

AMERICAN BANKERS ASSOCIATION, STEVEN HUBBARD

Proposal and Comment Information

Title: Expanded Examination Cycle for Certain Small Insured Depository Institutions and U.S. Branches and Agencies of Foreign Banks, R-1898

Comment ID: FR-2026-0032-01-C02

Submitter Information

Organization Name: American Bankers Association

Organization Type: Organization

Name: Steven Hubbard

Submitted Date: 10/14/2026

Please refer to the attached file for the American Bankers Association's comment letter.



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October 14, 2026

Via Electronic Submission

Chief Counsel's Office
Attention Comment Processing,
Office of the Comptroller of the Currency
400 7th Street SW, Suite 1E-216
Washington, DC 20219

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

Jennifer M. Jones, Deputy Executive Secretary
Attention: Comments-RIN 3064-AG33
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

RE: Joint Interim Final Rule and Request for Comment regarding Expanded Examination Cycle for Certain Small Insured Depository Institutions and U.S. Branches and Agencies of Foreign Banks.

Ladies and Gentlemen:

The American Bankers Association (ABA)¹ appreciates the opportunity to comment on the joint interim final rule and request for comment issued by the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), and Federal Deposit Insurance Corporation (FDIC) (collectively, the Agencies) implementing section 903 of the 21st Century ROAD to Housing Act. The interim final rule increases to \$6 billion the asset threshold for certain supervised institutions eligible for an 18-month on-site examination cycle. The rule also makes conforming revisions to the Agencies' regulations governing examination cycles for U.S. branches and agencies of foreign banks, consistent with the International Banking Act of 1978.

ABA strongly supports the Agencies' interim final rule implementing the 21st Century ROAD to Housing Act by expanding community banks' eligibility for extended examination cycles. This targeted change appropriately aligns supervisory requirements with institutional size and risk,

¹ The American Bankers Association is the voice of the nation's \$26.5 trillion banking industry, which is composed of small, regional, and large banks that together employ over 2 million people, safeguard \$20.7 trillion in deposits and extend \$13.9 trillion in loans.

preserving safety and soundness while reducing unnecessary regulatory burden. We appreciate the Agencies' continued commitment to tailoring regulatory requirements in a manner that enables banks to better serve their customers and communities.

While ABA strongly supports the interim final rule, we encourage the Agencies to adopt two enhancements as they finalize it. First, the Agencies should clarify whether the extended examination cycle applies to de novo banks during their first three years of operation. Second, the Agencies should provide guidance identifying early warning indicators, such as rapid asset growth, that may justify more frequent examinations of otherwise eligible institutions.

ABA also recommends two technical revisions to improve clarity and accuracy:

- **State agency examinations.** Revise §§ 208.64(b)(3) and 337.14(b)(3) to clarify that the Board and FDIC recognize ratings assigned during applicable State banking agency examinations.² As currently drafted, these provisions could be read to suggest that the Board or FDIC assigned ratings in connection with State examinations. To avoid confusion, the Agencies should revise subsections (i) and (ii) to state that the bank or institution "was assigned" the applicable ratings.
- **Office of Thrift Supervision (OTS) reference.** Revise § 4.6(b)(4) to remove the obsolete reference to the OTS.

ABA strongly supports the Agencies' efforts to tailor examination cycles for well-managed institutions with strong or satisfactory financial performance. As the Agencies finalize the interim rule, we encourage them to adopt the enhancements outlined above to further improve transparency and supervisory certainty.

If you have any questions regarding these comments, please contact the undersigned at shubbard@aba.com. Thank you for your consideration.

Sincerely,

/s/

Steven J. Hubbard
Vice President, Policy

² Sections 208.64(b)(3) and 337.14(b)(3) refer to ratings that the Federal Reserve or FDIC "assigned" during the most recent examination, including examinations conducted by an applicable State banking agency. Because State banking agencies assign ratings in connection with their own examinations, these provisions could be read to imply that the Federal Reserve or FDIC assigned ratings for State examinations.