ANWAR ABUSHAYED

Proposal and Comment Information

Title: Proposed Third-Party Risk Management Guide for Traditional Community Banking Organizations, OP-1880

Comment ID: FR-2026-0030-01-C26

Submitter Information

Name: Anwar Abushayed

Submitted Date: 11/14/2026

Re: OP-1881 — Proposed Third-Party Risk Management Guidance

I formally oppose the proposed guidance and the rescission of existing supervisory safeguards.

Reducing regulatory oversight while expanding marketplace lending, artificial intelligence, fintech partnerships, and third-party operational dependencies exposes the American public to additional financial, cybersecurity, and systemic risks, particularly when previously identified vulnerabilities remain unresolved.

My attached comprehensive regulatory reform proposal establishes an alternative framework encompassing independent cybersecurity assessments, systemic operational risk reporting, conditional federal deposit insurance eligibility, consumer financial rights, collective bargaining protections, whistleblower safeguards, and mandatory escalating enforcement.

I respectfully request that the Board consider this proposal in its entirety, independently evaluate its recommendations, and initiate appropriate rulemaking and legislative referrals.

Innovation must not precede accountability, and federal protection must not constitute an entitlement to institutional impunity.

Respectfully submitted,

Anwar Abu-Shayed, M.S.
Cybersecurity | Enterprise Risk Management | Institutional Governance

FORMAL PUBLIC COMMENT | PETITION FOR RULEMAKING

Comprehensive Opposition to Proposed Third-Party Risk Management Guidance

Petition for Federal Financial Regulatory Reformation, Conditional Federal Protection, Independent Institutional Accountability, and Restoration of Consumer and Workforce Rights

SUBMITTED BY	Anwar Abu-Shayed, M.S. Cybersecurity | Enterprise Risk Management | Institutional Governance
SUBMITTED TO	Office of the Comptroller of the Currency (OCC) Federal Deposit Insurance Corporation (FDIC) Board of Governors of the Federal Reserve System National Credit Union Administration (NCUA)
DOCKETS AND RINs	OCC-2026-0793 | RIN 1557-ZA18 Federal Reserve OP-1881 FDIC RIN 3064-ZA58 NCUA-2026-1684 | RIN 3133-ZA54
NOTICE	91 FR 58536–58544 (September 15, 2026) Extended comment deadline: December 16, 2026
POSITION	Comprehensive opposition; proposed replacement framework; petition for rulemaking; request for legislative reform

Connecticut, United States

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Scope: This submission requests withdrawal of the proposed nonbinding guidance and proposes changes within agency authority and additional statutory reforms requiring congressional action. Proposed obligations and implementation periods are not representations of existing law.

TITLE I — FORMAL OPPOSITION AND REGULATORY RECIPROCITY

Section 101. Opposition to regulatory regression

I categorically oppose the proposed Third-Party Risk Management Guidance as presently drafted and its contemplated rescission of existing supervisory safeguards.

The agencies propose to reduce detailed supervisory expectations, expand institutional discretion, facilitate additional third-party relationships, and afford financial institutions greater flexibility in determining acceptable operational risks.

However, the proposal fails to establish corresponding statutory rights, remedies, transparency protections, or enhanced enforcement mechanisms for the American public.

What reciprocal benefit is being afforded to the individuals whose financial resources, personal information, employment, creditworthiness, and economic security are directly affected by these institutions?

The federal regulatory framework exists to protect the American financial system and the public it serves. It does not exist exclusively to accommodate the commercial preferences of regulated institutions.

The agencies must not treat institutional convenience as a sufficient justification for reducing public protections.

Section 102. Establishment of regulatory reciprocity

I propose the establishment of a federal doctrine of Regulatory Reciprocity and Conditional Federal Protection.

Under this doctrine:

1. Reduced supervisory requirements shall require corresponding increases in institutional liability and enforceable individual protections.
2. Expanded operational discretion shall require independently verifiable compliance.
3. Expanded access to consumer information shall require corresponding disclosure, correction, and accountability rights.
4. Institutional confidentiality protections shall require independent evidentiary review mechanisms.
5. Established regulatory violations shall trigger mandatory corrective action and escalating enforcement.
6. Eligibility for federal financial protection shall remain contingent upon demonstrable institutional accountability.

