appropriate, to carry out the Act. FinCEN and the Agencies are issuing a single, joint rule, ensuring consistent and uniform application of CIP requirements to all PPSIs subject to each Agency's jurisdiction.

III. GENIUS Act Implementation

Treasury issued an advance notice of proposed rulemaking (ANPRM) in September 2025 seeking public comment on potential Treasury regulations implementing the GENIUS Act, including those imposing BSA, anti-money laundering, and sanctions compliance program obligations. In response to this ANPRM, Treasury received approximately 450 timely comments from a variety of stakeholders, including banks and credit unions, stablecoin issuers, digital asset exchanges, analytics companies, law firms, trade associations, non-governmental organizations, technology firms, academics, and members of the public. In crafting this proposal, Treasury reviewed and considered the pertinent comments, including those related to illicit finance topics.

This NPRM represents one piece of the comprehensive regulatory framework for PPSIs set out in the GENIUS Act. In a separate rulemaking, FinCEN has proposed a rule to implement the GENIUS Act's directive to apply anti-money laundering obligations to PPSIs (referred to as "PPSI AML/CFT NPRM"), including program, reporting, and recordkeeping obligations, among others. The PPSI AML/CFT NPRM proposes adding several new definitions arising from the GENIUS Act to chapter X, which are here used to describe this proposed rule. These definitions include "digital asset," "distributed ledger," "payment stablecoin," "permitted payment stablecoin issuer," "primary Federal payment stablecoin regulator," "Federal qualified payment stablecoin issuer," "State payment stablecoin regulator," and "State qualified payment stablecoin issuer." Generally speaking, the proposed definitions in the PPSI AML/CFT NPRM track the language the GENIUS Act uses to define those terms, with a few proposed technical modifications that are intended to be non-substantive.

IV. Overview of Stablecoins and Issuers

[Omitted]

V. Section-by-Section Analysis

[Omitted]

Editor's Note

This is a proposal. We will spend more time on this when the final rule comes out. But we wanted to make you aware of the fact that it was there, should you wish to read about it using the link above.

What You Need to Do:
Please share the link with BSA Officer and interested / affected team members.

Federal Register: Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism and Sanctions Compliance Risk Management (June 24, 2026)

Link

https://www.federalregister.gov/documents/2026/06/24/2026-12692/permitted-payment-stablecoin-issuer-anti-money-launderingcountering-the-financing-of-terrorism-and

Text

SUMMARY:

The Office of the Comptroller of the Currency (OCC), in coordination with the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) and the Office of Foreign Assets Control (OFAC), proposes to issue regulations to implement the Guiding and Establishing National Innovation for U.S. Stablecoins Act's requirement to issue regulations implementing appropriate Bank Secrecy Act (BSA) and sanctions compliance standards for permitted payment stablecoin issuers subject to the OCC's jurisdiction.

Editor's Note

This is a companion proposal. We will spend more time on this when the final rule comes out. But we wanted to make you aware of the fact that it was there, should you wish to read about it using the link above.

What You Need to Do:
Please share the link with BSA Officer and interested / affected team members.

Appendix A: 2025 – 2026 List of Distressed and Underserved Nonmetropolitan Middle-Income Geographies

Illinois

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY UNEMPLOYMENT LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED SERVED		STATE CODE	COUNTY CODE	TRACT CODE
BROWN	IL	X	X	X	X	17	009	9705.00
CARROLL	IL		X		X	17	015	9601.00
CARROLL	IL		X		X	17	015	9602.00
CARROLL	IL		X		X	17	015	9604.00
CARROLL	IL		X		X	17	015	9605.00
CARROLL	IL		X		X	17	015	9606.00
CASS	IL		X		X	17	017	9601.00
CASS	IL		X		X	17	017	9602.00
CASS	IL		X		X	17	017	9603.00
CLARK	IL		X		X	17	023	0601.00
CLARK	IL		X		X	17	023	0602.00
CLARK	IL		X		X	17	023	0603.00
CLARK	IL		X		X	17	023	0604.00
CLAY	IL		X		X	17	025	9719.00
CLAY	IL		X		X	17	025	9720.00
CLAY	IL		X		X	17	025	9721.00
CLAY	IL		X		X	17	025	9722.00
COLES	IL	X		X		17	029	0001.00
COLES	IL	X		X		17	029	0002.00
COLES	IL	X		X		17	029	0003.00
COLES	IL	X		X		17	029	0004.00
COLES	IL	X		X		17	029	0006.00
COLES	IL	X		X		17	029	0008.00
COLES	IL	X		X		17	029	0012.00
CRAWFORD	IL		X		X	17	033	8801.00
CRAWFORD	IL		X		X	17	033	8802.00
CRAWFORD	IL		X		X	17	033	8803.00
CRAWFORD	IL		X		X	17	033	8805.00
DE WITT	IL		X		X	17	039	9715.00
DE WITT	IL		X		X	17	039	9717.00
DE WITT	IL		X		X	17	039	9718.00
DOUGLAS	IL		X		X	17	041	9520.00
DOUGLAS	IL		X		X	17	041	9521.00
DOUGLAS	IL		X		X	17	041	9523.00
DOUGLAS	IL		X		X	17	041	9524.00
EDGAR	IL		X		X	17	045	0702.00
EDGAR	IL		X		X	17	045	0704.00
EDGAR	IL		X		X	17	045	0705.00
EDWARDS	IL		X		X	17	047	9569.00
EDWARDS	IL		X		X	17	047	9570.00
EDWARDS	IL		X		X	17	047	9571.00
FRANKLIN	IL		X		X	17	055	0401.00
FRANKLIN	IL		X		X	17	055	0402.00
FRANKLIN	IL		X		X	17	055	0404.00
FRANKLIN	IL		X		X	17	055	0405.00
FRANKLIN	IL		X		X	17	055	0406.00
FRANKLIN	IL		X		X	17	055	0407.00
FRANKLIN	IL		X		X	17	055	0408.00
FRANKLIN	IL		X		X	17	055	0412.00
FULTON	IL	X		X		17	057	9528.00
FULTON	IL	X		X		17	057	9530.00
FULTON	IL	X		X		17	057	9531.00
FULTON	IL	X		X		17	057	9534.00
FULTON	IL	X		X		17	057	9536.00
FULTON	IL	X		X		17	057	9537.00
GALLATIN	IL	X	X	X	X	17	059	9727.00
GREENE	IL	X		X		17	061	9736.00
GREENE	IL	X		X		17	061	9740.00
HAMILTON	IL		X		X	17	065	9731.00
HAMILTON	IL		X		X	17	065	9732.00
HAMILTON	IL		X		X	17	065	9733.00

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION	POVERTY	UNEMPLOYMENT	LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation DISTRESSED	UNDER-SERVED	STATE CODE	COUNTY CODE	TRACT CODE
HANCOCK	IL					X		X	17	067	9537.00
HANCOCK	IL					X		X	17	067	9539.00
HANCOCK	IL					X		X	17	067	9540.00
HANCOCK	IL					X		X	17	067	9542.00
HANCOCK	IL					X		X	17	067	9543.00
HARDIN	IL				X	X	X	X	17	069	9709.00
HARDIN	IL				X	X	X	X	17	069	9710.00
HENDERSON	IL				X		X		17	071	9733.00
HENDERSON	IL				X		X		17	071	9734.00
HENDERSON	IL				X		X		17	071	9735.00
IROQUOIS	IL				X		X		17	075	9501.00
IROQUOIS	IL				X		X		17	075	9502.00
IROQUOIS	IL				X		X		17	075	9503.00
IROQUOIS	IL				X		X		17	075	9505.00
IROQUOIS	IL				X		X		17	075	9506.00
IROQUOIS	IL				X		X		17	075	9508.00
IROQUOIS	IL				X		X		17	075	9509.00
JACKSON	IL	X			X		X		17	077	0101.00
JACKSON	IL	X			X		X		17	077	0103.00
JACKSON	IL	X			X		X		17	077	0114.00
JASPER	IL					X		X	17	079	9773.00
JASPER	IL					X		X	17	079	9774.00
JASPER	IL					X		X	17	079	9775.00
JO DAVIESS	IL					X		X	17	085	0201.02
JO DAVIESS	IL					X		X	17	085	0203.00
JO DAVIESS	IL					X		X	17	085	0204.02
JO DAVIESS	IL					X		X	17	085	0205.00
JOHNSON	IL					X		X	17	087	9776.00
JOHNSON	IL					X		X	17	087	9777.00
LAWRENCE	IL				X	X	X	X	17	101	8807.00
LAWRENCE	IL				X	X	X	X	17	101	8808.00
LAWRENCE	IL				X	X	X	X	17	101	8809.00
LAWRENCE	IL				X	X	X	X	17	101	8810.00
MCDONOUGH	IL				X		X		17	109	0101.00
MCDONOUGH	IL				X		X		17	109	0102.00
MCDONOUGH	IL				X		X		17	109	0109.00
MCDONOUGH	IL				X		X		17	109	0110.00
MCDONOUGH	IL				X		X		17	109	0111.00
MASON	IL				X	X	X	X	17	125	9563.00
MASON	IL				X	X	X	X	17	125	9564.00
MASON	IL				X	X	X	X	17	125	9565.00
MASON	IL				X	X	X	X	17	125	9566.00
MASON	IL				X	X	X	X	17	125	9568.00
MOULTRIE	IL					X		X	17	139	9770.00
MOULTRIE	IL					X		X	17	139	9772.00
PERRY	IL					X		X	17	145	0301.00
PERRY	IL					X		X	17	145	0302.00
PERRY	IL					X		X	17	145	0303.00
PERRY	IL					X		X	17	145	0304.00
PERRY	IL					X		X	17	145	0305.00
PIKE	IL				X	X	X	X	17	149	9524.00
PIKE	IL				X	X	X	X	17	149	9525.00
PIKE	IL				X	X	X	X	17	149	9526.00
PIKE	IL				X	X	X	X	17	149	9527.00
PIKE	IL				X	X	X	X	17	149	9528.00
POPE	IL				X	X	X	X	17	151	9712.00
PULASKI	IL		X		X	X	X	X	17	153	9710.00
RANDOLPH	IL				X		X		17	157	9505.00
RANDOLPH	IL				X		X		17	157	9506.00
RANDOLPH	IL				X		X		17	157	9507.00
RANDOLPH	IL				X		X		17	157	9508.00

