



March 2, 2026

VIA ELECTRONIC SUBMISSION

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

Re: OCC Guidelines for Establishing Heightened Standards for Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches (Docket ID OCC-2025-0207)

Ladies and Gentlemen:

The Financial Services Forum (the “Forum”)¹ appreciates the opportunity to submit this letter to the Office of the Comptroller of the Currency (the “OCC”) on its proposed amendments (the “Proposal”)² to the OCC Guidelines Establishing Heightened Standards for Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches codified at Appendix D to 12 C.F.R. Part 30 (the “Guidelines”).³ The Proposal would amend the definition of “covered bank” in the Guidelines to increase the average total consolidated assets threshold for applying the Guidelines from \$50 billion to \$700 billion. The Proposal is of significant importance to our member institutions—the eight U.S. globally systemically important bank holding companies—six of which have national bank subsidiaries.

¹ The Forum is an economic policy and advocacy organization whose members are the eight largest and most diversified financial institutions headquartered in the United States. Forum member institutions are a leading source of lending and investment in the United States and serve millions of consumers, businesses, investors and communities throughout the country. The Forum promotes policies that support savings and investment, deep and liquid capital markets, a competitive global marketplace and a sound financial system.

² *OCC Guidelines Establishing Heightened Standards for Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches*, 90 Fed. Reg. 61084 (Dec. 30, 2025).

³ 12 C.F.R. pt. 30, app. D.

We commend and fully support the OCC's desire to address "the extreme prescriptiveness of the Guidelines and their associated burden on covered banks,"⁴ and, more broadly, the OCC's commitment to refocus bank supervision on material financial risks.⁵ These efforts are a necessary course correction to reform a supervisory and examination process that has, in Comptroller Gould's words, become too focused on "procedural box-checking."⁶

The Proposal, however, does not go far enough. Instead of raising the asset threshold, the OCC should rescind the Guidelines in full.⁷ The policy rationales articulated in the Proposal for rescinding the Guidelines for banks below \$700 billion apply equally to the five national banks that would remain covered banks under the Proposal's new asset threshold (and the three national banks that are covered banks by affiliation).⁸

The Guidelines' overly prescriptive standards are inappropriate for a bank of any size because they prioritize documentation and process adherence over genuine risk identification and mitigation. They are a clear example of how "procedural

⁴ 90 Fed. Reg. at 61086.

⁵ Jonathan V. Gould, Comptroller of the Currency, *Remarks at the Financial Stability Oversight Council* (Sept. 10, 2025) ("More generally, we have begun reviewing supervisory strategies across banks of all sizes with the goal of eliminating ongoing or targeted examination activities that are not related to material financial risks, thus shrinking the burden on banks posed by our exam activities, document information requests, and the like. This will also help ensure we do not miss the things that really matter to a bank's financial condition . . .") ("September Gould Remarks"). *See also, e.g., Unsafe or Unsound Practices, Matters Requiring Attention*, 90 Fed. Reg. 48835, 48838 (proposed Oct. 30, 2025) ("[T]he agencies' judgment and experience [is] that their supervisory resources are best focused on practices that are likely to materially harm an institution's financial condition . . .") ("Unsafe and Unsound Practices NPR"); *Prohibition on Use of Reputation Risk by Regulators*, 90 Fed. Reg. 48825, 48826 (proposed Oct. 30, 2025) (examining for reputation risk "diverts bank and agency resources from more salient risks without adding material value from a safety and soundness perspective."); Jonathan V. Gould, Comptroller of the Currency, *Remarks at the Financial Stability Oversight Council* (Dec. 11, 2025) (discussing the OCC's reform efforts to undo counterproductive regulatory and supervisory constraints from the post-Dodd-Frank period and refocus supervisory and bank attention on material financial risks that genuinely threaten safety and soundness) ("December Gould Remarks").

⁶ September Gould Remarks.

⁷ The OCC expressly requested comments on whether it should rescind the Guidelines in Question 5 of the Proposal, thereby providing all interested parties with notice and a meaningful opportunity to comment on the option. *See* 90 Fed. Reg. at 61088 (Question 5); *CSX Transp., Inc. v. Surface Transp. Bd.*, 584 F.3d 1076, 1081 (D.C. Cir. 2009) ("We have found that a final rule represents a logical outgrowth where the NPRM expressly asked for comments on a particular issue or otherwise made clear that the agency was contemplating a particular change.").

⁸ 90 Fed. Reg. at 61087, n.36 (estimating there would be five remaining covered banking organizations when the lead covered bank and its affiliated national banks are combined).

box-checking” deters innovation, distracts from strategic thinking at both the board and management levels, and imposes undue burdens, costs and inefficiencies. The Guidelines mandate exactly the type of process-driven requirements that the OCC’s broader supervisory reform efforts seek to eliminate.