The American public must not absorb additional risks merely because financial institutions wish to reduce their compliance expenses.

TITLE II — COMPREHENSIVE OBJECTION TO THE PROPOSED GUIDANCE

Section 201. Rescission of existing protections

I oppose the proposed rescission of:

- The 2023 Interagency Guidance on Third-Party Relationships: Risk Management, 88 FR 37920.
- OCC Bulletin 2002-16 concerning foreign-based third-party service providers.
- The July 2024 interagency statement concerning bank-fintech arrangements delivering deposit products.
- The May 2024 community bank third-party risk management resources.
- Additional related supervisory guidance absent an independently supported analysis of the consequences of rescission.

The agencies must publish a comparative assessment identifying each safeguard being removed, the justification for its removal, and the corresponding replacement protection.

No existing safeguard should be rescinded solely to satisfy a deregulatory objective.

Section 202. Objections and required replacements

Proposed provision	Required replacement or corrective action
A. Overview	Preserve nondelegable institutional responsibility and expressly address consumer protection.
B.1(i) Relationship identification	Require comprehensive inventories of operational and technological dependencies.
B.1(ii) Risk identification	Include cybersecurity, consumer injury, retaliation, foreign dependencies and data misuse.
B.1(iii) Risk assessment	Require independent verification and consideration of individual consumer harm.
B.2(i) Due diligence	Require verification of ownership, authority, compliance history and control effectiveness.
B.2(ii) Contract negotiation	Preserve enforceable audit, information-access, remediation and regulatory examination rights.
B.2(iii) Ongoing monitoring	Require continuous risk monitoring and documented corrective-action escalation.
B.2(iv) Termination	Require data reconciliation, evidence preservation, access revocation and continuity protections.
B.2(v) Cross-cutting oversight	Require accountability throughout subcontracting and downstream service arrangements.

Proposed provision	Required replacement or corrective action
B.3 Residual risk acceptance	Prohibit acceptance of unlawful conduct as an institutional risk-management decision.
B.4 Governance	Require independent assurance, executive accountability and protected workforce reporting.

Section 203. Preservation of contractual safeguards

The existing seventeen contractual risk-management considerations must be preserved and strengthened, including:

1. Nature and scope of arrangements.
2. Performance measures.
3. Information retention and access.
4. Audit and remediation.
5. Compliance with applicable law.
6. Costs and compensation.
7. Ownership and licensing.
8. Confidentiality and information integrity.
9. Operational resilience.
10. Indemnification.
11. Insurance.
12. Dispute resolution.
13. Customer complaints.
14. Subcontracting.
15. Foreign-based service providers.
16. Default and termination.
17. Regulatory supervision.

Where these safeguards are necessary to protect consumers, information integrity, or financial stability, the agencies should establish binding requirements through appropriate statutory or regulatory mechanisms rather than rely exclusively upon nonbinding guidance.

Section 204. Responses to express requests for public comment

Footnote 5: I oppose additional rescissions without a published comparative risk and public-interest assessment.

Footnote 9: I categorically oppose limiting third-party accountability to relationships involving written agreements. Accountability must follow actual operational activity, delegated authority, data access, and financial transactions.

Footnote 15: Higher-risk classifications must expressly include prior enforcement actions, privileged system access, marketplace lending, automated underwriting, complex fintech arrangements, foreign operational dependencies, and consumer-facing financial administration.

TITLE III — UNRECONCILED MARKETPLACE LENDING AND EMERGING TECHNOLOGICAL RISKS

Section 301. Historical marketplace lending vulnerabilities

The Department of the Treasury identified substantial risks associated with online marketplace lending in its May 10, 2016 white paper, Opportunities and Challenges in Online Marketplace Lending.

These concerns included algorithmic underwriting, consumer data access, cybersecurity, regulatory compliance, and the performance of emerging credit models.

Before reducing supervisory safeguards, the agencies must establish whether these previously identified risks have been adequately addressed.

Innovation is not evidence of remediation.

