

December 23, 2025

Jennifer M. Jones  
Deputy Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

Chief Counsel's Office  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street, SW  
Washington, DC 20219

Re: **Comment on Docket ID OCC-2025-0142./RIN 3064-AG12 - Prohibition on Use of Reputation Risk by Regulators**

Dear Sir or Madam,

The American Bankers Association (ABA)<sup>1</sup> is pleased to support the proposal (Proposal) of the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (FDIC) (collectively, the agencies) to codify the elimination of reputation risk from their supervisory programs.

The Proposal appropriately prohibits agencies from criticizing or taking adverse action against an institution on the basis of reputation risk, and from requiring or encouraging institutions to terminate or modify relationships based on political, social, cultural, or religious views. As the agencies note, "...supervisory judgments about reputation risk can create subjective regulatory interference in day-to-day business decisions that are better left to the judgment of the regulated institutions."<sup>2</sup>

Additionally, ABA appreciates the agencies' important acknowledgment that "[t]he proposed rule would not alter or affect the ability of an institution to make business decisions regarding its customers or third-party arrangements and to manage them effectively, consistent with safety and soundness and compliance with applicable laws."<sup>3</sup>

Although it is our understanding that the agencies have largely completed revising their examination manuals and other supervisory policy documents to accomplish the Proposal's

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<sup>1</sup> The American Bankers Association is the voice of the nation's \$25.1 trillion banking industry, which is composed of small, regional, and large banks that together employ over 2 million people, safeguard \$19.7 trillion in deposits, and extend \$13.2 trillion in loans.

<sup>2</sup> Proposal at 48826.

<sup>3</sup> Proposal at 48827

objectives, ABA agrees that they should also adopt the Proposal as a final regulation to increase the transparency and consistency of the supervisory process.

The Proposal will enhance objectivity in supervision, reduce unnecessary compliance burdens, and allow the agencies to focus their resources on material risks to the financial condition of a firm. ABA commends the agencies for taking steps to promote transparency and consistency in supervision.

The ABA supports the Proposal and urges the agencies to finalize it promptly.

Thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact the undersigned at [REDACTED].

Very truly yours,

/s/

Hu A. Benton  
Senior Vice President and Policy Counsel