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY UNEMPLOYMENT	LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED	SERVED	STATE CODE	COUNTY CODE	TRACT CODE
RANDOLPH	IL		X		X		17	157	9509.00
RANDOLPH	IL		X		X		17	157	9511.00
RANDOLPH	IL		X		X		17	157	9512.01
RANDOLPH	IL		X		X		17	157	9513.00
RICHLAND	IL			X		X	17	159	9779.00
RICHLAND	IL			X		X	17	159	9781.00
RICHLAND	IL			X		X	17	159	9782.00
RICHLAND	IL			X		X	17	159	9783.00
SALINE	IL			X		X	17	165	9556.00
SALINE	IL			X		X	17	165	9557.00
SALINE	IL			X		X	17	165	9562.00
SCHUYLER	IL			X		X	17	169	9701.00
SCHUYLER	IL			X		X	17	169	9703.00
SHELBY	IL			X		X	17	173	9592.00
SHELBY	IL			X		X	17	173	9593.00
SHELBY	IL			X		X	17	173	9594.00
SHELBY	IL			X		X	17	173	9595.00
SHELBY	IL			X		X	17	173	9596.00
UNION	IL			X		X	17	181	9501.00
UNION	IL			X		X	17	181	9502.00
UNION	IL			X		X	17	181	9503.00
UNION	IL			X		X	17	181	9504.00
UNION	IL			X		X	17	181	9505.00
VERMILION	IL		X		X		17	183	0005.00
VERMILION	IL		X		X		17	183	0007.00
VERMILION	IL		X		X		17	183	0008.00
VERMILION	IL		X		X		17	183	0009.00
VERMILION	IL		X		X		17	183	0012.00
VERMILION	IL		X		X		17	183	0101.00
VERMILION	IL		X		X		17	183	0103.00
VERMILION	IL		X		X		17	183	0104.00
VERMILION	IL		X		X		17	183	0105.00
VERMILION	IL		X		X		17	183	0106.00
VERMILION	IL		X		X		17	183	0107.01
VERMILION	IL		X		X		17	183	0107.02
VERMILION	IL		X		X		17	183	0108.00
VERMILION	IL		X		X		17	183	0109.00
VERMILION	IL		X		X		17	183	0110.00
VERMILION	IL		X		X		17	183	0111.00
WABASH	IL			X		X	17	185	9572.00
WABASH	IL			X		X	17	185	9573.00
WABASH	IL			X		X	17	185	9574.00
WABASH	IL			X		X	17	185	9575.00
WARREN	IL			X		X	17	187	8701.00
WARREN	IL			X		X	17	187	8702.00
WARREN	IL			X		X	17	187	8704.00
WARREN	IL			X		X	17	187	8705.00
WAYNE	IL			X		X	17	191	9549.00
WAYNE	IL			X		X	17	191	9550.00
WAYNE	IL			X		X	17	191	9551.00
WAYNE	IL			X		X	17	191	9552.00
WAYNE	IL			X		X	17	191	9553.00
WHITE	IL			X		X	17	193	9581.00
WHITE	IL			X		X	17	193	9582.00
WHITE	IL			X		X	17	193	9583.00
WHITE	IL			X		X	17	193	9584.00

Indiana

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY UNEMPLOYMENT LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-SERVED	DISTRESSED	STATE CODE	COUNTY CODE
BLACKFORD	IN		X		X	18	009
BLACKFORD	IN		X		X	18	009
FOUNTAIN	IN		X		X	18	045
FOUNTAIN	IN		X		X	18	045
FOUNTAIN	IN		X		X	18	045
FULTON	IN		X		X	18	049
FULTON	IN		X		X	18	049
FULTON	IN		X		X	18	049
FULTON	IN		X		X	18	049
FULTON	IN		X		X	18	049
FULTON	IN		X		X	18	049
GIBSON	IN		X		X	18	051
GIBSON	IN		X		X	18	051
GIBSON	IN		X		X	18	051
GIBSON	IN		X		X	18	051
GIBSON	IN		X		X	18	051
GIBSON	IN		X		X	18	051
GRANT	IN			X		18	053
GRANT	IN			X		18	053
GRANT	IN			X		18	053
GRANT	IN			X		18	053
GRANT	IN			X		18	053
GRANT	IN			X		18	053
GREENE	IN		X		X	18	055
GREENE	IN		X		X	18	055
GREENE	IN		X		X	18	055
GREENE	IN		X		X	18	055
GREENE	IN		X		X	18	055
GREENE	IN		X		X	18	055
GREENE	IN		X		X	18	055
JAY	IN		X		X	18	075
JAY	IN		X		X	18	075
JAY	IN		X		X	18	075
JAY	IN		X		X	18	075
JAY	IN		X		X	18	075
JAY	IN		X		X	18	075
JENNINGS	IN		X		X	18	079
JENNINGS	IN		X		X	18	079
JENNINGS	IN		X		X	18	079
JENNINGS	IN		X		X	18	079
JENNINGS	IN		X		X	18	079
LAGRANGE	IN		X		X	18	087
LAGRANGE	IN		X		X	18	087
LAGRANGE	IN		X		X	18	087
LAGRANGE	IN		X		X	18	087
LAGRANGE	IN		X		X	18	087
LAGRANGE	IN		X		X	18	087
LAGRANGE	IN		X		X	18	087
MARTIN	IN		X		X	18	101
MARTIN	IN		X		X	18	101
PARKE	IN		X		X	18	121
PARKE	IN		X		X	18	121
PARKE	IN		X		X	18	121
PERRY	IN		X		X	18	123
PERRY	IN		X		X	18	123
PERRY	IN		X		X	18	123
PERRY	IN		X		X	18	123
PERRY	IN		X		X	18	123
PIKE	IN		X		X	18	125
PIKE	IN		X		X	18	125
PIKE	IN		X		X	18	125

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY UNEMPLOYMENT LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED SERVED	STATE CODE	COUNTY CODE	TRACT CODE
RANDOLPH	IN		X	X	18	135	9514.00
RANDOLPH	IN		X	X	18	135	9517.00
RANDOLPH	IN		X	X	18	135	9518.00
RANDOLPH	IN		X	X	18	135	9519.00
RANDOLPH	IN		X	X	18	135	9520.00
RANDOLPH	IN		X	X	18	135	9521.00
SPENCER	IN		X	X	18	147	9528.00
SPENCER	IN		X	X	18	147	9529.00
SPENCER	IN		X	X	18	147	9531.00

Kansas

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION	POVERTY	UNEMPLOYMENT	LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation DISTRESSED	UNDER-SERVED	STATE CODE	COUNTY CODE	TRACT CODE
ALLEN	KS					X		X	20	001	9526.00
ALLEN	KS					X		X	20	001	9527.00
ALLEN	KS					X		X	20	001	9528.00
ALLEN	KS					X		X	20	001	9529.00
ALLEN	KS					X		X	20	001	9530.00
BARBER	KS				X	X	X	X	20	007	9681.00
BARBER	KS				X	X	X	X	20	007	9682.00
BARTON	KS				X		X		20	009	9711.00
BARTON	KS				X		X		20	009	9712.00
BARTON	KS				X		X		20	009	9714.00
BARTON	KS				X		X		20	009	9715.00
BARTON	KS				X		X		20	009	9716.00
BARTON	KS				X		X		20	009	9717.00
BARTON	KS				X		X		20	009	9718.01
BROWN	KS					X		X	20	013	4806.00
BROWN	KS					X		X	20	013	4807.00
BROWN	KS					X		X	20	013	4808.00
CHEYENNE	KS					X		X	20	023	9502.00
CLARK	KS				X	X	X	X	20	025	9671.00
CLAY	KS					X		X	20	027	4581.00
CLAY	KS					X		X	20	027	4582.00
CLOUD	KS					X		X	20	029	9771.00
CLOUD	KS					X		X	20	029	9772.00
CLOUD	KS					X		X	20	029	9773.00
CLOUD	KS					X		X	20	029	9774.00
COFFEY	KS					X		X	20	031	9661.00
COFFEY	KS					X		X	20	031	9663.00
COMANCHE	KS				X	X	X	X	20	033	9676.00
DECATUR	KS				X	X	X	X	20	039	9513.00
DICKINSON	KS					X		X	20	041	0841.00
DICKINSON	KS					X		X	20	041	0843.00
DICKINSON	KS					X		X	20	041	0844.00
DICKINSON	KS					X		X	20	041	0845.00
DICKINSON	KS					X		X	20	041	0846.00
EDWARDS	KS					X		X	20	047	9696.00
EDWARDS	KS					X		X	20	047	9697.00
ELK	KS				X	X	X	X	20	049	9651.00
ELLSWORTH	KS					X		X	20	053	0866.00
ELLSWORTH	KS					X		X	20	053	0867.00
GOVE	KS					X		X	20	063	9553.00
GRAHAM	KS				X	X	X	X	20	065	9523.00
GRAY	KS					X		X	20	069	9627.00
GREELEY	KS					X		X	20	071	9581.00
GREENWOOD	KS					X		X	20	073	9656.00
GREENWOOD	KS					X		X	20	073	9658.00
HAMILTON	KS					X		X	20	075	9586.00
HARPER	KS				X	X	X	X	20	077	9616.00
HARPER	KS				X	X	X	X	20	077	9618.00
HASKELL	KS				X	X	X	X	20	081	4631.00
HODGEMAN	KS				X	X	X	X	20	083	4611.00
KEARNY	KS					X		X	20	093	9591.00
KINGMAN	KS				X	X	X	X	20	095	9613.00
KIOWA	KS					X		X	20	097	9691.00
LABETTE	KS					X		X	20	099	9501.00
LABETTE	KS					X		X	20	099	9502.00
LABETTE	KS					X		X	20	099	9503.00
LABETTE	KS					X		X	20	099	9505.00
LABETTE	KS					X		X	20	099	9506.00
LANE	KS				X	X	X	X	20	101	9566.00
LINCOLN	KS				X	X	X	X	20	105	0861.00
LOGAN	KS					X		X	20	109	9546.00

