

### **Statement at December 2025 FSOC Meeting**

The FDIC remains hard at work to improve its supervisory and regulatory approach across an array of issues, while still continuing to fulfill our core mission of insuring deposits, promoting the safety and soundness of banks, and resolving failed institutions.

At the last FSOC meeting in September, I detailed a number of actions we had taken earlier this year, or were planning to take in the coming months, to execute on these goals.<sup>1</sup>

Since September, our progress has continued, including:

- Issuing a notice of proposed rulemaking (NPR), jointly with the OCC, that would define “unsafe or unsound practice” for purposes of Section 8 of the Federal Deposit Insurance Act and “matters requiring attention” (MRAs), and set up a new framework for issuing nonbinding supervisory observations;<sup>2</sup>
- Issuing an NPR, jointly with the OCC, that would prohibit examiners from (1) criticizing or taking adverse action against banks on the basis of reputational risk or (2) requiring, instructing, or encouraging an institution to close accounts or take certain other actions on the basis of a customer’s political, social, cultural, or religious views or beliefs, among other reasons;<sup>3</sup>
- Rescinding Biden-era guidance on climate-related financial risks;<sup>4</sup>
- Issuing a final rule raising and indexing 37 asset-based thresholds, most of which apply to audit, internal control, and related reporting requirements, providing meaningful relief for community banks;<sup>5</sup>
- Issuing an NPR, jointly with the OCC and Federal Reserve, that would amend the Community Bank Leverage Ratio (CBLR) to expand the universe of eligible institutions and encourage broader adoption;<sup>6</sup>

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<sup>1</sup> See Travis Hill, [Statement, Meeting of the Financial Stability Oversight Council](#) (Sept. 10, 2025).

<sup>2</sup> Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, [Unsafe or Unsound Practices, Matters Requiring Attention](#), 90 Fed. Reg. 48,835 (Oct. 30, 2025).

<sup>3</sup> Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, [Prohibition on Use of Reputational Risk by Regulators](#), 90 Fed. Reg. 48,825 (Oct. 30, 2025).

<sup>4</sup> Press Release, Federal Deposit Insurance Corporation, [Agencies Announce Withdrawal of Principles for Climate-Related Financial Risk Management](#) (Oct. 16, 2025).

<sup>5</sup> Federal Deposit Insurance Corporation, [Adjusting and Indexing Certain Regulatory Thresholds](#), 90 Fed. Reg. 55,789 (Dec. 4, 2025).

<sup>6</sup> Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation, [Regulatory Capital Rule: Revisions to the Community Bank Leverage Ratio Framework](#), 90 Fed. Reg. 55,048 (Dec. 1, 2025).

- Issuing a final rule, jointly with the OCC and Federal Reserve, to modify the enhanced supplementary leverage ratio, to ensure it more frequently serves as a backstop to risk-based capital standards;<sup>7</sup>
- Launching a number of initiatives to improve our resolution capabilities, including a pilot program for expanded nonbank participation in the failed bank bidding process;<sup>8</sup>
- Implementing a revised examination cycle that reduces the frequency of compliance examinations for most small banks;<sup>9</sup>
- Conducting reviews of potential debanking in response to the President's Executive Order on politicized or unlawful debanking;<sup>10</sup> and
- Withdrawing from the 2013 interagency leveraged lending guidance, replacing it with general principles for safe and sound lending, to promote more bank lending to businesses that drive economic growth.<sup>11</sup>

We continue to have a busy agenda for the upcoming months, which includes additional steps to reform supervision, such as CAMELS reform and updates to our examination manuals; implementation of the GENIUS Act; a reproposal of the 2017 Basel agreement; and an interagency proposal to reform the BSA Program Rule, among many other items.

I thank my fellow Council members for their continued collaboration on these and other issues, and Secretary Bessent for his leadership.

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<sup>7</sup> Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation, [Regulatory Capital Rule: Modifications to the Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Their Subsidiary Depository Institutions; Total Loss Absorbing Capacity and Long-Term Debt Requirements for U.S. Global Systemically Important Bank Holding Companies](#), 90 Fed. Reg. 55,248 (Dec. 1, 2025).

<sup>8</sup> See Travis Hill, [Resolution Readiness and Lessons Learned from Recent Large Bank Failures](#) (Oct. 15, 2025) (“On a go-forward basis, we have developed a pre-qualification process for nonbank bidders, with the intent of qualifying nonbank bidders in advance of any offering. The FDIC plans to pilot this qualification process with bidders who participated in the bidding process for the April 2024 failure of Republic First Bank and the 2023 asset sales following the failure of Signature Bank, as well as with other nonbank firms that have expressed interest in pre-failure loan sales. This pilot process will start in January 2026 and will be revised based on feedback. The FDIC expects to publicly release the pre-failure qualification process and application after receiving feedback from the pilot program.”).

<sup>9</sup> Federal Deposit Insurance Corporation, [FDIC Updates its Consumer Compliance Examination Schedule](#), FIL-52-2025 (Nov. 7, 2025). Most banks with between \$350 million and \$3 billion in assets now have a compliance exam approximately once every five years with a midcycle review, and most banks with less than \$350 million in assets now have a compliance exam approximately once every six years with a midcycle review.

<sup>10</sup> Executive Order 14331, [Guaranteeing Fair Banking for All Americans](#), 90 Fed. Reg. 38,925 (Aug. 12, 2025) .

<sup>11</sup> Press Release, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, [Interagency Statement on OCC and FDIC Withdrawal from the Interagency Leveraged Lending Guidance Issuances](#) (Dec. 5, 2025).