

AMERICAN COUNCIL OF STATE SAVINGS SUPERVISORS, GREG GONZALES

Proposal and Comment Information

Title: Regulatory Modernization and Relief for Mutual Holding Companies (Reg Q and MM), R-1895

Comment ID: FR-2026-0027-01-C40

Submitter Information

Organization Name: American Council of State Savings Supervisors

Organization Type: Organization

Name: Greg Gonzales

Submitted Date: 10/05/2026

Please see the attached comment letter from the American Council of State Savings Supervisors (ACSSS)



October 5, 2026

Benjamin W. McDonough
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Re: Regulatory Modernization and Relief for Mutual Holding Companies; Docket No. R-1895; RIN 7100-AH26

Dear Mr. McDonough:

The American Council of State Savings Supervisors ("ACSSS")¹ appreciates the opportunity to comment on the Board of Governors of the Federal Reserve System's proposed rule regarding Regulatory Modernization and Relief for Mutual Holding Companies ("Proposal").² ACSSS supports the Proposal and the Board's broader effort to modernize the regulatory framework applicable to mutual banking organizations.

Mutual institutions are an important part of the nation's diverse banking system, with an ownership structure that supports a long-term focus on members and local communities. At the same time, the mutual form can create unique capital-raising constraints, and Regulation MM imposes requirements that the Board has concluded are in some instances unnecessarily complex or burdensome.

ACSSS particularly supports the Proposal's recognition of the appropriate role of state charters and state law. The Proposal would eliminate the requirement that a subsidiary holding company of a thrift mutual holding company obtain a federal charter, permitting such companies to organize under state law. It would also generally discontinue the Board's practice of requiring state-chartered bank mutual holding companies to commit to compliance with provisions of Regulation MM, recognizing the authority of chartering states over their corporate practices and mutuality. These changes would reduce regulatory burden and return governance over these institutions to the states, while preserving the Board's authority to supervise these organizations for safety and soundness. ACSSS strongly supports this recognition that state corporate governance and federal prudential supervision can operate as complementary components of the dual banking system.

ACSSS also supports the Proposal's efforts to ensure that the regulatory framework does not unnecessarily disadvantage institutions choosing the mutual form. Among other things, the Proposal would provide greater certainty regarding the ability of mutual capital certificates and special deposits to qualify as regulatory capital when they satisfy the applicable capital criteria and would reduce procedural burdens associated with dividend waivers. These changes appropriately account for the

¹ ACSSS is the national association of state-chartered savings institution regulators and provides supervisory information and insight in support of the state charter for savings institutions.

² FRB, Proposed Rule, [Regulatory Modernization and Relief for Mutual Holding Companies](#), 91 Fed. Reg. 49490 (Aug. 4, 2026).

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distinctive structure of mutual organizations while maintaining applicable capital, fiduciary duty, and safety-and-soundness protections.

More broadly, ACSSS commends the Board for undertaking a comprehensive review of Regulation MM and for seeking to eliminate requirements that no longer serve a sufficient regulatory purpose. A modern regulatory framework should preserve appropriate supervisory safeguards while allowing mutual institutions flexibility to raise capital, organize their corporate structures efficiently, and continue serving their members and communities. The Proposal represents an important step toward that goal.

ACSSS appreciates the opportunity to comment and supports the Board's adoption of the Proposal. We encourage the Board to continue to explore opportunities to modernize regulations for mutual institutions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Gonzales", is positioned below the word "Sincerely,".

Greg Gonzales
Chairman
American Council of State Savings Supervisors

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