

AMARILLO NATIONAL BANK, BELYNDA WILLIAMS

Proposal and Comment Information

Title: Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks; Bank Holding Companies (Reg O and Y), R-1896

Comment ID: FR-2026-0028-01-C33

Subject

Docket No. R-1896 – Comment Letter on Proposed Amendments to Regulation O

Submitter Information

Organization Name: Amarillo National Bank

Organization Type: Company

Name: Belynda Williams

Submitted Date: 10/06/2026



Amarillo National Bank

BELYNDA WILLIAMS, CPA
SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER

October 2, 2026

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

**Re: Regulation O Proposed Rulemaking
Docket No. R-1896; RIN 7100-AH27**

Dear Mr. McDonough:

Amarillo National Bank appreciates the opportunity to comment on the Board of Governors of the Federal Reserve System's proposed amendments to Regulation O. The Bank generally supports the proposal and its objectives of reducing unnecessary administrative burden, modernizing outdated thresholds, and clarifying ambiguous requirements.

The Bank supports the proposed threshold increases as a reasonable starting point and favors retaining absolute dollar caps. Absolute limits provide greater clarity and consistency than thresholds based solely on a percentage of capital. The Bank also supports updating the thresholds every five years and recommends using the Consumer Price Index rather than nominal gross domestic product. CPI would provide a simpler and more readily understood basis for future adjustments. Thresholds should not decrease during periods of negative economic growth, as doing so could increase regulatory burdens during an economic downturn. The Bank does not recommend separate thresholds for well-capitalized or well-managed community banks. Uniform thresholds would be simpler to understand and administer.

The Bank supports the proposed treatment of credit extended to an insider's spouse, including the exception when the spouse is independently creditworthy and repayment does not depend on the insider. Banks should be permitted to rely on ordinary underwriting records and a written certification that the proceeds will not benefit the insider. The proposed 25 percent beneficial-interest threshold for trusts and estates is reasonable. The Bank also supports the proposed rebuttable presumption concerning trustee control, provided the final rule recognizes situations in which governing documents materially limit a trustee's or executor's authority. Identifying contingent beneficiaries and calculating their interests could be burdensome. Banks should be permitted to rely in good faith on governing documents, certifications, and other reasonably available information.

The Bank supports removing vice president, cashier, and secretary from the title-based presumption of executive-officer status. Senior vice presidents and C-suite officers should be evaluated according to their actual authority to participate in major policymaking rather than title alone. A functional analysis would more accurately identify individuals who exercise meaningful policymaking authority and would avoid treating employees as executive officers solely because of their titles.

Amarillo National Bank maintains relationships with approximately 25 downstream correspondent banks, savings institutions, and credit unions, as well as 11 upstream correspondent banks. Annual surveys would create some additional burden but would be more practical than requiring every borrower to disclose relationships with correspondent and respondent banks. The final rule should provide a clear safe harbor for banks that make reasonable inquiries and rely in good faith on the responses received. The Board should also consider



Amarillo National Bank

Comment Letter on Regulation O Proposed Rule

Docket No. R-1896

October 2, 2026

Page 2

exemptions or streamlined requirements for community banks and institutions with immaterial correspondent relationships. A risk-based approach would reduce burden while maintaining appropriate controls.

The Bank supports grandfathering loans made before a borrower becomes an insider until renewal or material modification. It also supports requiring a transition line of credit to comply with Regulation O within 14 months. Other term loans should remain grandfathered until renewal or material modification rather than becoming subject to a fixed transition period. The final rule should also clarify that minor administrative changes do not constitute material modifications.

For lines of credit, an annual notification and review process would be preferable to mandatory board reapproval every 14 months. Formal approval should remain required when a credit is materially increased, renewed, or modified, or when another applicable approval threshold is met.

The Bank recommends an implementation period of at least 180 days. This would provide sufficient time to update policies, questionnaires, loan documentation, officer classifications, board procedures, training, and correspondent-bank recordkeeping practices.

Amarillo National Bank supports the Board's effort to modernize and clarify Regulation O. The final rule should retain strong protections against preferential treatment while providing practical safe harbors when relevant information is maintained by third parties or is otherwise outside a bank's control.

Clear standards based on reasonable inquiry, good-faith reliance, and appropriate documentation would reduce administrative burden without weakening the regulation's core protections.

Amarillo National Bank appreciates the Board's consideration of these comments.

Sincerely,

Belynda Williams