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION	POVERTY	UNEMPLOYMENT	LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation DISTRESSED	UNDER-SERVED	STATE CODE	COUNTY CODE	TRACT CODE
MARION	KS					X		X	20	115	4895.00
MARION	KS					X		X	20	115	4896.00
MARION	KS					X		X	20	115	4897.00
MARION	KS					X		X	20	115	4898.00
MARSHALL	KS					X		X	20	117	0407.01
MARSHALL	KS					X		X	20	117	0605.10
MARSHALL	KS					X		X	20	117	0701.82
MARSHALL	KS					X		X	20	117	0901.86
MEADE	KS				X	X	X	X	20	119	9666.00
MEADE	KS				X	X	X	X	20	119	9667.00
MITCHELL	KS				X	X	X	X	20	123	1766.00
MITCHELL	KS				X	X	X	X	20	123	1767.00
MONTGOMERY	KS				X	X	X	X	20	125	9501.00
MONTGOMERY	KS				X	X	X	X	20	125	9503.00
MONTGOMERY	KS				X	X	X	X	20	125	9506.00
MONTGOMERY	KS				X	X	X	X	20	125	9507.00
MONTGOMERY	KS				X	X	X	X	20	125	9508.00
MONTGOMERY	KS				X	X	X	X	20	125	9513.00
MORRIS	KS					X		X	20	127	9636.00
MORRIS	KS					X		X	20	127	9637.00
MORTON	KS				X	X	X	X	20	129	9646.00
NEMAHA	KS					X		X	20	131	4803.00
NEOSHO	KS					X		X	20	133	9516.00
NEOSHO	KS					X		X	20	133	9517.00
NEOSHO	KS					X		X	20	133	9518.00
NEOSHO	KS					X		X	20	133	9519.00
NEOSHO	KS					X		X	20	133	9520.00
NESS	KS				X	X	X	X	20	135	9563.00
NORTON	KS					X		X	20	137	9517.00
OSBORNE	KS					X		X	20	141	4741.00
PAWNEE	KS				X	X	X	X	20	145	9702.00
PAWNEE	KS				X	X	X	X	20	145	9703.00
PHILLIPS	KS				X	X	X	X	20	147	4751.00
PHILLIPS	KS				X	X	X	X	20	147	4752.00
PHILLIPS	KS				X	X	X	X	20	147	4753.00
PRATT	KS				X	X	X	X	20	151	9687.00
RAWLINS	KS					X		X	20	153	9506.00
REPUBLIC	KS					X		X	20	157	9781.00
REPUBLIC	KS					X		X	20	157	9782.00
REPUBLIC	KS					X		X	20	157	9783.00
RICE	KS				X	X	X	X	20	159	9671.00
RICE	KS				X	X	X	X	20	159	9672.00
RICE	KS				X	X	X	X	20	159	9673.00
ROOKS	KS				X	X	X	X	20	163	9746.00
ROOKS	KS				X	X	X	X	20	163	9747.00
RUSH	KS				X	X	X	X	20	165	9723.00
RUSSELL	KS					X		X	20	167	9738.00
RUSSELL	KS					X		X	20	167	9739.00
SCOTT	KS					X		X	20	171	9571.00
SEWARD	KS				X		X		20	175	9656.00
SEWARD	KS				X		X		20	175	9658.00
SEWARD	KS				X		X		20	175	9659.00
SHERMAN	KS					X		X	20	181	4537.00
SMITH	KS					X		X	20	183	4759.00
STAFFORD	KS					X		X	20	185	4706.00
STAFFORD	KS					X		X	20	185	4707.00
STANTON	KS					X		X	20	187	9641.00
STEVENS	KS				X	X	X	X	20	189	9652.00
THOMAS	KS					X		X	20	193	9531.00
WALLACE	KS					X		X	20	199	9541.00
WASHINGTON	KS					X		X	20	201	9786.00
WASHINGTON	KS					X		X	20	201	9787.00
WILSON	KS					X		X	20	205	0971.00
WILSON	KS					X		X	20	205	0972.00
WILSON	KS					X		X	20	205	0973.00
WILSON	KS					X		X	20	205	0974.00
WOODSON	KS					X		X	20	207	0966.00
WOODSON	KS					X		X	20	207	0967.00

Michigan

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY UNEMPLOYMENT LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED SERVED		STATE CODE	COUNTY CODE	TRACT CODE
ALCONA	MI	X	X	X	X	26	001	0001.00
ALCONA	MI	X	X	X	X	26	001	9701.00
ALCONA	MI	X	X	X	X	26	001	9704.00
ALCONA	MI	X	X	X	X	26	001	9706.00
ALGER	MI	X	X	X	X	26	003	0001.00
ALGER	MI	X	X	X	X	26	003	0002.00
ALGER	MI	X	X	X	X	26	003	0003.00
ANTRIM	MI		X		X	26	009	9602.00
ANTRIM	MI		X		X	26	009	9603.00
ANTRIM	MI		X		X	26	009	9604.02
ANTRIM	MI		X		X	26	009	9605.02
ANTRIM	MI		X		X	26	009	9607.01
ARENAC	MI	X	X	X	X	26	011	9701.00
ARENAC	MI	X	X	X	X	26	011	9702.00
ARENAC	MI	X	X	X	X	26	011	9703.00
ARENAC	MI	X	X	X	X	26	011	9704.00
ARENAC	MI	X	X	X	X	26	011	9705.00
BARAGA	MI	X	X	X	X	26	013	0001.00
BARAGA	MI	X	X	X	X	26	013	0002.00
CHARLEVOIX	MI		X		X	26	029	0001.00
CHARLEVOIX	MI		X		X	26	029	0002.00
CHARLEVOIX	MI		X		X	26	029	0005.00
CHARLEVOIX	MI		X		X	26	029	0008.00
CHARLEVOIX	MI		X		X	26	029	0010.00
CHARLEVOIX	MI		X		X	26	029	0011.00
CHARLEVOIX	MI		X		X	26	029	0013.00
CHARLEVOIX	MI		X		X	26	029	0014.00
CHARLEVOIX	MI		X		X	26	029	0015.00
CHEBOYGAN	MI	X	X	X	X	26	031	9601.00
CHEBOYGAN	MI	X	X	X	X	26	031	9602.00
CHEBOYGAN	MI	X	X	X	X	26	031	9604.01
CHEBOYGAN	MI	X	X	X	X	26	031	9604.02
CHEBOYGAN	MI	X	X	X	X	26	031	9606.00
CHEBOYGAN	MI	X	X	X	X	26	031	9607.00
CHIPPEWA	MI	X		X		26	033	9701.00
CHIPPEWA	MI	X		X		26	033	9702.00
CHIPPEWA	MI	X		X		26	033	9703.00
CHIPPEWA	MI	X		X		26	033	9704.00
CHIPPEWA	MI	X		X		26	033	9705.00
CHIPPEWA	MI	X		X		26	033	9706.02
CHIPPEWA	MI	X		X		26	033	9707.00
CHIPPEWA	MI	X		X		26	033	9708.00
CHIPPEWA	MI	X		X		26	033	9710.00
CHIPPEWA	MI	X		X		26	033	9711.00
CLARE	MI	X	X	X	X	26	035	0001.00
CLARE	MI	X	X	X	X	26	035	0004.00
CLARE	MI	X	X	X	X	26	035	0006.00
CLARE	MI	X	X	X	X	26	035	0007.00
CLARE	MI	X	X	X	X	26	035	0008.00
CRAWFORD	MI	X	X	X	X	26	039	9601.00
CRAWFORD	MI	X	X	X	X	26	039	9602.00
CRAWFORD	MI	X	X	X	X	26	039	9603.00
CRAWFORD	MI	X	X	X	X	26	039	9604.00
CRAWFORD	MI	X	X	X	X	26	039	9605.00
DELTA	MI	X		X		26	041	9701.00
DELTA	MI	X		X		26	041	9702.00
DELTA	MI	X		X		26	041	9703.00
DELTA	MI	X		X		26	041	9704.00
DELTA	MI	X		X		26	041	9705.00

