Monthly Bank Regulatory Report

July 2, 2026

We are pleased to provide you with the June edition of Gibson Dunn's monthly U.S. bank regulatory update. Please feel free to reach out to us to discuss any of the below topics further.

KEY TAKEAWAYS

- The Supreme Court declined to stay the reinstatement of Federal Reserve Governor Lisa D. Cook, allowing her to remain in office pending further judicial proceedings. Read more about that decision here.
- At its June board meeting, the Federal Deposit Insurance Corporation (FDIC) Board approved three proposed rules:
  - revising the current resolution planning rule by, among others, raising the threshold for "resolution submissions" by covered insured depository institutions from $50 billion to $100 billion and streamlining filing requirements;
  - revising deposit insurance assessments, including raising the small/large institution threshold from $10 billion to $30 billion, reducing base deposit insurance assessment rate schedules, and introducing an optional downward "resolution readiness adjustment" for large and highly complex institutions; and
  - amending its regulations on the disclosure of confidential supervisory information (CSI) to allow banks to share CSI with third parties for business purposes, subject to a confidentiality agreement, without prior FDIC approval.

  Comments on all three proposals are due by August 31, 2026.

- The federal regulatory agencies charged with GENIUS Act implementation continued their rulemaking efforts, jointly issuing a proposed rule under the GENIUS Act to establish customer identification program requirements for "permitted payment stablecoin issuers." Comments on the proposal are due by August 21, 2026.

- The New York State Department of Financial Services (NYDFS) proposed a regulation governing authorized payment stablecoin issuers that builds on the NYDFS' existing framework and incorporates federal requirements under the GENIUS Act, positioning New York's framework for Treasury certification as "substantially similar" to the federal regime.

DEEPER DIVES

FDIC Proposes to Streamline and Narrow Resolution Planning Rule. On June 25, 2026, the FDIC Board approved a proposed rule revising resolution planning requirements applicable to covered insured depository institutions (CIDIs) with $50 billion or more in total assets. The proposal would raise the applicability threshold from $50 billion to $100 billion, rename filings as "resolution submissions," move all CIDIs to a three-year filing cycle, and obtain material change information through a notice of extraordinary event process rather than interim supplements. The proposal would eliminate more than half of the rule's content requirements, including CIDI-generated strategy development and valuation analysis, failure-scenario and optionality analyses, the public section, capabilities testing, and the credibility-determination/feedback construct. It would retain, with revisions, core content on deposits, corporate structure, key personnel, and information systems, and add new operational content to aid FDIC execution of a resolution, like an organizational chart, a mapping of IT architecture and deposit/loan processing cut-off times, sweep account and foreign branch fund-movement controls, and information on QFCs. The FDIC Board separately exempted CIDIs from October 2026 and 2027 filings, and initial submissions under a final rule would be due no earlier than 270 days after its effective date. Comments on the proposal are due by August 31, 2026.

- *Insights*. The proposal completes a philosophical reversal of the 2024 final rule. The FDIC estimates that the threshold increase raising the bar to $100 billion would reduce the list of CIDIs subject to the rule from 48 to 32. The retained IT-architecture mapping, QFC, and deposit-operations data demand real investment in data readiness, and the FDIC is re-allocating its capabilities expectations by creating a "resolution readiness adjustment" in its companion deposit insurance assessment proposal giving favorable assessment rate treatment to institutions that can rapidly populate a virtual data room (VDR) and grant the FDIC access to their systems and service providers. Comptroller Gould, who in January urged outright elimination of the resolution plan process, stated that the proposal does not go far enough, specifically inviting comment on whether the digital-asset information requirements could be used "by a future Administration to chilling effect" and signaling he will seek FDIC structural and staffing changes to curb incentives to "perpetuate or expand" what he called "the compliance exercise known as resolution planning."

FDIC Proposes to Lower Deposit Insurance Assessments and Add a Resolution Readiness Adjustment. On June 25, 2026, the FDIC Board approved a proposed rule that would amend the deposit insurance assessment regulations to increase the asset threshold in the definitions of "small" and "large" institutions from $10 billion to $30 billion, decrease initial base assessment rate schedules by 2 basis points for small institutions and by 1 basis point for large and highly complex institutions, and create a downward "resolution readiness adjustment" of up to 1 basis point for large and highly complex institutions that elect to participate, comprising 0.5 basis points for passing virtual data room (VDR) testing and 0.5 basis points for providing the FDIC temporary access to specified third-party service providers and internal systems. Comments on the proposal are due by August 31, 2026.

