From: [redacted]
To: [redacted]
Subject: [EXTERNAL MESSAGE] October 30th, 2025 - Unsafe or Unsound Practices, Matters Requiring Attention (RIN 3064–AG16)
Date: Monday, November 24, 2025 6:29:54 PM

[redacted]

Stakeholder Comment on the FDIC Notice of Proposed Rulemaking Regarding Unsafe or Unsound Practices and Matters Requiring Attention (MRAs)

Thank you for the opportunity to provide comments on the FDIC's proposed rule regarding the scope and use of "unsafe or unsound practices" and the standards governing the issuance of Matters Requiring Attention.

I agree that, in recent years, some supervisory feedback has drifted into overly prescriptive or process-oriented recommendations that go beyond what is needed to ensure safety and soundness. Clearer boundaries and more consistent application of supervisory expectations would be beneficial for both regulators and the institutions they oversee.

However, I am concerned that the proposed rule may swing the pendulum too far in the opposite direction. By significantly narrowing the definition of what constitutes an unsafe or unsound practice and by limiting the types of issues that can warrant an MRA, the rule may inadvertently restrict examiners' ability to prompt corrective action early—at a stage when risks are still manageable and before they escalate into more serious problems.

Effective supervision requires the ability to intervene proportionally and proactively. If examiners are constrained to act only when a clear, immediate, and quantifiable threat is present, the agency may lose one of its most important tools: the ability to require timely remediation of emerging weaknesses that, while not yet causing harm, pose realistic future risk.

I respectfully recommend that the FDIC consider adjustments to preserve early-intervention authority while still addressing the valid concerns around excessive process mandates. A balanced framework would (1) limit prescriptive procedural comments, (2) require examiners to tie supervisory feedback to material risk, but (3) still allow examiners to issue MRAs when weaknesses, if left unaddressed, could reasonably lead to elevated risk even if they have not yet risen to the level of an "unsafe or unsound practice."

Thank you for considering these comments and for your ongoing efforts to strengthen the clarity, consistency, and effectiveness of the supervisory process.