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION	POVERTY	UNEMPLOYMENT	LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED	SERVED	STATE CODE	COUNTY CODE	TRACT CODE
DELTA	MI		X				X		26	041	9706.00
DELTA	MI		X				X		26	041	9707.00
DELTA	MI		X				X		26	041	9710.00
DELTA	MI		X				X		26	041	9711.00
GLADWIN	MI		X			X	X	X	26	051	0001.01
GLADWIN	MI		X			X	X	X	26	051	0001.02
GLADWIN	MI		X			X	X	X	26	051	0002.00
GLADWIN	MI		X			X	X	X	26	051	0003.00
GLADWIN	MI		X			X	X	X	26	051	0005.00
GLADWIN	MI		X			X	X	X	26	051	0006.00
GLADWIN	MI		X			X	X	X	26	051	0007.00
GLADWIN	MI		X			X	X	X	26	051	0008.00
GLADWIN	MI		X			X	X	X	26	051	0009.00
GOGEBIC	MI				X	X	X	X	26	053	9502.00
GOGEBIC	MI				X	X	X	X	26	053	9503.00
GOGEBIC	MI				X	X	X	X	26	053	9507.00
GOGEBIC	MI				X	X	X	X	26	053	9508.00
HURON	MI					X		X	26	063	9501.00
HURON	MI					X		X	26	063	9502.00
HURON	MI					X		X	26	063	9503.00
HURON	MI					X		X	26	063	9504.00
HURON	MI					X		X	26	063	9505.00
HURON	MI					X		X	26	063	9506.00
HURON	MI					X		X	26	063	9507.00
HURON	MI					X		X	26	063	9508.00
HURON	MI					X		X	26	063	9509.00
HURON	MI					X		X	26	063	9511.00
HURON	MI					X		X	26	063	9512.00
IOSCO	MI		X			X	X	X	26	069	0002.01
IOSCO	MI		X			X	X	X	26	069	0002.02
IOSCO	MI		X			X	X	X	26	069	0006.00
IOSCO	MI		X			X	X	X	26	069	0007.00
IOSCO	MI		X			X	X	X	26	069	0008.00
IRON	MI		X			X	X	X	26	071	0001.00
IRON	MI		X			X	X	X	26	071	0002.00
IRON	MI		X			X	X	X	26	071	0003.00
IRON	MI		X			X	X	X	26	071	0004.00
IRON	MI		X			X	X	X	26	071	0005.00
ISABELLA	MI				X		X		26	073	0001.00
ISABELLA	MI				X		X		26	073	0002.00
ISABELLA	MI				X		X		26	073	0003.00
ISABELLA	MI				X		X		26	073	0006.00
ISABELLA	MI				X		X		26	073	0008.00
ISABELLA	MI				X		X		26	073	0009.00
ISABELLA	MI				X		X		26	073	9401.00
ISABELLA	MI				X		X		26	073	9402.00
ISABELLA	MI				X		X		26	073	9403.00
ISABELLA	MI				X		X		26	073	9404.00
ISABELLA	MI				X		X		26	073	9405.00
KEWEENAW	MI		X				X		26	083	0001.00
LAKE	MI	X	X			X	X	X	26	085	9601.00
LAKE	MI	X	X			X	X	X	26	085	9613.00
LUCE	MI		X		X	X	X	X	26	095	9601.00
LUCE	MI		X		X	X	X	X	26	095	9602.00
MACKINAC	MI		X			X	X	X	26	097	9501.00
MACKINAC	MI		X			X	X	X	26	097	9502.00
MACKINAC	MI		X			X	X	X	26	097	9503.00
MACKINAC	MI		X			X	X	X	26	097	9504.00
MANISTEE	MI		X			X	X	X	26	101	0001.00

		Distressed Middle-Income Nonmetropolitan Tracts			Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation				
COUNTY NAME	STATE NAME	POVERTY	UNEMPLOYMENT	POPULATION LOSS		DISTRESSED	UNDER-SERVED	STATE CODE	COUNTY CODE	TRACT CODE
MANISTEE	MI		X		X	X	X	26	101	0002.00
MANISTEE	MI		X		X	X	X	26	101	0004.00
MANISTEE	MI		X		X	X	X	26	101	0005.00
MANISTEE	MI		X		X	X	X	26	101	0006.00
MANISTEE	MI		X		X	X	X	26	101	0007.00
MANISTEE	MI		X		X	X	X	26	101	0008.00
MANISTEE	MI		X		X	X	X	26	101	0009.00
MECOSTA	MI		X			X		26	107	9601.00
MECOSTA	MI		X			X		26	107	9602.00
MECOSTA	MI		X			X		26	107	9603.00
MECOSTA	MI		X			X		26	107	9604.00
MECOSTA	MI		X			X		26	107	9606.00
MECOSTA	MI		X			X		26	107	9607.02
MECOSTA	MI		X			X		26	107	9608.00
MECOSTA	MI		X			X		26	107	9609.00
MECOSTA	MI		X			X		26	107	9610.01
MECOSTA	MI		X			X		26	107	9610.02
MONTMORENCY	MI		X		X	X	X	26	119	9101.00
MONTMORENCY	MI		X		X	X	X	26	119	9102.00
MONTMORENCY	MI		X		X	X	X	26	119	9104.00
OCEANA	MI		X		X	X	X	26	127	0103.00
OCEANA	MI		X		X	X	X	26	127	0104.00
OCEANA	MI		X		X	X	X	26	127	0105.00
OCEANA	MI		X		X	X	X	26	127	0106.00
OCEANA	MI		X		X	X	X	26	127	0108.00
OCEANA	MI		X		X	X	X	26	127	0109.00
OCEANA	MI		X		X	X	X	26	127	0110.00
OGEMAW	MI		X		X	X	X	26	129	9502.00
OGEMAW	MI		X		X	X	X	26	129	9503.00
OGEMAW	MI		X		X	X	X	26	129	9504.00
OGEMAW	MI		X		X	X	X	26	129	9505.00
ONTONAGON	MI		X	X	X	X	X	26	131	9701.00
ONTONAGON	MI		X	X	X	X	X	26	131	9702.00
OSCEOLA	MI		X		X	X	X	26	133	9701.00
OSCEOLA	MI		X		X	X	X	26	133	9702.00
OSCEOLA	MI		X		X	X	X	26	133	9703.00
OSCEOLA	MI		X		X	X	X	26	133	9705.02
OSCEOLA	MI		X		X	X	X	26	133	9706.00
OSCODA	MI		X		X	X	X	26	135	9702.01
OSCODA	MI		X		X	X	X	26	135	9702.02
OSCODA	MI		X		X	X	X	26	135	9703.00
OSCODA	MI		X		X	X	X	26	135	9704.00
OTSEGO	MI				X		X	26	137	9501.00
OTSEGO	MI				X		X	26	137	9502.00
OTSEGO	MI				X		X	26	137	9504.00
PRESQUE ISLE	MI	X			X	X	X	26	141	9501.00
PRESQUE ISLE	MI	X			X	X	X	26	141	9502.00
PRESQUE ISLE	MI	X			X	X	X	26	141	9503.00
PRESQUE ISLE	MI	X			X	X	X	26	141	9504.00
PRESQUE ISLE	MI	X			X	X	X	26	141	9505.00
ROSCOMMON	MI	X			X	X	X	26	143	9703.00
ROSCOMMON	MI	X			X	X	X	26	143	9704.01
ROSCOMMON	MI	X			X	X	X	26	143	9704.02
ROSCOMMON	MI	X			X	X	X	26	143	9705.00
ROSCOMMON	MI	X			X	X	X	26	143	9706.00
ROSCOMMON	MI	X			X	X	X	26	143	9707.00
ROSCOMMON	MI	X			X	X	X	26	143	9710.02
ROSCOMMON	MI	X			X	X	X	26	143	9710.03
SANILAC	MI	X				X		26	151	9701.00

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY UNEMPLOYMENT LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-SERVED	DISTRESSED	STATE CODE	COUNTY CODE	TRACT CODE
SANILAC	MI	X		X		26	151	9702.00
SANILAC	MI	X		X		26	151	9703.00
SANILAC	MI	X		X		26	151	9704.00
SANILAC	MI	X		X		26	151	9705.00
SANILAC	MI	X		X		26	151	9706.00
SANILAC	MI	X		X		26	151	9707.00
SANILAC	MI	X		X		26	151	9708.00
SANILAC	MI	X		X		26	151	9709.00
SANILAC	MI	X		X		26	151	9711.00
SANILAC	MI	X		X		26	151	9712.00
SCHOOLCRAFT	MI	X	X	X	X	26	153	0001.00
SCHOOLCRAFT	MI	X	X	X	X	26	153	0002.00
SCHOOLCRAFT	MI	X	X	X	X	26	153	0003.00
VAN BUREN	MI		X		X	26	159	0101.01
VAN BUREN	MI		X		X	26	159	0101.02
VAN BUREN	MI		X		X	26	159	0102.01
VAN BUREN	MI		X		X	26	159	0104.00
VAN BUREN	MI		X		X	26	159	0105.00
VAN BUREN	MI		X		X	26	159	0109.01
VAN BUREN	MI		X		X	26	159	0113.00
VAN BUREN	MI		X		X	26	159	0115.00
VAN BUREN	MI		X		X	26	159	0116.01
VAN BUREN	MI		X		X	26	159	0118.01
VAN BUREN	MI		X		X	26	159	0118.02
VAN BUREN	MI		X		X	26	159	0120.01
VAN BUREN	MI		X		X	26	159	0120.02