Section 302. Cross River Bank as a documented regulatory case study

Cross River Bank's October 27, 2016 submission to the FDIC requested clarification permitting reliance upon third parties for credit underwriting, origination, regulatory compliance, and loan-contract issuance, subject to risk-management controls.

Subsequent enforcement history is particularly relevant:

- March 28, 2018: FDIC enforcement action addressing, among other matters, inadequate third-party due diligence and monitoring, with a civil money penalty of $641,750.
- March 2023: FDIC Consent Order FDIC-22-0040b, based on a consent agreement dated March 8, addressing deficiencies involving fair lending, internal controls, information systems, and credit underwriting.

The institution consented to the orders without admitting or denying the underlying charges.

These enforcement actions demonstrate the necessity of independently evaluating institutional compliance representations.

I request that the FDIC review the institution's enforcement history, corrective measures, third-party arrangements, whistleblower safeguards, and independently verified remediation before permitting any reduction in applicable supervisory expectations.

Prior enforcement actions must not become irrelevant merely because a new deregulatory framework is introduced. This submission does not represent that the 2023 order remains in effect; the FDIC should establish its present status and any termination or modification history.

Section 303. Synapse and third-party financial recordkeeping

The 2024 bankruptcy of Synapse Financial Technologies exposed significant deficiencies involving financial records, account reconciliation, and consumer access to funds placed at insured institutions.

Consumers experienced extended restrictions on access to their money while participating institutions attempted to reconcile third-party records.

The agencies must explain how reduced third-party supervisory expectations would prevent comparable failures.

Federal deposit insurance must not be marketed as equivalent to uninterrupted consumer access to funds where the underlying recordkeeping architecture cannot reliably establish individual ownership and balances.

Section 304. Black October 2026

Subsequent to publication of the proposed guidance, cybersecurity researchers documented a series of security compromises involving artificial intelligence development, hosting, and inference platforms.

Wiz Research identified this collection of incidents as Black October on October 30, 2026.

The Cloud Security Alliance subsequently analyzed twelve reported incidents in its November 5, 2026 publication addressing concentration risk in AI infrastructure.

These developments illustrate the consequences of interconnected technological dependencies, compromised credentials, shared infrastructure, and downstream exposure.

The agencies must reassess their proposed guidance in light of this intervening evidence.

The proposal cannot reasonably promote expanded technological integration while diminishing the supervisory expectations intended to evaluate technological dependencies.

These incidents are evidence of broader infrastructure risk, not allegations that any particular regulated bank participated in or suffered the identified compromises.

Section 305. Mandatory predeployment compliance

Before introducing material new financial products, marketplace lending arrangements, AI systems, cryptocurrency-related services, or comparable technological innovations, covered institutions shall be required to demonstrate:

- Independent cybersecurity assessment.
- Authorized adversarial security testing.
- Validation of automated financial decisions.
- Identification of material technological dependencies.
- Verification of consumer-protection compliance.
- Operational resilience and recovery testing.
- Independently verified remediation of existing material deficiencies.

• Preservation of transaction-level evidence.

Material unresolved deficiencies shall prevent expansion of the implicated operations until the deficiencies are adequately remediated.

TITLE IV — SYSTEMIC OPERATIONAL AND GOVERNANCE RISK REPORTING

Section 401. Expansion of systemic-risk measurement

The Federal Reserve's FR Y-15 Systemic Risk Report measures significant financial exposures, complexity, interconnectedness, and institutional systemic importance.

Financial risk cannot adequately be evaluated independently of the operational and technological infrastructure responsible for administering those financial activities.

The agencies should evaluate financial concentration together with technological concentration, custodial dependencies, cybersecurity exposure, and governance effectiveness.

A shared technology provider may introduce correlated operational risks across otherwise independent financial institutions.

Section 402. Establishment of supplemental reporting

I petition the Federal Reserve to establish a supplemental Systemic Operational, Cybersecurity and Institutional Governance Risk Report (SOCGR).

