

# OCC-2025-0174

Re: Unsafe or Unsound Practices, Matters Requiring Attention (comment period ends Dec. 29, 2025)

**Submitted by:** Concerned Citizen

**Date:** December 22, 2025

## **Where to send / how to submit:**

Submit electronically via Regulations.gov docket OCC-2025-0174 (use the “Comment” button on the docket document page).

If submitting by mail/hand delivery, follow the instructions in the Federal Register notice and agency guidance referenced on the docket.

## **Public Comment Letter**

I submit this comment opposing regulatory changes or supervisory policy shifts that would weaken the Office of the Comptroller of the Currency’s ability to identify, document, and remediate “unsafe or unsound practices” and “matters requiring attention” (MRAs) in national banks and federal savings associations. The supervisory tools covered by this docket are core prudential controls that protect depositors, consumers, and the stability of the financial system, particularly during credit-cycle turning points when risk concentrations become visible only after losses crystallize.

Any framework that narrows examiner discretion, raises procedural hurdles for issuing MRAs, or discourages timely escalation of deficient governance, risk management, compliance, or internal controls risks degrading supervisory effectiveness. In practice, delays in issuing or enforcing MRAs can allow problems to metastasize into capital impairment, liquidity stress, and consumer harm (e.g., unfair or deceptive practices in product design and servicing; inadequate AML compliance; deficient third party risk governance).

Under the Administrative Procedure Act (APA), the OCC must provide a reasoned explanation for any departure from prior supervisory practice and must confront foreseeable countervailing risks—particularly the well-documented tendency of financial institutions to increase risk-taking when constraints are relaxed and when monitoring is blunted. If the OCC relies on cost-benefit rationales, it must quantify (or at minimum seriously analyze) likely increases in loss severity, enforcement backlogs, and tail-risk outcomes rather than focusing only on near-term compliance cost reductions.

I further request that the OCC address distributional impacts. Weakening supervisory escalation mechanisms can shift costs onto households and small businesses through tighter credit after losses, higher fees, degraded service quality, and increased fraud and cyber exposure. The agency must explain how the proposal aligns with statutory safety-and-soundness objectives and how it preserves credible deterrence.

Finally, I expressly reserve the right to seek judicial review of any final action that is arbitrary, capricious, contrary to law, inadequately explained, or unsupported by the administrative record, including under the APA and any applicable constitutional limitations on arbitrary governmental action.

## **Selected legal authorities and supporting references (Bluebook-style)**

5 U.S.C. § 553 (notice-and-comment rulemaking); 5 U.S.C. § 706(2)(A) (arbitrary-and-capricious review).

Motor Vehicle Mfrs. Ass'n of U.S., Inc. v. State Farm Mut. Auto. Ins. Co., 463 U.S. 29 (1983).

FCC v. Fox Television Stations, Inc., 556 U.S. 502 (2009) (reasoned explanation required for policy change).

Encino Motorcars, LLC v. Navarro, 579 U.S. 211 (2016) (unexplained change = arbitrary and capricious).

Dep't of Com. v. New York, 588 U.S. 752 (2019) (agency must offer genuine justifications; pretext problems).

Massachusetts v. EPA, 549 U.S. 497 (2007) (agency must ground decisions in statutory factors and science).

Regulations.gov, Unsafe or Unsound Practices, Matters Requiring Attention, Docket/Document (Comment Period Ends Dec. 29, 2025).