- *Insights*. The proposal is the pricing half of the FDIC's paired resolution readiness overhaul. The resolution planning proposal strips capabilities testing and the credibility-determination construct out of the resolution planning rule and the deposit insurance assessment proposal embeds that expectation into deposit insurance pricing, converting VDR readiness and advance systems access from a compliance mandate into a priced, opt-in incentive. FDIC staff estimate the changes would reduce industry assessments by roughly $4 billion per year and the threshold increase would shift roughly 76 institutions from the large institution to the small institution assessment framework.

FDIC Proposes Overhaul of CSI Rules. On June 25, 2026, the FDIC Board approved a proposed rule that would liberalize certain of its regulations governing the disclosure of confidential supervisory information (CSI), which, as noted by the FDIC, have not been significantly revised in roughly 30 years. Under the proposal, insured depository institutions (and, reciprocally, their FDIC-examined service providers and parent holding companies) would be permitted to disclose FDIC confidential information without first obtaining FDIC authorization, so long as the disclosure is "necessary or appropriate for business purposes" and, in applicable cases, the recipient is subject to a "qualifying confidentiality agreement." Eligible recipients would include affiliates, directors, officers, and employees (no confidentiality agreement required); and external legal counsel, accountants, auditors, majority shareholders, qualifying service providers, certain prospective officers with a pending employment offer, and potential merger counterparties that are themselves insured depository institutions (qualifying confidentiality agreement required). The proposal would also permit disclosure of information more than 25 years old. Comments on the proposal are due by August 31, 2026.

- *Insights*. The reform tracks a broader, cross-agency push on CSI. Vice Chair for Supervision Bowman flagged the same concerns in her January 2026 remarks, observing that the breadth of the CSI designation has chilled even beneficial sharing, such as fraud prevention coordination among banks, and can be used to shield abusive supervisory conduct; she signaled the Fed is reviewing approaches to better define CSI, including creating limited-use cases exempt from the definition. Comptroller Gould voted for the proposal but expressly urged that it go further. In his statement at the FDIC board meeting, he supported allowing banks to disclose CSI without agency approval when necessary or appropriate for business purposes, but added that he believes the final rule should go further and encouraged commenters to identify other ways the FDIC could reasonably expand access to CSI. The recent Hagerty letter to Bowman, Gould, Hill, and Vought urging CSI reform signals congressional appetite along the same lines. It will be

worth watching whether the Federal Reserve and/or OCC follow with parallel or even broader proposals; if the agencies don't move in tandem, institutions will continue to navigate a patchwork, particularly for information that is jointly CSI of more than one regulator. Two structural limits on the proposal's reach merit attention: first, the enumerated-recipient approach is oriented toward the institution's own advisors and counterparties, and it is not obvious how the "qualifying service provider" and "necessary or appropriate for a business purpose" framing would treat parties like securities underwriters in a capital-raising context; and second, the proposal's liberalization does not extend to the litigation or investigation context.

OTHER NOTABLE ITEMS

NYDFS Proposes GENIUS Act-Aligned Stablecoin Regulation. On June 9, 2026, the NYDFS proposed a regulation building on its June 2022 guidance to position New York's framework for Treasury certification as a "substantially similar" state regime under the GENIUS Act. The proposal retains the existing NYDFS requirements, including 1:1 reserve backing, full redeemability, permissible reserves, and independent audits, and adds provisions including per-custodian reserve concentration limits, monthly CEO/CFO certifications, and two-business-day redemption. Existing New York issuers would have 12 months to comply. A 10-day pre-proposal comment period opened June 9, followed by a 60-day formal period after publication in the *State Register*.

OCC Clarifies National Bank Act Preemption of State Money Transmission Licensing Statutes. On June 9, 2026, the OCC released Interpretive Letter No. 1192, confirming that the National Bank Act preempts state money transmission licensing laws, noting that such conclusion "is clear and unambiguous under applicable law and longstanding precedent."

Federal Reserve Releases 2026 Stress Test Results. On June 24, 2026, the Federal Reserve released the results of its annual bank stress test. The Board reported that the 32 tested banks remained above minimum capital requirements under the severely adverse scenario.

Agencies Propose CIP Requirements for Stablecoin Issuers. On June 18, 2026, FinCEN, together with the OCC, Federal Reserve, FDIC, and NCUA, proposed a joint rule implementing the GENIUS Act's directive to treat permitted payment stablecoin issuers (PPSIs) as financial institutions under the Bank Secrecy Act and require them to maintain a customer identification program (CIP). The proposal would require each PPSI to maintain a written, risk-based CIP; collect specified identifying information before opening an account, verify identity within a reasonable time, maintain records, screen against designated government lists, and provide customer notice. Notably, the proposal distinguishes primary-market activity (direct interaction between the PPSI and a holder) from secondary-market activity, declining to impose issuer-level identity verification on every secondary-market user. Comments on the proposal are due August 21, 2026.