The reporting framework shall include:

Risk category	Required measurement
Operational delegation	Proportion of essential financial functions performed externally
Infrastructure concentration	Common critical technology and service-provider dependencies
Foreign dependencies	Foreign-controlled infrastructure and privileged access
Cybersecurity	Unresolved material vulnerabilities and incident frequency
Financial integrity	Unreconciled transactions, account discrepancies and custody failures
Data governance	External access, unauthorized processing and automated risk classifications
Independent assurance	Assessment scope, independence and remediation status
Consumer injury	Substantiated complaints, financial losses and restitution
Workforce governance	Retaliation findings and interference with protected reporting
Enforcement history	Material regulatory violations and recurrence

Risk category	Required measurement
Remediation	Independently verified corrective-action completion

Reporting obligations shall extend to smaller institutions engaged in materially complex fintech and marketplace lending arrangements, irrespective of whether they qualify for existing FR Y-15 reporting.

Institutional size alone is not an adequate measurement of technological or consumer risk.

TITLE V — MANDATORY FEDERAL DEPOSIT INSURANCE DISQUALIFICATION

Section 501. Categorical prohibition against outsourced financial servicing

I propose amendments to 12 U.S.C. §§ 1815, 1816, 1818, and 1867.

Any and all financial institutions that utilize or have previously utilized third-party financial servicing entities to perform essential financial administration shall be categorically barred from obtaining or retaining federal deposit insurance under the proposed statutory framework.

The prohibition shall apply to essential financial functions, including:

- Consumer account administration.
- Loan and mortgage servicing.
- Payment allocation and financial reconciliation.
- Consumer credit furnishing.
- Financial-risk classification.
- Delegated underwriting determinations.
- Delegated regulatory compliance decisions.
- Administration of consumer financial records.

Section 502. Universal and historical applicability

No exemption shall be granted based upon institutional size, charter classification, commercial necessity, technological innovation, prior regulatory approval, or institutional risk tolerance.

Historical utilization of prohibited financial servicing arrangements shall constitute an independent ground for disqualification under the proposed legislation.

Institutions shall disclose current and historical arrangements, including relationships involving affiliates, subsidiaries, subcontractors, predecessors, and successor entities.

Corporate restructuring and intermediary arrangements shall not defeat the statutory prohibition.

Section 503. Mandatory enforcement and depositor protection

Upon verification of a disqualifying relationship, the appropriate federal authority shall initiate mandatory disqualification proceedings.

Congress shall establish procedures governing institutional resolution, preservation of existing insured-depositor protections, orderly transfers of accounts, and continuity of essential financial services.

These protections shall not constitute discretionary exemptions for disqualified institutions.

Federal deposit insurance protects eligible deposits and is principally financed through institutional assessments. Nevertheless, participation in the federal insurance framework must remain contingent upon compliance with congressionally established eligibility conditions.

TITLE VI — INDEPENDENT CYBERSECURITY AND COMPLIANCE ASSURANCE

Section 601. Distinction between servicing and independent assurance

The prohibition against third-party financial servicing shall not prohibit independent cybersecurity, auditing, forensic, or compliance-assurance professionals from evaluating institutional controls.

The distinction is fundamental.

Independent penetration testing exists to challenge institutional defenses through authorized adversarial testing.

Independent auditing exists to evaluate the effectiveness and integrity of institutional controls.

Neither function should transfer essential financial decision-making or operational responsibility away from the regulated institution.

Section 602. Mandatory external verification

Covered institutions shall undergo periodic independent external assessments of material cybersecurity and compliance controls.

Assessment requirements shall include:

1. Independently established scope.
2. Authorized penetration testing and adversarial assessments.
3. Verification of identity and access-management controls.
4. Examination of financial-record and data integrity.
5. Evaluation of operational resilience.
6. Independent remediation verification.
7. Preservation of original findings and supporting evidence.

Institutions shall not condition continued professional engagement upon favorable audit outcomes.

Independent testing requirements under 12 C.F.R. § 326.8 and the information-security standards contained in 12 C.F.R. Part 364, Appendix B, provide existing regulatory foundations for this proposed expansion.

Section 603. Prohibition against exclusive institutional self-investigation

No institution subject to a material regulatory investigation shall retain exclusive control over the investigation, relevant evidence, corrective measures, and determination of successful remediation.

Independent examiners shall possess protected access to relevant records and reporting channels.