Missouri

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION	POVERTY	UNEMPLOYMENT	LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED	SERVED	STATE CODE	COUNTY CODE	TRACT CODE
ADAIR	MO	X							29	001	9501.00
ADAIR	MO	X							29	001	9502.00
ADAIR	MO	X							29	001	9504.00
ADAIR	MO	X							29	001	9509.00
ATCHISON	MO					X		X	29	005	9501.00
ATCHISON	MO					X		X	29	005	9502.00
BARRY	MO					X		X	29	009	9601.01
BARRY	MO					X		X	29	009	9601.02
BARRY	MO					X		X	29	009	9602.01
BARRY	MO					X		X	29	009	9602.02
BARRY	MO					X		X	29	009	9603.01
BARRY	MO					X		X	29	009	9604.01
BARRY	MO					X		X	29	009	9604.02
BARRY	MO					X		X	29	009	9605.00
BARTON	MO					X		X	29	011	9601.00
BARTON	MO					X		X	29	011	9602.00
BENTON	MO					X		X	29	015	4601.00
BENTON	MO					X		X	29	015	4602.00
BENTON	MO					X		X	29	015	4603.00
BENTON	MO					X		X	29	015	4607.01
BENTON	MO					X		X	29	015	4608.01
BENTON	MO					X		X	29	015	4608.02
BUTLER	MO	X							29	023	9501.01
BUTLER	MO	X							29	023	9501.02
BUTLER	MO	X							29	023	9502.01
BUTLER	MO	X							29	023	9506.00
BUTLER	MO	X							29	023	9508.00
BUTLER	MO	X							29	023	9509.00
CAMDEN	MO					X		X	29	029	9504.01
CAMDEN	MO					X		X	29	029	9507.01
CAMDEN	MO					X		X	29	029	9507.02
CAMDEN	MO					X		X	29	029	9508.01
CAMDEN	MO					X		X	29	029	9509.00
CAMDEN	MO					X		X	29	029	9511.02
CAMDEN	MO					X		X	29	029	9512.01
CARTER	MO				X	X	X	X	29	035	9601.00
CARTER	MO				X	X	X	X	29	035	9602.00
CEDAR	MO					X		X	29	039	8701.01
CEDAR	MO					X		X	29	039	8701.02
CEDAR	MO					X		X	29	039	8703.00
CHARITON	MO					X		X	29	041	4701.00
CHARITON	MO					X		X	29	041	4702.00
CHARITON	MO					X		X	29	041	4703.00
CLARK	MO					X		X	29	045	9502.00
CLARK	MO					X		X	29	045	9503.00
DADE	MO					X		X	29	057	4801.00
DADE	MO					X		X	29	057	4802.00
DENT	MO					X		X	29	065	9601.00
DENT	MO					X		X	29	065	9602.00
DENT	MO					X		X	29	065	9603.00
DOUGLAS	MO				X	X	X	X	29	067	9501.00
DOUGLAS	MO				X	X	X	X	29	067	9502.00
DOUGLAS	MO				X	X	X	X	29	067	9505.00
DUNKLIN	MO	X			X		X		29	069	3602.00
DUNKLIN	MO	X			X		X		29	069	3604.00
DUNKLIN	MO	X			X		X		29	069	3606.00
DUNKLIN	MO	X			X		X		29	069	3607.00
DUNKLIN	MO	X			X		X		29	069	3609.00
GENTRY	MO					X		X	29	075	9601.00
GRUNDY	MO					X		X	29	079	9602.00
GRUNDY	MO					X		X	29	079	9603.00

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY	UNEMPLOYMENT	LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED SERVED		STATE CODE	COUNTY CODE	TRACT CODE
HARRISON	MO				X		X	29	081	9501.00
HARRISON	MO				X		X	29	081	9502.00
HARRISON	MO				X		X	29	081	9503.00
HICKORY	MO		X	X	X	X	X	29	085	4701.00
HICKORY	MO		X	X	X	X	X	29	085	4703.00
HOLT	MO			X	X	X	X	29	087	9601.00
HOLT	MO			X	X	X	X	29	087	9602.00
HOLT	MO			X	X	X	X	29	087	9603.00
IRON	MO			X	X	X	X	29	093	9501.00
IRON	MO			X	X	X	X	29	093	9502.00
IRON	MO			X	X	X	X	29	093	9503.00
IRON	MO			X	X	X	X	29	093	9504.00
KNOX	MO				X		X	29	103	9601.00
KNOX	MO				X		X	29	103	9602.00
LAWRENCE	MO				X		X	29	109	4701.00
LAWRENCE	MO				X		X	29	109	4702.02
LAWRENCE	MO				X		X	29	109	4703.00
LAWRENCE	MO				X		X	29	109	4704.02
LAWRENCE	MO				X		X	29	109	4705.01
LAWRENCE	MO				X		X	29	109	4705.02
LINN	MO				X		X	29	115	4902.00
LINN	MO				X		X	29	115	4903.00
LINN	MO				X		X	29	115	4904.00
LINN	MO				X		X	29	115	4905.00
LIVINGSTON	MO				X		X	29	117	4803.00
LIVINGSTON	MO				X		X	29	117	4804.00
MCDONALD	MO				X		X	29	119	0704.01
MCDONALD	MO				X		X	29	119	0704.02
MACON	MO				X		X	29	121	9601.00
MACON	MO				X		X	29	121	9602.00
MACON	MO				X		X	29	121	9603.00
MACON	MO				X		X	29	121	9604.00
MACON	MO				X		X	29	121	9605.00
MADISON	MO				X		X	29	123	9601.00
MADISON	MO				X		X	29	123	9602.02
MILLER	MO				X		X	29	131	9625.01
MILLER	MO				X		X	29	131	9626.00
MILLER	MO				X		X	29	131	9627.02
MILLER	MO				X		X	29	131	9628.01
MILLER	MO				X		X	29	131	9629.01
MILLER	MO				X		X	29	131	9629.02
MISSISSIPPI	MO	X		X		X		29	133	9501.00
MISSISSIPPI	MO	X		X		X		29	133	9503.00
MONROE	MO				X		X	29	137	9601.00
MONROE	MO				X		X	29	137	9603.00
MORGAN	MO				X		X	29	141	4701.00
MORGAN	MO				X		X	29	141	4703.00
MORGAN	MO				X		X	29	141	4704.01
NEW MADRID	MO			X	X	X	X	29	143	9601.00
NEW MADRID	MO			X	X	X	X	29	143	9602.00
NEW MADRID	MO			X	X	X	X	29	143	9603.00
NEW MADRID	MO			X	X	X	X	29	143	9604.00
OREGON	MO	X		X	X	X	X	29	149	4802.00
OZARK	MO			X	X	X	X	29	153	4701.02
PEMISCOT	MO	X		X	X	X	X	29	155	4701.00
PEMISCOT	MO	X		X	X	X	X	29	155	4703.00
PEMISCOT	MO	X		X	X	X	X	29	155	4705.00
PERRY	MO				X		X	29	157	4704.00
PUTNAM	MO				X		X	29	171	9602.00
REYNOLDS	MO				X		X	29	179	3801.00
REYNOLDS	MO				X		X	29	179	3802.00

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION	POVERTY	UNEMPLOYMENT	LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED SERVED		STATE CODE	COUNTY CODE	TRACT CODE
RIPLEY	MO	X			X	X	X	X	29	181	8703.00
RIPLEY	MO	X			X	X	X	X	29	181	8704.00
SCOTLAND	MO					X		X	29	199	4801.00
SCOTLAND	MO					X		X	29	199	4802.00
SHANNON	MO	X			X	X	X	X	29	203	4701.00
SHANNON	MO	X			X	X	X	X	29	203	4702.00
SHELBY	MO					X		X	29	205	4502.00
STODDARD	MO					X		X	29	207	4701.00
STODDARD	MO					X		X	29	207	4702.00
STODDARD	MO					X		X	29	207	4703.00
STODDARD	MO					X		X	29	207	4704.00
STODDARD	MO					X		X	29	207	4706.00
STODDARD	MO					X		X	29	207	4707.00
STONE	MO					X		X	29	209	0901.01
STONE	MO					X		X	29	209	0901.02
STONE	MO					X		X	29	209	0902.02
STONE	MO					X		X	29	209	0904.01
STONE	MO					X		X	29	209	0904.02
STONE	MO					X		X	29	209	0905.01
STONE	MO					X		X	29	209	0905.02
STONE	MO					X		X	29	209	0906.03
STONE	MO					X		X	29	209	0906.05
STONE	MO					X		X	29	209	0906.06
SULLIVAN	MO				X	X	X	X	29	211	4801.00
SULLIVAN	MO				X	X	X	X	29	211	4802.00
SULLIVAN	MO				X	X	X	X	29	211	4803.00
TEXAS	MO					X	X	X	29	215	4801.01
TEXAS	MO					X	X	X	29	215	4802.02
TEXAS	MO					X	X	X	29	215	4803.01
TEXAS	MO					X	X	X	29	215	4804.01
TEXAS	MO					X	X	X	29	215	4804.02
WAYNE	MO				X	X	X	X	29	223	6901.00
WAYNE	MO				X	X	X	X	29	223	6902.00
WORTH	MO					X		X	29	227	9601.00
WRIGHT	MO					X		X	29	229	4901.00
WRIGHT	MO					X		X	29	229	4903.00