Agencies Remove Reputation Risk References from Interagency Materials. On June 2, 2026, the federal banking agencies announced they updated certain interagency documents to remove references to reputation risk to complement their earlier actions that ended the use of reputation risk in supervision.

Federal Reserve Releases Supervision and Regulation Report. On June 3, 2026, the Federal Reserve released its Supervision and Regulation Report, issued in conjunction with Vice Chair for Supervision Michelle Bowman's semiannual testimony before Congress. The report highlights, among other things, the Federal Reserve's supervisory focus on core and material financial risks and its continued efforts to tailor supervisory approaches based on institution size, complexity, business model, and risk profile. As part of this strategic shift, the report describes updates to the supervisory ratings frameworks and examination programs, including changes following the October 2025 Statement of Supervisory Operating Principles and its updated May 2026 version, which clarified standards for MRAs or MRIAs and enforcement actions, intended to enhance transparency and effectiveness. The report also notes that outstanding MRAs and MRIAs at large financial institutions decreased in the second half of 2025 and discusses recent regulatory developments and rulemakings affecting supervised institutions.

Vice Chair for Supervision Bowman Testifies on Supervision and Regulation. On June 4, 2026, Federal Reserve Vice Chair for Supervision Michelle Bowman testified before the House Financial Services Committee on current banking conditions, regulatory and supervisory reforms. Bowman highlighted recent reforms, including the finalized community bank leverage ratio changes, the March 2026 Basel III re-proposal, a comprehensive review of outstanding MRAs to refocus supervision on material financial risks, and proposed revisions to the CAMELS rating framework. Bowman also emphasized ongoing initiatives, including recalibrating regulatory thresholds for inflation and economic growth (citing Regulation O as an example), GENIUS Act stablecoin rulemaking, stress testing transparency, and recognizing discount window collateral in liquidity regulations.

Governor Barr Warns Against Bank Deregulation. On June 6, 2026, Federal Reserve Governor Michael Barr delivered a speech titled "Deregulating in a Financial Boom: What Could Go Wrong?", offering a dissenting counterpoint to Vice Chair for Supervision Bowman's June 4 testimony and expressing concern that recent and proposed actions by the Federal Reserve and other banking agencies are weakening bank regulation and supervision in ways that increase risk to financial stability and the broader economy.

The following Gibson Dunn lawyers contributed to this issue: Jason Cabral and Ro Spaziani.

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding the issues discussed in this update. Please contact the Gibson Dunn lawyer with whom you usually work or any of the member of the Financial Institutions practice group:

Jason Cabral
New York
+1 212.351.6267
jcabral@gibsondunn.com

Ro Spaziani
New York
+1 212.351.6255
rspaziani@gibsondunn.com

Stephanie L. Brooker
Washington, D.C.
+1 202.887.3502
sbrooker@gibsondunn.com

M. Kendall Day
Washington, D.C.
+1 202.955.8220
kday@gibsondunn.com

Jeffrey L. Steiner
Washington, D.C.
+1 202.887.3632
jsteiner@gibsondunn.com

Sara K. Weed
Washington, D.C.
+1 202.955.5807
sweed@gibsondunn.com

Ella Capone
Washington, D.C.
+1 202.887.3551
ecapone@gibsondunn.com

Sam Raymond
New York
+1 212.351.2499
sraymond@gibsondunn.com

Rachel Jackson
New York
+1 212.351.6260
rjackson@gibsondunn.com

Attorney Advertising: These materials were prepared for general informational purposes only based on information available at the time of publication and are not intended as, do not constitute, and should not be relied upon as, legal advice or a legal opinion on any specific facts or circumstances. Gibson Dunn (and its affiliates, attorneys, and employees) shall not have any liability in connection with any use of these materials. The sharing of these materials does not establish an attorney-client relationship with the recipient and should not be relied upon as an alternative for advice from qualified counsel. Please note that facts and circumstances may vary, and prior results do not guarantee a similar outcome.

If you would prefer NOT to receive future emailings such as this from the firm,
please reply to this email with "Unsubscribe" in the subject line.

If you would prefer to be removed from ALL of our email lists,
please reply to this email with "Unsubscribe All" in the subject line. Thank you.

© 2026 Gibson, Dunn & Crutcher LLP. All rights reserved. For contact and other information, please visit our website.