Via Federal eRulemaking Portal
Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (FDIC)

Subject: Prohibition on Use of Reputation Risk by Regulators; Docket ID OCC-2025-0142
Closing Date December 29, 2025

To Whom It May Concern,

My name is Nicole Back and I am a student at Stetson University College of Law and have been working in the legal field, both in the non-profit sector and private law firms, for nearly 10 years as a non-attorney. I appreciate the OCC and FDIC's efforts to clarify that bank supervision and enforcement actions should be based in objective criteria, not subjective "reputation risk." To that end, I write today with my general support of the proposed rule on the Prohibition on Use of Reputation Risk by Regulators (Docket ID OCC-2025-0142).

This rule, if properly implemented and enforced, can promote transparency, neutrality, and predictability in financial regulation. These values are essential to effective compliance and to public confidence in the banking system. Even more so now in the current political climate in which those in power are using that power to threaten or enact retaliatory action against those who they see as opposed to their own views. By ensuring that oversight decisions rest on clear, objective standards rather than on subjective, shifting political or social preferences, this rule can reinforce the idea that the financial system must be insulated from partisan influence.

However, I strongly encourage careful and bipartisan implementation of this rule, to ensure that it is not only applied to certain groups and disregarded for others, to ensure the spirit of true objective equality is achieved in actuality.

This proposed rule would codify OCC and FDIC (the "agencies") removal of reputation risk from their supervisory framework. This would codify the practice that regulators cannot take adverse supervisory action (such of formally or informally criticizing an institution on the basis of that perceived reputation risk, encouraging an employee of an institution to not do business/terminate a contract with a particular third-party based on perceived reputation risk, etc.) against a bank or credit institution based on perceived reputation risk alone. In plain language, that they cannot take adverse supervisory action against these institutions by claiming some kind of entity they are working with or action is too "controversial" or problematic in some way that will impact that institutions reputation, despite being perfectly legal. This rule is based in fact and efficiency, insofar as the agencies' supervisory experience using reputation risk as a factor has not shown to actually predict how certain activities and customer relationships impact that institution's reputation and therefore how that impacts their "safety and soundness." Public opinion is fickle and even the most well executed moves can backfire very unexpectedly, especially with social media as it is. So, predicting how certain actions and relationships will impact an institution's reputation and then its ensuing financial condition is not easily, or seemingly successfully, done. Other factors, like credit and liquidity risk, actually help assess an institution's financial condition.

In addition to making logical sense as a shift towards more reliable and efficient factors in supervisory analysis, it also supports a more genuine fairness, confidence and transparency in the system in a time where that is sorely missing in a lot of areas. While it is the stated rationale that the agencies want to ensure this oversight is applied consistently and apolitically, which is commendable, it is so important that there is some accountability to ensure that it is true in practice and not just another nice sounding idea. I encourage the agencies to monitor whether this rule, once implemented, actually results in measurable improvement in access to financial services to lawful, underserved sectors that may face stigma. To ensure ongoing trust and transparency, I suggest requiring the agencies to publish annual summaries examining findings and enforcement trends demonstrating adherence to this rule. Public reporting would both strengthen accountability and reassure consumers that removing "reputation risk" as a factor does not compromise oversight integrity and that the rule is being applied consistently.

I do appreciate the steps being taken to ensure transparency, I just want to stress how much consistency and equality in the application of this rule matter in ensuring it actually does what it purports to do.

Thank you for your time and your consideration of my comment.

Kind regards,

Nicole Back

Stetson University College of Law

Juris Doctor Candidate | May 2027