Montana

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION	POVERTY	UNEMPLOYMENT	LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED SERVED		STATE CODE	COUNTY CODE	TRACT CODE
BEAVERHEAD	MT					X		X	30	001	0001.00
BEAVERHEAD	MT					X		X	30	001	0002.00
BEAVERHEAD	MT					X		X	30	001	0003.00
BIG HORN	MT	X				X	X	X	30	003	0001.00
BIG HORN	MT	X				X	X	X	30	003	9404.00
BIG HORN	MT	X				X	X	X	30	003	9405.00
BIG HORN	MT	X				X	X	X	30	003	9407.00
BLAINE	MT					X	X	X	30	005	0001.00
BLAINE	MT					X	X	X	30	005	0002.00
CARTER	MT					X		X	30	011	0003.00
CUSTER	MT					X		X	30	017	9620.00
DAWSON	MT				X	X	X	X	30	021	0002.00
DAWSON	MT				X	X	X	X	30	021	0003.00
DEER LODGE	MT					X		X	30	023	0005.00
FERGUS	MT					X		X	30	027	0302.01
GARFIELD	MT					X		X	30	033	0001.00
GLACIER	MT	X				X	X	X	30	035	9404.00
GLACIER	MT	X				X	X	X	30	035	9760.00
GOLDEN VALLEY	MT	X				X		X	30	037	0001.00
GRANITE	MT					X		X	30	039	9617.01
GRANITE	MT					X		X	30	039	9617.02
HILL	MT					X		X	30	041	0401.00
HILL	MT					X		X	30	041	0405.00
JUDITH BASIN	MT					X		X	30	045	0001.00
LAKE	MT					X		X	30	047	0001.00
LAKE	MT					X		X	30	047	9403.04
LAKE	MT					X		X	30	047	9403.05
LAKE	MT					X		X	30	047	9403.06
LAKE	MT					X		X	30	047	9403.07
LAKE	MT					X		X	30	047	9405.00
LAKE	MT					X		X	30	047	9406.00
LAKE	MT					X		X	30	047	9407.00
LIBERTY	MT				X	X	X	X	30	051	0501.00
MCCONE	MT					X		X	30	055	9540.00
MADISON	MT					X		X	30	057	0001.01
MADISON	MT					X		X	30	057	0001.02
MADISON	MT					X		X	30	057	0002.00
MADISON	MT					X		X	30	057	0003.00
MEAGHER	MT					X		X	30	059	0001.00
MUSSELSHELL	MT					X		X	30	065	0001.00
MUSSELSHELL	MT					X		X	30	065	0002.00
PARK	MT					X		X	30	067	0001.00
PARK	MT					X		X	30	067	0003.00
PARK	MT					X		X	30	067	0004.00
PARK	MT					X		X	30	067	0005.00
PETROLEUM	MT					X		X	30	069	0001.00
PHILLIPS	MT					X		X	30	071	0602.00
PONDERA	MT					X		X	30	073	9770.00
PONDERA	MT					X		X	30	073	9772.00
POWDER RIVER	MT					X		X	30	075	0001.00
POWELL	MT					X		X	30	077	0001.00
POWELL	MT					X		X	30	077	0002.00
PRAIRIE	MT				X	X	X	X	30	079	0001.00
RAVALLI	MT					X		X	30	081	0001.00
RAVALLI	MT					X		X	30	081	0002.01
RAVALLI	MT					X		X	30	081	0002.03
RAVALLI	MT					X		X	30	081	0002.04
RAVALLI	MT					X		X	30	081	0003.00
RAVALLI	MT					X		X	30	081	0004.01
RAVALLI	MT					X		X	30	081	0004.02
RAVALLI	MT					X		X	30	081	0005.01
RAVALLI	MT					X		X	30	081	0006.02
RAVALLI	MT					X		X	30	081	0008.00
RICHLAND	MT				X	X	X	X	30	083	0702.00
ROSEBUD	MT				X	X	X	X	30	087	0001.00
ROSEBUD	MT				X	X	X	X	30	087	0002.00
ROSEBUD	MT				X	X	X	X	30	087	9404.00
SANDERS	MT					X		X	30	089	0001.00
SANDERS	MT					X		X	30	089	0002.01
SHERIDAN	MT				X	X	X	X	30	091	0902.00
SHERIDAN	MT				X	X	X	X	30	091	0904.00
SWEET GRASS	MT					X		X	30	097	9670.00
TETON	MT					X		X	30	099	0001.00
TETON	MT					X		X	30	099	0002.00
TETON	MT					X		X	30	099	0003.00
TOOLE	MT				X	X	X	X	30	101	0001.00
TOOLE	MT				X	X	X	X	30	101	0002.00
TREASURE	MT					X		X	30	103	9635.00
VALLEY	MT					X		X	30	105	1001.00
VALLEY	MT					X		X	30	105	1005.00
VALLEY	MT					X		X	30	105	9406.00

North Dakota

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION	POVERTY	UNEMPLOYMENT	LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED	SERVED	STATE CODE	COUNTY CODE	TRACT CODE
ADAMS	ND				X	X	X	X	38	001	9656.00
BARNES	ND					X		X	38	003	9679.00
BARNES	ND					X		X	38	003	9680.00
BARNES	ND					X		X	38	003	9683.00
BENSON	ND	X			X	X	X	X	38	005	9567.00
BOTTINEAU	ND				X	X	X	X	38	009	9523.00
BOTTINEAU	ND				X	X	X	X	38	009	9524.00
BOWMAN	ND				X	X	X	X	38	011	9652.00
BOWMAN	ND				X	X	X	X	38	011	9653.00
BURKE	ND				X	X	X	X	38	013	9533.00
CAVALIER	ND					X		X	38	019	9509.00
CAVALIER	ND					X		X	38	019	9511.00
DICKEY	ND					X		X	38	021	9732.00
DICKEY	ND					X		X	38	021	9733.00
DICKEY	ND					X		X	38	021	9734.00
DIVIDE	ND				X	X	X	X	38	023	9545.00
EDDY	ND					X		X	38	027	9592.00
EMMONS	ND					X		X	38	029	9665.00
FOSTER	ND					X		X	38	031	9596.00
GOLDEN VALLEY	ND				X	X	X	X	38	033	9629.00
GRANT	ND				X	X	X	X	38	037	9659.00
GRIGGS	ND					X		X	38	039	9686.00
HETTINGER	ND				X	X	X	X	38	041	9647.00
HETTINGER	ND				X	X	X	X	38	041	9648.00
KIDDER	ND					X		X	38	043	9668.00
LAMOURE	ND					X		X	38	045	9721.00
LAMOURE	ND					X		X	38	045	9722.00
LOGAN	ND					X		X	38	047	9725.00
MCINTOSH	ND				X	X	X	X	38	051	9729.00
MCKENZIE	ND					X		X	38	053	9401.00
MCKENZIE	ND					X		X	38	053	9624.00
MCKENZIE	ND					X		X	38	053	9625.00
MCLEAN	ND					X		X	38	055	9608.00
MCLEAN	ND					X		X	38	055	9610.01
MERCER	ND				X	X	X	X	38	057	9618.00
MOUNTRAIL	ND					X		X	38	061	9403.00
MOUNTRAIL	ND					X		X	38	061	9404.00
MOUNTRAIL	ND					X		X	38	061	9552.00
NELSON	ND					X		X	38	063	9590.00
PEMBINA	ND					X		X	38	067	9501.00
PEMBINA	ND					X		X	38	067	9502.00
PEMBINA	ND					X		X	38	067	9505.00
PEMBINA	ND					X		X	38	067	9506.00
PIERCE	ND				X	X	X	X	38	069	9562.00
RAMSEY	ND					X		X	38	071	9576.00
RAMSEY	ND					X		X	38	071	9577.00
RAMSEY	ND					X		X	38	071	9578.00
RANSOM	ND					X		X	38	073	9689.00
RANSOM	ND					X		X	38	073	9690.00
RANSOM	ND					X		X	38	073	9691.00
ROLETTE	ND	X		X		X	X	X	38	079	9516.00
SARGENT	ND					X		X	38	081	9740.00
SARGENT	ND					X		X	38	081	9742.00
SHERIDAN	ND					X		X	38	083	9602.00
SLOPE	ND				X	X	X	X	38	087	9650.00
TOWNER	ND					X		X	38	095	9515.00
TRAILL	ND					X		X	38	097	9701.00
TRAILL	ND					X		X	38	097	9702.00
TRAILL	ND					X		X	38	097	9703.00
TRAILL	ND					X		X	38	097	9704.00
WALSH	ND					X		X	38	099	9578.00
WALSH	ND					X		X	38	099	9581.00
WALSH	ND					X		X	38	099	9582.00
WALSH	ND					X		X	38	099	9583.00
WELLS	ND				X	X	X	X	38	103	9598.00
WELLS	ND				X	X	X	X	38	103	9600.00

