

WOLF RIVER COMMUNITY BANK, JOSEPH W. PEIKERT

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-C38

Subject

Docket No. R-1896 and RIN 7100-AH27

Submitter Information

Organization Name: Wolf River Community Bank

Organization Type: Organization

Name: Joseph W. Peikert

Submitted Date: 10/15/2026

NONCONFIDENTIAL // EXTERNAL

Hello:

Please see the attached.

Joseph W. Peikert

Chief Executive Officer | Wolf River Community Bank

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**WOLF RIVER
COMMUNITY BANK**

This is community banking.

October 15, 2026

ELECTRONIC SUBMISSION ONLY

Benjamin W. McDonough,
Secretary,
Board of Governors of the Federal Reserve System,
20th Street and Constitution Avenue NW,
Washington, DC 20551
Docket No. R-1896 and RIN 7100-AH27

**Re: Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks;
Bank Holding Companies; Docket No. R01896 and RIN 7100-AH27**

To Whom It May Concern:

Wolf River Community Bank is a \$400 million bank with 4 locations in east-central Wisconsin. A number of times each year our bank extends or renews credit to both executive officers, directors, or their related interests.

Wolf River Community Bank appreciates the opportunity to comment on the Board of Governors of the Federal Reserve System's (FRB) proposal to update, restate, and reorganize Regulation O.

Wolf River Community Bank understands the importance of ensuring insiders do not receive preferential treatment. At its core, Regulation O operates to protect banks from exposure to undue risk. And while Wolf River Community Bank committed to that goal and has been working with these rules for many years now, it remains one of the most taxing and time consuming to navigate, understand, and comply with. Not only this, but the current thresholds Regulation O operates at are in serious need of updating. Credits that pose no real risk, made on the same terms available to any customer, now routinely trigger board approval, exception limits, and disclosure requirements designed for a different world.

To that extent, Wolf River Community Bank welcomes the opportunity to update and modernize the regulation, increase transparency by clarifying requirements and incorporating existing interpretations, and promote efficiency by reducing regulatory burden. I offer the following comments.

Dollar-Based Thresholds

Wolf River Community Bank also supports increasing the dollar-based thresholds in Regulation O, including the credit card exception from \$15,000 to \$60,000, interest-bearing overdraft plan exception from \$5,000 to \$20,000, inadvertent overdraft exception from \$1,000 to \$4,000, the threshold for extensions of credit to executive officers not otherwise authorized (from \$100,000 to \$400,000), and the threshold requiring prior board approval (from \$500,000 to \$2 million). These thresholds have not been meaningfully updated in decades, and outdated limits can require board approval for credit that poses no real risk of self-dealing.

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Member
FDIC

We have several directors with related business interest loans that we regularly and routinely need to approve due to the relatively low \$500,000 threshold. We also have several executive officers that have been limited by the \$100,000 limit in instances where they desired a loan or line of credit for more than \$100,000.

Indexing

Wolf River Community Bank strongly supports FRB's proposal to index the dollar-based thresholds going forward. Wolf River Community Bank supports the index adjustment being tied to nominal GDP. Without an automatic adjustment mechanism, the previous thresholds sat where they were for decades and became obsolete, for which periodic rulemaking was unable to address. Indexing ensures this no longer remains a problem going forward. Our bank turns 30 years old this month and the dollar thresholds have not changed to reflect inflation during our entire existence.

Wolf River Community Bank requests that FRB publish each adjustment well in advance of its effective date, and that effective date run at the start of a calendar quarter. Wolf River Community Bank also recommends that FRB coordinate with the FDIC and OCC so that all insured institutions adopt the same amounts on the same date.

Home Mortgage Exception

The proposal would add two new conditions to the home mortgage exception for executive officers: a requirement that the officer live in the property at least three months each year, and a bar on using the property "for investment purposes, including renting or leasing out any portion of the property for income."

Transition Loans

The proposal would clarify that a loan made to a person before that person becomes a director or executive officer does not need to be modified or unwound, so long as it is counted toward that person's lending limits going forward.

Spouses, Trusts, Estates and Related Interests

The proposal would attribute credit extended to the spouse of an insider to the insider unless the spouse is independently creditworthy and repayment is not predicated on the insider's income. As a marital property state, the evaluation of a spouse's interests has been a longstanding issue in relevant Regulation O fact-patterns. Wisconsin law provides that, generally speaking, income earned by either spouse during marriage is presumed to be a marital asset. As a result, it is difficult to determine when repayment is "not predicated on the insider's income." For this reason, Wolf River Community Bank asks FRB to clarify how this condition applies in marital and community property states, and to provide a safe harbor under which a bank that documents in its credit file that the spouse qualified on his or her own income, assets, and credit history has satisfied the conditions. Similarly, the additional conditions for the related interests of a spouse should be satisfiable through the borrower's written certification.

The proposal would also presume that a trustee controls a trust and that an executor controls companies and shares controlled by an estate and would treat credit to a trust or estate as credit to an insider with at least a 25 percent present or contingent beneficial interest. Wolf River

Community Bank recommends that FRB maintain these presumptions as rebuttable and clearly define that trust and estate instruments as sufficient rebuttal evidence of that fact. Wolf River Community Bank also supports the proposed 25 percent threshold over 10 percent.

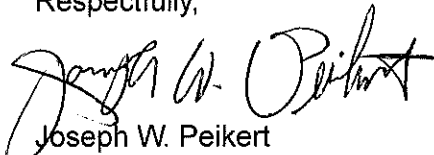
Finally, the proposal would apply the executive officer restrictions to a related interest that is the "alter ego" of the executive officer and has no independent means of repayment. Wolf River Community Bank is concerned that, given how fact-intensive the proposed factors are, they are likely to produce inconsistent conclusions between banks and examiners. Wolf River Community Bank asks FRB to provide a clear safe harbor, such as that a related interest with documented independent sources of repayment, operating cash flow, business assets, or third-party guarantors, should not be considered an alter ego.

Conclusion

Wolf River Community Bank appreciates FRB's effort to modernize Regulation O and the opportunity to comment.

Thank you for considering my comments.

Respectfully,



Joseph W. Peikert
Chief Executive Officer