



December 29, 2025

Chief Counsel's Office  
Comment Processing  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street SW, Suite 3E-218  
Washington, DC 20219

Jennifer M. Jones  
Deputy Executive Secretary  
Attention: Comments-RIN 3064-AG12  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington D.C. 20429

Regarding: Notice of Proposed Rulemaking - Prohibition on Use of Reputational Risk by  
Regulators - OCC Docket ID OCC-2025-0142 and FDIC RIN 3064-AG12

Dear Federal Banking Regulators:

The Community Bankers Association of Illinois ("CBAI"), which proudly represents nearly 250 Illinois community banks, welcomes the opportunity to provide our observations and recommendations regarding the Office of the Comptroller of the Currency ("OCC") and the Federal Deposit Insurance Corporation ("FDIC") (together "Regulators" or "Agencies") notice of proposed rulemaking regarding reputational risk ("Proposal"). CBAI understands the Regulators are proposing to codify the elimination of reputational risk from their supervisory programs. The Proposal would prohibit the Agencies from "requiring, instructing, or encouraging an institution to close an account, to refrain from providing an account, product or service, or to modify or terminate any product or service on the basis of a person or entity's political, social, cultural, or religious views or beliefs, constitutional protected speech, or solely

CBAI is dedicated exclusively to representing the interests of Illinois community banks and thrifts through effective advocacy, outstanding education, and high-quality products. CBAI's members hold more than \$80 billion in assets, operate 940 locations statewide, and lend to consumers, small businesses, and agriculture. For more information, please visit [www.cbai.com](http://www.cbai.com).

on the basis of politically disfavored but lawful business activities perceived to present reputational risk [("Actions")].” CBAI supports the prohibitions contained in this Proposal.

CBAI has consistently opposed past initiatives to pressure banks to deny banking services to legal but politically disfavored businesses. A recent and distressing example was *Operation Chokepoint*, which was an initiative that was enforced from 2013 until 2017. Although this policy was implemented under the guise of combating financial fraud by cutting off access to the banking and payments system for certain businesses, it was unfortunately used for pernicious political purposes.

CBAI opposed *Operation Chokepoint* because it was an unnecessary and harmful politicalization of supervisory and examination activity and it focused on issues other than safety and soundness. If these Actions are not prohibited, there could be a future inappropriate use of this discretion on the part of regulators and their examiners.

Notwithstanding our strong objection to the inappropriate use of reputational risk for the above-stated reasons, there are legitimate instances where community banks need to be cautious about their actions and dealings to protect their reputation. Appropriate concerns for their reputation as a trusted source of financial services to their customers and communities would include (but are not necessarily limited to) guarding against fraudulent activities and the effective management of third-party vendor relationships. CBAI believes that the well-deserved and exemplary reputation of community banks is well protected by their managements’ constant and careful attention to their actions and dealings, which CBAI recommends should be encouraged and facilitated by the Regulators.

CBAI appreciates the opportunity to provide our comments and recommendations about this Proposal. Please contact me with any questions at [REDACTED] or [REDACTED]

Sincerely,

/s/

David G. Schroeder  
Senior Vice President  
Federal Governmental Relations