Management shall not suppress, manipulate, or selectively exclude material findings.

TITLE VII — WORKFORCE ACCOUNTABILITY AND COLLECTIVE BARGAINING

Section 701. Financial-sector workforce vulnerability

According to the Bureau of Labor Statistics, union membership in the finance industry was approximately 0.8 percent in 2025, compared with 5.9 percent across the private sector overall.

This disparity warrants consideration in the context of institutional governance.

Compliance, cybersecurity, internal audit, enterprise risk, and financial reporting personnel are responsible for identifying deficiencies that may expose their employers to regulatory sanctions.

Those employees must be capable of reporting material concerns without jeopardizing their economic security.

Section 702. Federal labor compliance as an eligibility condition

Covered financial institutions shall demonstrate compliance with applicable federal labor laws, including the organizing and collective bargaining protections established under 29 U.S.C. §§ 157–158.

The proposed legislation shall require:

- Employer neutrality concerning lawful employee organization.
- Recognition of duly selected bargaining representatives.
- Independent workforce reporting mechanisms.
- Protection of audit and compliance personnel against interference.
- Preservation of evidence concerning adverse employment actions.
- Independent review of suspected retaliation.

No employee shall be compelled to join a union under this proposal.

Section 703. Prohibition against retaliatory auditor replacement

Financial institutions shall not utilize personnel replacement, restructuring, outsourcing, or employment termination to suppress adverse compliance findings or evade regulatory accountability.

Material findings shall remain preserved and subject to independent review notwithstanding the departure of the employee responsible for identifying them.

Established retaliation shall trigger mandatory enforcement and corrective action.

TITLE VIII — UNIVERSAL FEDERAL WHISTLEBLOWER PROTECTION

Section 801. Elimination of statutory disparities

Congress shall harmonize whistleblower protections established under:

- 12 U.S.C. § 1831j.
- 12 U.S.C. § 5567.
- 31 U.S.C. § 5323.
- 31 U.S.C. § 3730(h).
- 41 U.S.C. § 4712.

The employer exclusion contained in 31 U.S.C. § 5323(g)(6) shall be replaced with a coordination and non-diminution provision.

Coverage under an alternative federal whistleblower statute shall not exclude or diminish otherwise applicable statutory protections.

Duplicate recovery for the same injury shall not be permitted.

Section 802. Expanded protected activity

Protected activity shall include qualifying internal and external disclosures concerning cybersecurity vulnerabilities, financial misconduct, regulatory noncompliance, data misuse, consumer injury, fraud, and abuse of institutional authority.

Protected reporting shall extend to designated independent oversight authorities, Congress, qualifying internal reporting channels, and appropriate regulatory or law-enforcement agencies.

Section 803. Post-employment retaliation

The proposed protections shall expressly encompass:

- Blacklisting.
- Reputational interference.
- Retaliatory financial or credit-related actions.
- Unauthorized use of former employee information.
- Interference with subsequent employment.
- Harassment or intimidation arising from protected disclosures.

Remedies shall include reinstatement where appropriate, enhanced back pay, compensatory damages, litigation costs, and other authorized relief.

TITLE IX — ABOLITION OF COMPULSORY ARBITRATION

Section 901. Mandatory prohibition

Congress shall amend the Federal Arbitration Act and applicable financial-services legislation to prohibit compulsory predispute arbitration imposed as a condition of employment, continued employment, compensation, or access to financial products and services.

Any and all such compulsory provisions shall be void and unenforceable under the proposed legislation.

No employer or financial institution shall circumvent this prohibition through electronic onboarding, incorporated policies, delegation clauses, subsidiary arrangements, or third-party contracts.

Section 902. Preservation of judicial remedies

Acceptance of employment or financial services shall not constitute prospective surrender of judicial remedies, statutory protections, jury trial rights, collective proceedings, or protected regulatory reporting.

Arbitration shall remain available only through separately established, informed, and voluntary post-dispute consent.

Questions of formation, validity, and enforceability shall be determined by a court of competent jurisdiction.

Congress shall expressly address application to existing agreements and pending proceedings.

