

Statement by Chairman Travis Hill on the Final Rule to Remove Reputational Risk from the FDIC's Supervisory Program

April 7, 2026

Today's final rule would codify the elimination of "reputation risk" from the FDIC's supervisory program. While a bank's reputation is critically important, and many financial institutions over the years have failed due to a loss of *confidence*,¹ supervisory focus on "reputation risk" outside of traditional risk channels (such as credit risk or market risk) adds little value to promoting safety and soundness. On the other hand, an explicit or implicit focus on "reputation risk" untethered from other risk channels can pressure banks into debanking law-abiding customers who are viewed unfavorably by supervisors. Today's final rule is one step in ensuring we remain focused on our key responsibilities, color within the lines, and "keep the main thing the main thing."²

I thank the FDIC and OCC staff for their work on the final rule and throughout the rulemaking process.

¹ See, e.g., John Maxfield, "[The 12 Reasons Banks Fail - Pt. 2](#)," *Maxfield on Banks* (Feb. 8, 2025) ("Confidence is king in banking. Lose that, you lose your bank.").

² Dave McMenamin, "[NBA Finals: Inside the relationships and history that bind the Lakers and Heat](#)," *ESPN* (Oct. 20, 2020) ("There's almost no phrase you'll hear [LeBron] James say more often than 'keep the main thing the main thing.' It's a Pat Riley staple, a saying the Heat president uses to underscore the discipline he believes an individual must have to reach the pinnacle of the sport.").