Ohio

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POVERTY	UNEMPLOYMENT	POPULATION LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation DISTRESSED	UNDER-SERVED	STATE CODE	COUNTY CODE	TRACT CODE
ADAMS	OH		X			X		39	001	7702.00
ADAMS	OH		X			X		39	001	7703.02
ATHENS	OH	X				X		39	009	9729.00
ATHENS	OH	X				X		39	009	9734.00
ATHENS	OH	X				X		39	009	9735.00
ATHENS	OH	X				X		39	009	9736.00
ATHENS	OH	X				X		39	009	9737.00
ATHENS	OH	X				X		39	009	9738.00
GALLIA	OH	X						39	053	9535.00
GALLIA	OH	X						39	053	9536.00
GALLIA	OH	X						39	053	9537.00
GALLIA	OH	X						39	053	9538.00
GALLIA	OH	X						39	053	9539.01
GALLIA	OH	X						39	053	9539.02
GALLIA	OH	X						39	053	9540.00
HARDIN	OH				X		X	39	065	0001.00
HARDIN	OH				X		X	39	065	0003.00
HARDIN	OH				X		X	39	065	0004.02
HARDIN	OH				X		X	39	065	0005.00
HARDIN	OH				X		X	39	065	0007.00
HARRISON	OH				X		X	39	067	9756.00
HARRISON	OH				X		X	39	067	9757.00
HARRISON	OH				X		X	39	067	9758.00
HARRISON	OH				X		X	39	067	9759.00
HENRY	OH				X		X	39	069	0001.00
HENRY	OH				X		X	39	069	0003.00
HENRY	OH				X		X	39	069	0005.00
HENRY	OH				X		X	39	069	0006.00
HOLMES	OH				X		X	39	075	9764.03
HOLMES	OH				X		X	39	075	9765.00
HOLMES	OH				X		X	39	075	9766.00
HOLMES	OH				X		X	39	075	9767.00
HOLMES	OH				X		X	39	075	9768.01
HOLMES	OH				X		X	39	075	9768.02
JACKSON	OH				X		X	39	079	9572.00
JACKSON	OH				X		X	39	079	9574.00
JACKSON	OH				X		X	39	079	9575.00
JACKSON	OH				X		X	39	079	9577.00
MEIGS	OH		X		X	X	X	39	105	9641.00
MEIGS	OH		X		X	X	X	39	105	9642.00
MEIGS	OH		X		X	X	X	39	105	9643.00
MEIGS	OH		X		X	X	X	39	105	9645.00
MONROE	OH		X	X	X	X	X	39	111	9666.00
MONROE	OH		X	X	X	X	X	39	111	9668.00
MONROE	OH		X	X	X	X	X	39	111	9669.00
NOBLE	OH		X		X	X	X	39	121	9683.00
NOBLE	OH		X		X	X	X	39	121	9684.01
NOBLE	OH		X		X	X	X	39	121	9685.00
PAULDING	OH				X		X	39	125	9601.00
PAULDING	OH				X		X	39	125	9602.00
PAULDING	OH				X		X	39	125	9603.00
PAULDING	OH				X		X	39	125	9604.00
PAULDING	OH				X		X	39	125	9605.00
PIKE	OH		X		X		X	39	131	9522.00
PIKE	OH		X		X		X	39	131	9523.00
PIKE	OH		X		X		X	39	131	9524.00
PIKE	OH		X		X		X	39	131	9526.02
PIKE	OH		X		X		X	39	131	9527.00
PUTNAM	OH				X		X	39	137	0301.00
PUTNAM	OH				X		X	39	137	0303.01
PUTNAM	OH				X		X	39	137	0304.00

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY UNEMPLOYMENT LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED SERVED	STATE CODE	COUNTY CODE	TRACT CODE
SCIOTO	OH	X			39	145	0021.00
SCIOTO	OH	X			39	145	0023.00
SCIOTO	OH	X			39	145	0025.00
SCIOTO	OH	X			39	145	0026.00
SCIOTO	OH	X			39	145	0027.00
SCIOTO	OH	X			39	145	0028.00
SCIOTO	OH	X			39	145	0029.01
SCIOTO	OH	X			39	145	0033.00
SCIOTO	OH	X			39	145	0038.00
SCIOTO	OH	X			39	145	0040.00
WILLIAMS	OH		X	X	39	171	9501.00
WILLIAMS	OH		X	X	39	171	9504.00
WILLIAMS	OH		X	X	39	171	9505.00
WILLIAMS	OH		X	X	39	171	9508.00
WILLIAMS	OH		X	X	39	171	9509.00
WYANDOT	OH		X	X	39	175	9380.00
WYANDOT	OH		X	X	39	175	9381.00
WYANDOT	OH		X	X	39	175	9382.00
WYANDOT	OH		X	X	39	175	9383.00
WYANDOT	OH		X	X	39	175	9384.00
WYANDOT	OH		X	X	39	175	9385.00

Wisconsin

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY UNEMPLOYMENT LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED SERVED	STATE CODE	COUNTY CODE	TRACT CODE
ADAMS	WI		X	X	55	001	9501.00
ADAMS	WI		X	X	55	001	9502.01
ADAMS	WI		X	X	55	001	9502.04
ADAMS	WI		X	X	55	001	9507.00
ASHLAND	WI		X	X	55	003	9400.00
ASHLAND	WI		X	X	55	003	9504.00
ASHLAND	WI		X	X	55	003	9505.00
ASHLAND	WI		X	X	55	003	9506.00
ASHLAND	WI		X	X	55	003	9507.00
BAYFIELD	WI		X	X	55	007	9601.00
BAYFIELD	WI		X	X	55	007	9602.00
BAYFIELD	WI		X	X	55	007	9603.00
BAYFIELD	WI		X	X	55	007	9604.01
BAYFIELD	WI		X	X	55	007	9604.02
BAYFIELD	WI		X	X	55	007	9606.00
BUFFALO	WI		X	X	55	011	9601.00
BUFFALO	WI		X	X	55	011	9603.00
BUFFALO	WI		X	X	55	011	9604.00
BUFFALO	WI		X	X	55	011	9605.00
CLARK	WI		X	X	55	019	9501.00
CLARK	WI		X	X	55	019	9502.00
CLARK	WI		X	X	55	019	9503.00
CLARK	WI		X	X	55	019	9504.00
CLARK	WI		X	X	55	019	9505.00
CLARK	WI		X	X	55	019	9506.00
CLARK	WI		X	X	55	019	9507.00
CLARK	WI		X	X	55	019	9508.00
CRAWFORD	WI		X	X	55	023	9601.00
CRAWFORD	WI		X	X	55	023	9602.00
CRAWFORD	WI		X	X	55	023	9603.00
CRAWFORD	WI		X	X	55	023	9604.00
CRAWFORD	WI		X	X	55	023	9605.00
CRAWFORD	WI		X	X	55	023	9606.00
DOOR	WI		X	X	55	029	1001.00
DOOR	WI		X	X	55	029	1003.00
DOOR	WI		X	X	55	029	1004.00
DOOR	WI		X	X	55	029	1005.00
DOOR	WI		X	X	55	029	1006.00
DOOR	WI		X	X	55	029	1007.00
DOOR	WI		X	X	55	029	1008.00
DOOR	WI		X	X	55	029	1009.00
DOOR	WI		X	X	55	029	1010.00
FOREST	WI		X	X	55	041	9501.00
FOREST	WI		X	X	55	041	9504.00
GREEN LAKE	WI		X	X	55	047	1001.00
GREEN LAKE	WI		X	X	55	047	1002.00
GREEN LAKE	WI		X	X	55	047	1003.00
GREEN LAKE	WI		X	X	55	047	1004.00
GREEN LAKE	WI		X	X	55	047	1005.00
GREEN LAKE	WI		X	X	55	047	1006.00
IRON	WI		X	X	55	051	1802.00
IRON	WI		X	X	55	051	1803.00
JACKSON	WI		X	X	55	053	9601.00
JACKSON	WI		X	X	55	053	9602.00
JACKSON	WI		X	X	55	053	9603.00
JACKSON	WI		X	X	55	053	9604.00
JACKSON	WI		X	X	55	053	9605.00

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY UNEMPLOYMENT LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED SERVED	STATE CODE	COUNTY CODE	TRACT CODE
JUNEAU	WI		X	X	55	057	1001.00
JUNEAU	WI		X	X	55	057	1002.00
JUNEAU	WI		X	X	55	057	1003.01
JUNEAU	WI		X	X	55	057	1003.02
JUNEAU	WI		X	X	55	057	1004.00
JUNEAU	WI		X	X	55	057	1005.00
JUNEAU	WI		X	X	55	057	1006.00
JUNEAU	WI		X	X	55	057	1007.00
LAFAYETTE	WI		X	X	55	065	9701.00
LAFAYETTE	WI		X	X	55	065	9702.00
LAFAYETTE	WI		X	X	55	065	9703.00
LAFAYETTE	WI		X	X	55	065	9704.00
LAFAYETTE	WI		X	X	55	065	9705.00
LANGLADE	WI		X	X	55	067	9601.01
LANGLADE	WI		X	X	55	067	9601.02
LANGLADE	WI		X	X	55	067	9603.00
LANGLADE	WI		X	X	55	067	9604.00
LANGLADE	WI		X	X	55	067	9607.00
LINCOLN	WI		X	X	55	069	9601.00
LINCOLN	WI		X	X	55	069	9602.00
LINCOLN	WI		X	X	55	069	9603.00
LINCOLN	WI		X	X	55	069	9605.00
LINCOLN	WI		X	X	55	069	9606.00
LINCOLN	WI		X	X	55	069	9607.00
LINCOLN	WI		X	X	55	069	9608.00
LINCOLN	WI		X	X	55	069	9609.00
LINCOLN	WI		X	X	55	069	9610.00
MARQUETTE	WI		X	X	55	077	9601.00
MARQUETTE	WI		X	X	55	077	9602.00
MARQUETTE	WI		X	X	55	077	9603.00
MARQUETTE	WI		X	X	55	077	9604.00
MARQUETTE	WI		X	X	55	077	9605.00
MENOMINEE	WI	X		X	55	078	9401.04
ONEIDA	WI		X	X	55	085	9701.01
ONEIDA	WI		X	X	55	085	9701.03
ONEIDA	WI		X	X	55	085	9701.04
ONEIDA	WI		X	X	55	085	9704.00
ONEIDA	WI		X	X	55	085	9706.01
ONEIDA	WI		X	X	55	085	9706.03
ONEIDA	WI		X	X	55	085	9706.04
ONEIDA	WI		X	X	55	085	9709.00
ONEIDA	WI		X	X	55	085	9710.01
ONEIDA	WI		X	X	55	085	9710.02
ONEIDA	WI		X	X	55	085	9711.00
ONEIDA	WI		X	X	55	085	9714.00
ONEIDA	WI		X	X	55	085	9715.00
PRICE	WI		X	X	55	099	9701.00
PRICE	WI		X	X	55	099	9704.00
PRICE	WI		X	X	55	099	9705.00
PRICE	WI		X	X	55	099	9706.00
PRICE	WI		X	X	55	099	9707.00
RICHLAND	WI		X	X	55	103	9701.00
RICHLAND	WI		X	X	55	103	9702.00
RICHLAND	WI		X	X	55	103	9703.00
RICHLAND	WI		X	X	55	103	9704.00
RICHLAND	WI		X	X	55	103	9705.00
RUSK	WI		X	X	55	107	9601.00
RUSK	WI		X	X	55	107	9602.00
RUSK	WI		X	X	55	107	9603.00
RUSK	WI		X	X	55	107	9604.00