TITLE X — COMPREHENSIVE BANK SECRECY ACT REFORMATION

Section 1001. Statutory modernization

Congress and the Department of the Treasury shall undertake comprehensive reform of the Bank Secrecy Act, including:

- 31 U.S.C. § 5318(g), concerning suspicious activity reporting and associated protections.
- 31 U.S.C. § 5318(h), concerning institutional compliance programs.
- 31 U.S.C. § 5319, concerning availability of reports.
- 31 U.S.C. § 5323, concerning whistleblower incentives and protections.

Legitimate investigative confidentiality must remain protected.

However, independently actionable misconduct shall not be insulated merely because an institution performs activities regulated under the Bank Secrecy Act.

Section 1002. Mandatory whistleblower compliance pillar

The statutory minimum components of AML/CFT compliance programs shall be expanded to incorporate independently auditable whistleblower reporting, anti-retaliation controls, evidence preservation, and corrective-action verification.

Compliance programs shall not be deemed effective merely because formal policies exist.

Institutions must demonstrate implementation and effectiveness.

TITLE XI — FOIA REFORMATION AND FINANCIAL DATA TRANSPARENCY

Section 1101. Controlled evidentiary access

Congress shall address the combined effects of 31 U.S.C. § 5319, 5 U.S.C. § 552(b)(3) and (8), and applicable supervisory confidentiality regulations.

Affected individuals shall be afforded meaningful access to independently existing, nonprotected records necessary to challenge adverse financial decisions.

Confidential examination reports, suspicious activity reports, investigative methods, and other legitimately protected materials shall remain subject to appropriate safeguards.

Independent review, redaction, protective orders, and judicial examination shall be available where necessary.

Section 1102. Financial Data and Consumer Bill of Rights

Consumers shall possess enforceable rights to:

1. Obtain nonprotected financial-risk profiles maintained about them.
2. Identify the sources of material financial information.
3. Identify third parties authorized to access their information.
4. Receive meaningful explanations of adverse financial decisions.
5. Challenge inaccurate information.
6. Obtain correction of established inaccuracies.
7. Request independent review of disputed automated determinations.
8. Obtain preservation of relevant electronic evidence.
9. Pursue statutory remedies for established unlawful conduct.
10. Receive restitution for legally established financial injuries.

Institutions shall not obtain expanded access to consumer information without accepting corresponding data-governance obligations.

TITLE XII — FOREIGN-INTEREST LOBBYING AND NATIONAL FINANCIAL ACCOUNTABILITY

Section 1201. Mandatory disclosure

Federally insured financial institutions shall publicly disclose qualifying direct and indirect lobbying activities undertaken on behalf of foreign principals.

Disclosures shall identify the foreign principal, identifiable ultimate beneficiary, source and amount of expenditures, governmental offices contacted, objectives pursued, intermediaries, and material conflicts of interest.

The proposed requirements shall coordinate with the Foreign Agents Registration Act, Lobbying Disclosure Act, and applicable federal restrictions on lobbying expenditures.

Section 1202. Prohibited misuse of federal financial support

No covered institution shall unlawfully divert federal financial assistance or other expressly covered federal resources toward prohibited foreign influence operations, sanctions evasion, unlawful lobbying, or violations of United States national security laws.

Lawful foreign commercial relationships and constitutionally protected political activities shall not independently constitute violations.

Section 1203. Mandatory operational holds

Where competent authorities determine that reasonable grounds exist to believe a material statutory violation has occurred and continued implicated operations present substantial risk of further harm, the appropriate authority shall impose a targeted temporary operational hold.

Operational restrictions shall incorporate independent investigation, evidence preservation, administrative review, judicial review, and protection of innocent depositors and beneficiaries.

Reinstatement shall require independently verified corrective action.

TITLE XIII — MANDATORY ESCALATING ENFORCEMENT

Section 1301. Strengthened enforcement consequences

If the agencies intend to reduce preventive supervision, Congress must increase the severity, accessibility, and enforceability of regulatory consequences.

The existing enforcement framework under 12 U.S.C. § 1818 shall be expanded through mandatory statutory enforcement triggers.

