

# Prohibition on Use of Reputation Risk by OCC/FDIC

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**Submitted by:**

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## **Comment**

The Christian Employers Alliance (CEA) submits this comment supporting the OCC and FDIC's joint rule prohibiting the use of "reputation risk" to discourage or penalize lawful customer relationships—including those based on political, social, cultural, or religious viewpoints.

Debanking concerns are not hypothetical. Several of the nation's largest financial institutions have publicly amended their policies in 2025 to clarify protections for customers' religious and political viewpoints, underscoring both the scale of the problem and the need for firm regulatory guardrails. These developments reinforce a simple point: the reputation-risk framework has been applied in ways incompatible with fair access to financial services.

CEA strongly supports the agencies' recognition that reputational concerns tied to viewpoint discrimination should never be a basis for supervisory action. The proposed rule appropriately affirms that regulators must evaluate only risks that materially affect an institution's financial or operational condition.

To further strengthen the rule, however, CEA urges the agencies to adopt the following improvements:

### **1. Remove all remaining uses of "reputation risk," not only those tied to protected viewpoints.**

The rule's two-tier approach preserves regulatory discretion to cite reputation risk for certain business activities. Any continued allowance leaves open the door to future abuse. Reputation risk is intrinsically subjective; it invites regulators to act as political arbiters rather than neutral evaluators of material financial risk.

CEA urges the agencies to abandon reputation risk entirely in favor of clear, material, objective safety-and-soundness metrics.

**2. Broaden protections to include religious exercise and association.**

The current text protects “religious views or beliefs,” yet religious organizations are often targeted because of their activities — charitable work, ministry engagement, public advocacy, or association with certain causes. The rule should clarify that it forbids supervisory action based on “religious exercise, expression, conduct, or association.”

**3. Expand the prohibition to all agency officials.**

History shows that directive pressure can originate from OCC and FDIC headquarters, not merely examiners. To ensure agency-wide neutrality, the prohibition should apply to all employees and divisions.

**4. Increase transparency for any account-related supervisory recommendation.**

Opaque supervisory communications contribute to the debanking problem. The agencies should require documented, objective justification for any supervisory communication suggesting risk associated with a customer relationship.

The OCC and FDIC have an opportunity to set an enduring, viewpoint-neutral standard that protects all Americans. CEA urges full adoption of these enhancements.

Respectfully submitted,

**Bob Ballinger**

Christian Employers Alliance