COUNTY NAME	STATE NAME	Distressed Middle-Income Nonmetropolitan Tracts POPULATION POVERTY UNEMPLOYMENT LOSS	Underserved Middle-Income Nonmetropolitan Tracts	Previous Year Designation UNDER-DISTRESSED SERVED	STATE CODE	COUNTY CODE	TRACT CODE
SAWYER	WI		X	X	55	113	1003.00
SAWYER	WI		X	X	55	113	1004.00
SAWYER	WI		X	X	55	113	1005.01
SAWYER	WI		X	X	55	113	1005.02
SAWYER	WI		X	X	55	113	1008.00
SAWYER	WI		X	X	55	113	9400.01
SAWYER	WI		X	X	55	113	9400.02
TAYLOR	WI		X	X	55	119	9601.00
TAYLOR	WI		X	X	55	119	9602.00
TAYLOR	WI		X	X	55	119	9603.00
TAYLOR	WI		X	X	55	119	9604.00
TAYLOR	WI		X	X	55	119	9605.00
TAYLOR	WI		X	X	55	119	9606.00
TREMPEALEAU	WI		X	X	55	121	1001.00
TREMPEALEAU	WI		X	X	55	121	1002.00
TREMPEALEAU	WI		X	X	55	121	1003.00
TREMPEALEAU	WI		X	X	55	121	1004.00
TREMPEALEAU	WI		X	X	55	121	1005.00
TREMPEALEAU	WI		X	X	55	121	1006.00
TREMPEALEAU	WI		X	X	55	121	1007.00
TREMPEALEAU	WI		X	X	55	121	1008.00
VILAS	WI		X	X	55	125	9502.01
VILAS	WI		X	X	55	125	9502.02
VILAS	WI		X	X	55	125	9505.01
VILAS	WI		X	X	55	125	9505.02
VILAS	WI		X	X	55	125	9506.01
VILAS	WI		X	X	55	125	9506.02
VILAS	WI		X	X	55	125	9507.00
WASHBURN	WI		X	X	55	129	9501.00
WASHBURN	WI		X	X	55	129	9502.00
WASHBURN	WI		X	X	55	129	9503.00
WASHBURN	WI		X	X	55	129	9505.01
WASHBURN	WI		X	X	55	129	9505.02
WASHBURN	WI		X	X	55	129	9506.00
WAUPACA	WI		X	X	55	135	1001.00
WAUPACA	WI		X	X	55	135	1002.00
WAUPACA	WI		X	X	55	135	1003.00
WAUPACA	WI		X	X	55	135	1004.00
WAUPACA	WI		X	X	55	135	1005.00
WAUPACA	WI		X	X	55	135	1006.00
WAUPACA	WI		X	X	55	135	1007.00
WAUPACA	WI		X	X	55	135	1009.00
WAUPACA	WI		X	X	55	135	1010.00
WAUPACA	WI		X	X	55	135	1012.00
WAUSHARA	WI		X	X	55	137	9601.00
WAUSHARA	WI		X	X	55	137	9602.01
WAUSHARA	WI		X	X	55	137	9602.02
WAUSHARA	WI		X	X	55	137	9603.00
WAUSHARA	WI		X	X	55	137	9604.00
WAUSHARA	WI		X	X	55	137	9606.00
WAUSHARA	WI		X	X	55	137	9607.00
WAUSHARA	WI		X	X	55	137	9608.00

Appendix B: Regulatory Calendar

COMPLIANCE CALENDAR

This calendar is designed to help you address current and upcoming requirements related to compliance with federal consumer protection and other select rules. The calendar is not intended as general advice on when to perform ongoing compliance management functions, but as a reminder of due dates for completing these tasks. And, as always, consult the particular law or regulation for details on coverage, etc.

JULY 2026

- CFPB revisions to Regulation B regarding disparate impact, discouragement, and special purpose credit programs effective July 22, 2026.
- Update HMDA-LAR with loans and applications that reached final disposition in second calendar quarter 2026 by July 31, 2026.

AUGUST 2026

- Comments on joint proposed GENIUS Act CIP rule due by August 21, 2026.
- Large HMDA reporters (60,000 or more entries in 2025) electronically file second calendar quarter 2026 LAR by August 29, 2026.

SEPTEMBER 2026

- (Previously exempt lenders that experience a change in status regarding their exemption from the flood insurance escrow requirements in 2026) Notices providing the option to escrow flood insurance must be distributed to customers of all outstanding designated loans by September 30, 2026.
- Comprehensive Annual Report of Blocked Property (Form TDF 90-22.50), as of June 30, must be filed with FinCEN by September 30, 2026.

OCTOBER 2026

- Update HMDA-LAR with loans and applications that reached final disposition in third calendar quarter 2026 by October 31, 2026.

NOVEMBER 2026

- Annual renewal period begins for MLO registrations and updating bank information under SAFE Act on November 1, 2026.
- Lenders begin using Standard Time designations for rate lock expirations on TRID Loan Estimates on November 1, 2026 (e.g., EST, CST, etc.).
- Large HMDA reporters (60,000 or more entries in 2025) electronically file third calendar quarter 2026 LAR by November 29, 2026.

DECEMBER 2026

- Annual renewal period closes for MLO registrations and updating bank information under SAFE Act on December 31, 2026.

JANUARY 2027

- Annual adjustments to Regulation Z and Regulation M coverage thresholds effective January 1, 2027.
- Annual adjustment to Regulation Z exemption thresholds for HPML appraisals, HPML escrows, QM "small creditor," HOEPA loans, and QM loans effective January 1, 2027.
- Annual adjustment to HMDA asset-size threshold effective January 1, 2027.
- Annual adjustment to CRA asset-size thresholds effective January 1, 2027.
- Annual reinstatement period begins for lapsed MLO and bank registrations under SAFE Act on January 2, 2027.
- Update HMDA-LAR with loans and applications that reached final disposition in fourth calendar quarter 2026 by January 31, 2027.

MARCH 2027

- Calendar year 2026 HMDA LAR data must be submitted to regulators by March 1, 2027.
- Lenders begin using Daylight Time designations for rate lock and estimated closing costs expirations on TRID Loan Estimates on March 14, 2027 (e.g., EDT, CDT, etc.).

APRIL 2027

- Compliance with revised requirement to display the FDIC official digital sign on an IDI's digital channels & on the screen of an IDI's automated teller machine (ATM) and like devices required beginning April 1, 2027.
- Update information in CRA public file by April 1, 2027.
- Update HMDA-LAR with loans and applications that reached final disposition in first calendar quarter 2027 by April 30, 2027.

MAY 2027

- Large HMDA reporters (60,000 or more entries in 2026) electronically file first calendar quarter 2027 LAR by May 30, 2027.

JULY 2027

- Update HMDA-LAR with loans and applications that reached final disposition in second calendar quarter 2027 by July 31, 2027.

AUGUST 2027

- Large HMDA reporters (60,000 or more entries in 2026) electronically file second calendar quarter 2027 LAR by August 29, 2027.

COMPLIANCE UPDATE
JULY 2026

SEPTEMBER 2027

- (Previously exempt lenders that experience a change in status regarding their exemption from the flood insurance escrow requirements in 2027) Notices providing the option to escrow flood insurance must be distributed to customers of all outstanding designated loans by September 30, 2027.
- Comprehensive Annual Report of Blocked Property (Form TDF 90-22.50), as of June 30, must be filed with FinCEN by September 30, 2027.

OCTOBER 2027

- Update HMDA-LAR with loans and applications that reached final disposition in third calendar quarter 2027 by October 31, 2027.

NOVEMBER 2027

- Annual renewal period begins for MLO registrations and updating bank information under SAFE Act on November 1, 2027.
- Lenders begin using Standard Time designations for rate lock expirations on TRID Loan Estimates on November 7, 2027 (e.g., EST, CST, etc.).
- Large HMDA reporters (60,000 or more entries in 2025) electronically file third calendar quarter 2027 LAR by November 29, 2027.

DECEMBER 2027

- Annual renewal period closes for MLO registrations and updating bank information under SAFE Act on December 31, 2027.

JANUARY 2028

- Covered financial institutions must begin collecting data required by the Regulation B 1071 data rule on January 1, 2028.
- Annual adjustments to Regulation Z and Regulation M coverage thresholds effective January 1, 2028.
- Annual adjustment to Regulation Z exemption thresholds for HPML appraisals, HPML escrows, QM "small creditor," HOEPA loans, and QM loans effective January 1, 2028.
- Annual adjustment to HMDA asset-size threshold effective January 1, 2028.
- Annual adjustment to CRA asset-size thresholds effective January 1, 2028.
- Annual reinstatement period begins for lapsed MLO and bank registrations under SAFE Act on January 2, 2028.
- Update HMDA-LAR with loans and applications that reached final disposition in fourth calendar quarter 2027 by January 31, 2028.

MARCH 2028

- Calendar year 2027 HMDA LAR data must be submitted to regulators by March 1, 2028.
- Lenders begin using Daylight Time designations for rate lock and estimated closing costs expirations on TRID Loan Estimates on March 14, 2027 (e.g., EDT, CDT, etc.).

APRIL 2028

- Update information in CRA public file by April 1, 2028.
- Update HMDA-LAR with loans and applications that reached final disposition in first calendar quarter 2028 by April 30, 2028.

MAY 2028

- Large HMDA reporters (60,000 or more entries in 2027) electronically file first calendar quarter 2028 LAR by May 30, 2028.