Established violation	Proposed consequence
Initial material violation	Mandatory corrective action and restitution
Repeated material violation	Enhanced financial penalties and independent examination
Knowing or willful consumer injury	Enhanced civil liability and qualifying treble damages
Whistleblower retaliation	Enhanced damages and mandatory supervisory review
Intentional concealment	Evidence-preservation orders and executive accountability

Established violation	Proposed consequence
Violation of enforcement order	Mandatory supervisory escalation
Continuing substantial operational risk	Targeted operational hold
Statutory insurance ineligibility	Mandatory disqualification proceedings

Administrative sanctions shall remain subject to applicable evidentiary standards and procedural due process.

Section 1302. Express private rights of action

Congress shall establish express private rights of action for newly created consumer, data-governance, and whistleblower protections.

Available remedies shall include actual damages, authorized statutory damages, qualifying treble damages, equitable relief, restitution, reasonable litigation expenses, and attorney's fees.

The American public must not remain exclusively dependent upon discretionary governmental enforcement to remedy unlawful institutional conduct.

Section 1303. Regulatory complaint accountability

Federal regulators shall establish measurable complaint-handling obligations, including acknowledgment, independent review, documented disposition, and escalation of credible material findings.

Congress shall establish enforceable deadlines and appropriate judicial review mechanisms for mandatory administrative duties.

Regulatory confidentiality shall not relieve agencies of the obligation to provide meaningful nonprotected explanations of complaint dispositions.

TITLE XIV — FEDERALLY FUNDED HIGHER EDUCATION AND INSTITUTIONAL ACCOUNTABILITY

Section 1401. Cross-sector governance protections

Comparable accountability requirements shall extend to institutions receiving federal financial assistance, including higher education institutions receiving American Rescue Plan Act funding.

This proposed legislative framework shall strengthen existing protections under 41 U.S.C. § 4712 and 2 C.F.R. Part 200.

Federal funding recipients shall demonstrate:

- Appropriate internal controls.
- Accurate expenditure reporting.
- Independent compliance verification.

- Protected whistleblower reporting.
- Evidence preservation.
- Corrective-action monitoring.
- Compliance with applicable federal award conditions.

Section 1402. Enforcement against noncompliant recipients

Established material violations shall trigger appropriate remedies, including corrective orders, recovery of misused funds, targeted funding restrictions, or suspension and termination of federal awards where authorized.

Enforcement shall protect innocent students, employees, and other intended beneficiaries.

TITLE XV — IMPLEMENTATION FRAMEWORK

Section 1501. Immediate administrative action

I request that the four agencies:

1. Withdraw or suspend finalization of the proposed guidance.
2. Preserve existing supervisory resources.
3. Publish a complete comparative analysis of proposed changes.
4. Incorporate the intervening cybersecurity evidence into a supplemental risk assessment.
5. Hold public hearings addressing consumer, workforce, cybersecurity, and financial-stability consequences.
6. Conduct independent analysis of prior enforcement histories and remediation effectiveness.

Section 1502. Proposed implementation schedule

Proposed period following adoption of applicable authority	Required action
Within 90 days	Establish interagency accountability task force and standardized control definitions.
Within 180 days	Require covered institutions to inventory financial servicing and critical technological dependencies.
Within 270 days	Establish independent assurance, whistleblower, and remediation-verification standards.
Within 12 months	Implement supplemental operational and governance risk reporting.
Within 18 months	Implement applicable consumer transparency, complaint accountability, and compliance requirements.
Within 24 months	Complete implementation of applicable eligibility determinations and orderly resolution plans.

Proposed period following adoption of applicable authority	Required action
Annually thereafter	Publish aggregate enforcement, remediation, consumer injury, and systemic operational risk findings.

These periods constitute proposed implementation requirements and shall be calculated from the effective date of the relevant statutory or regulatory authority.

Section 1503. Allocation of federal responsibility

Federal authority	Requested responsibility
FDIC	Deposit insurance eligibility reform, enforcement and independent remediation verification
OCC	National bank supervision, operational accountability and examination standards
Federal Reserve	Systemic operational risk reporting and concentration analysis
NCUA	Corresponding federally insured credit union safeguards
Treasury and FinCEN	BSA modernization, financial transparency and AML/CFT governance
CFPB	Consumer financial rights, disclosures and statutory enforcement
Department of Labor and NLRB	Workforce, collective bargaining and applicable whistleblower protections
OMB and federal awarding agencies	Federal grant governance and recipient accountability
Congress	Comprehensive statutory amendments and creation of enforceable individual rights

All responsibilities shall remain subject to the respective authority's statutory jurisdiction.

