

December 22, 2025

The Honorable Travis Hill
Federal Deposit Insurance Corporation (FDIC)
550 17th Street NW
Washington, DC 20429

The Honorable Jonathan V. Gould
Office of the Comptroller of the Currency (OCC)
400 7th Street SW, Suite 3E-218
Washington, DC 20219

Submitted to: regulations.gov

RE: Request for Public Comments Regarding Prohibition on Use of Reputation Risk by Regulators, 90 Fed. Reg. 48,825 (proposed October 30, 2025); RIN 1557-AF34, RIN 3064-AG12; Docket ID: OCC-2025-0142

Dear Chairman Hill and Comptroller Gould,

We are pleased to submit these public comments on behalf of the American Association of Christian Schools (AACS) regarding the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation's (FDIC) "Request for Public Comments Regarding Prohibition on Use of Reputation Risk by Regulators." The AACS is a national organization comprising over 720 member schools across the country, employing more than 13,000 teachers and staff who serve approximately 118,000 students nationwide.

Like other faith-based institutions, the mission of our schools leads us to provide high-quality educational services that include strong academics and Christian teachings that instill the values and tenets of our faith into our students' lives. Our institutions hold to the Christian beliefs that provided the moral framework for our American way of life and republican government. However, in recent years, those very beliefs that ensure our free society have been viewed unfavorably by some government actors. Federal regulators can be motivated by animus to use subjective criteria like reputation risk to target institutions simply because of their religious or political beliefs or practice. Regulators can use reputation risk as a pretext to encourage debanking, which can have a devastating effect on an institution. Federal regulators currently wield vast power to damage an institution's reputation and financial stability when they allow bias and abuse of reputation risk regulations to influence their actions. President Trump acknowledges the dangers of debanking based on constitutionally protected freedoms in his Executive Order 14331 issued on August 7, 2025. The executive order states:

Individuals, their businesses, and their families have been subjected to debanking on the basis of their political affiliations, religious beliefs or lawful business activities, and have suffered frozen payrolls, debt and crushing interest, and other significant harms to their livelihoods, reputations, and financial well-being. Such practices are incompatible with a free society and the principle that the provision of banking services should be based on material, measurable, and justifiable risks.¹

In keeping with this executive order, the OCC and FDIC have issued proposed regulations that would prohibit the use of reputation risk as a factor by federal officials to encourage debanking or other adverse actions

¹ President Trump, Executive Order 14331, "Guaranteeing Fair Banking for All Americans," August 7, 2025, <https://www.federalregister.gov/documents/2025/08/12/2025-15341/guaranteeing-fair-banking-for-all-americans>.

against individuals or institutions for exercising their constitutional rights. The proposed regulation prevents the agencies from influencing a financial institution to begin or cease a business relationship with or take adverse action against an institution or individual based on their speech, religion, or political belief, or based on their politically disfavored or culturally unpopular but lawful actions. We submit these comments in support of that regulation and to encourage their strengthening in three areas, detailed below.

1. The OCC and FDIC should consider strengthening its regulatory language to include a prohibition not only on debanking due to an individual's religious or political beliefs, but also lawful actions proceeding from those beliefs. While the current proposal is an improvement upon current regulations, extending the regulatory protection to actions motivated by religious or political belief will add a much-needed layer of protection that aligns with Americans' constitutional rights. The First Amendment protects belief and actions motivated by that belief. These regulations should protect Americans to the full extent of the Constitution.
2. In addition, the OCC and FDIC should extend its prohibition of reputation risk as a factor in debanking decisions to all agency officials. As currently written, the proposal prohibits adverse action based on religious and political views by the supervisor of an institution. The rule should be extended to all agency officials to prevent an individual's bias from influencing decisions at all levels of the OCC and FDIC.
3. Last, the OCC and FDIC should not broaden the definition of reputation risk to include the "operational condition of the institution." Reputation risk is unavoidably subjective and opens the door to abuse and bias from federal agencies. The regulations should constrain the agencies so that consideration of financial or operational conditions is not used as justification for adverse actions based on an institution's exercise of its constitutionally protected rights. The agencies can use other criteria to examine financial or operation risk without tying them to the subjective criteria of reputation risk. By stripping "financial condition of the institution" from its definition of reputation risk, the agencies would better prevent abuse and bias from coloring agency actions.

In conclusion, we applaud Treasury, the OCC, and the FDIC for highlighting the dangers of using reputation risk in its banking regulations. Reputation risk is vulnerable to abuse from agency officials and threatens fundamental constitutional rights. We ask the agencies to consider strengthening its language to better protect constitutional rights and to prevent bias from adversely affecting institutions. Thank you for your consideration of these public comments.

Sincerely,



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