TITLE XVI — REGULATORY IMPACT AND ADMINISTRATIVE ACCOUNTABILITY

Section 1601. Independent impact assessment

I challenge the adequacy of the agencies' analysis of the public consequences of the proposed deregulatory action.

The assessment must evaluate consumer financial injury, cybersecurity exposure, operational disruption, workforce impacts, institutional misconduct, litigation costs, financial-system concentration, and potential consequences for the federal deposit insurance framework.

Institutional compliance savings shall not be treated as societal savings without accounting for costs transferred to consumers, workers, other financial institutions, and the public.

The agencies should also assess the financial-stability and competition consequences of the proposed categorical servicing prohibition and establish orderly transitional mechanisms.

Section 1602. Formal petition for rulemaking

Pursuant to 5 U.S.C. § 553(e), I request that the agencies separately recognize and process the proposed regulatory amendments falling within their existing statutory authority.

I request a reasoned disposition of the petition in accordance with applicable administrative law, including 5 U.S.C. § 555(e).

Where congressional action is required, I request that the agencies transmit the proposed legislative reforms to the appropriate congressional committees and federal authorities for consideration.

CONCLUSION AND FORMAL DEMAND

The American public is not an expendable component of an institutional risk-management strategy.

Financial institutions cannot reasonably demand reduced supervision, expanded commercial freedom, extensive confidentiality protections, access to consumer financial information, and federal financial protection without accepting corresponding legal accountability.

Existing vulnerabilities must be remediated before additional financial and technological risks are introduced.

Independent cybersecurity and compliance professionals must be empowered to identify deficiencies without fear of retaliation.

Consumers must possess meaningful rights to challenge inaccurate financial information and obtain remedies for unlawful conduct.

Institutions with documented enforcement histories must undergo heightened scrutiny and independently verified remediation.

The federal government must not reduce oversight while preserving equivalent federal protection and inadequate individual remedies.

I therefore request withdrawal of the proposed guidance and consideration of the comprehensive replacement framework established herein.

Federal protection is not an entitlement to institutional impunity.

Respectfully submitted,

Anwar Abu-Shayed, M.S.

Cybersecurity, Enterprise Risk Management and Institutional Governance

Connecticut, United States

SELECTED SUPPORTING AUTHORITIES

1. Proposed Third-Party Risk Management Guidance, 91 FR 58536–58544 (September 15, 2026). https://www.govinfo.gov/content/pkg/FR-2026-09-15/html/2026-18859.htm

2. Interagency Guidance on Third-Party Relationships: Risk Management, 88 FR 37920 (June 9, 2023). https://www.govinfo.gov/content/pkg/FR-2023-06-09/html/2023-12340.htm

3. Federal Reserve Governor Michael S. Barr, Statement on Third-Party Risk Management Guidance (September 11, 2026). https://www.federalreserve.gov/newsevents/pressreleases/barr-statement-20260911a.htm

4. U.S. Department of the Treasury, Opportunities and Challenges in Online Marketplace Lending (May 10, 2016). https://home.treasury.gov/news/press-releases/jl0452

5. Cross River Bank, Comments on FDIC Proposed Examination Guidance on Third-Party Lending Relationships (October 27, 2016). https://www.fdic.gov/regulations/laws/publiccomments/third-partylending/cross_river_bank.pdf

6. FDIC, Cross River Bank Enforcement Order (March 28, 2018). https://archive.fdic.gov/view/fdic/11572/fdic_11572_DS2.pdf

7. FDIC, Cross River Bank Consent Order, FDIC-22-0040b (2023). https://orders.fdic.gov/sfc/servlet.shepherd/document/download/0693d000007xEStAAM

8. FDIC, Requirements for Custodial Deposit Accounts with Transactional Features and Prompt Payment of Deposit Insurance to Depositors (2024).

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