Part I of this letter explains why rescission is justified due to the fundamental flaws with the Guidelines and their inconsistency with the OCC’s supervisory reform priorities. If, however, the OCC determines to retain any aspect of the Guidelines, the OCC should reissue any remaining aspects as nonbinding supervisory guidance following appropriate notice and comment procedures, as discussed in Part II. If the Guidelines are reissued in any form, Part III explains how their approach, scope and content should be fundamentally reformed, and endorses the detailed substantive revisions described in the comment letter submitted by the Bank Policy Institute on the Proposal.⁹

I. The Guidelines should be rescinded in full.

At a fundamental level, the Guidelines are flawed because they represent a one-size-fits-all approach to risk governance and board oversight that is not mandated by any statute. They are a clear example of what Comptroller Gould has identified as “supervisory policy choices made after the 2008 crisis that *eroded* effective supervision”¹⁰ The OCC has now committed to refocusing supervision on material financial risks that genuinely threaten safety and soundness.¹¹ In our view, this goal compels the conclusion that the Guidelines must be rescinded in full.

The continued application of the Guidelines to banks of any size is directly contrary to this goal, because the Guidelines are replete with prescriptive requirements that do not pertain directly to material financial risk. For example, the Guidelines prescribe the issues that the full board, as opposed to a committee or management, must review or approve and how often they must approve them.¹² In practice, procedure-driven requirements like this one focus supervisory and institution resources on matters that are not likely to materially harm an institution’s financial condition and reduce the ability of the board to focus on its core responsibilities, including overseeing management and the execution of the bank’s strategy. The board also is responsible for understanding and overseeing material risk exposures and thus, should have the ability to respond with flexibility to evolving business needs and emerging risks as they arise. The Guidelines

⁹ See Bank Policy Institute, *Notice of Proposed Rulemaking: OCC Guidelines Establishing Heightened Standards for Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches*, OCC-2025-0207; RIN 1557-AF36 (Mar. 2, 2026) (“[BPI Letter](#)”).

¹⁰ December Gould Remarks (emphasis in original).

¹¹ *Supra* note 5.

¹² See, e.g., 12 C.F.R. pt. 30, app. D § II.D (requiring board approval of strategic plan at least annually).

thus fail to promote—and even impede—the ability of banks and their supervisors to focus on safety and soundness and material financial risks.

In rescinding the Guidelines for most covered banks, the Proposal highlights the burdens that their “extreme prescriptiveness” places on covered banks but provides no basis to conclude that this prescriptiveness does not also burden the management and supervision of those banks that would remain subject to the Guidelines.¹³ The Proposal also describes the benefits that should accrue to banks if they are given “the ability to design and implement a risk governance framework that is best suited to their banking organization,” in terms of innovation, board effectiveness and flexibility in tailoring risk management.¹⁴ Again, the Proposal provides no rationale as to why banks that would remain subject to the Guidelines should not obtain the same benefits as smaller banks in terms of flexibility to innovate and shape their risk governance framework to what is best suited for the individual bank. It merely notes that the “standards *may* only be justified for the largest and most complex institutions” because they pose a greater risk to financial stability,¹⁵ without evaluating the relative costs and benefits of continuing to apply the Guidelines to the largest national banks when compared to an alternative that relies on ordinary course, principles-based supervision.

The largest banks are subject to enhanced risk management standards at an enterprise-wide level. Prescriptive standards in excess of those enterprise-wide requirements can fragment risk management and undermine the resilience they seek to promote. Effective risk management requires continuous adaptation to the changing macroenvironment and evolving business needs, which requires a flexible and forward-looking approach. We agree with the OCC’s observation that the innovations in risk management implemented at banks no longer subject to the Guidelines will “have the potential to improve the effectiveness and efficiency of their risk management efforts.”¹⁶ Banks should, for example, have the flexibility to decide how best to implement roles and responsibilities for their independent functions as part of the three lines of defense. There is no justification for denying these benefits of flexibility and innovation to the five banking organizations that would remain subject to the Guidelines.

We submit that an arbitrary size threshold is not an appropriate tool for determining whether to apply a one-size-fits-all risk management framework to disparate national banks. Instead, all banks—state and national—should be subject to the same principles-based expectations—e.g., that they will “maintain robust risk governance frameworks, risk management systems, and processes that are tailored to their individual size,

¹³ 90 Fed. Reg. at 61086.

¹⁴ *Id.* at 61086-87.

¹⁵ *Id.* at 61086 (emphasis added).

¹⁶ *Id.* at 61087.

complexity, and risk profile.”¹⁷ Rescinding the Guidelines would reset these expectations and permit tailoring across all sizes of banks based on core principles of risk management focused on material financial risk and would have the added benefit of restoring parity between the supervisory standards applicable to national banks and state banks.

Our members have deep sophistication and experience identifying, mitigating and managing risk. If the Guidelines were rescinded, our members would remain subject to multiple levels of other, principles-based statutory, regulatory and supervisory risk governance expectations, including under the Dodd-Frank Act as implemented by the Federal Reserve Board’s Regulation YY and, for our members with national banks, other existing OCC risk management guidance.¹⁸ Our members welcome supervisory scrutiny, dialogue and collaboration over the best ways to manage their material financial risks, but we believe this should be done through a principles-based approach without prescriptive governmental mandates, as proposed for other banks currently subject to the Guidelines.

We urge the OCC to pursue the policy judgments of the Proposal and the OCC’s broader supervisory reform efforts to their logical end and rescind the Guidelines in full.

II. If the OCC determines to retain any aspect of the Guidelines, the OCC should reissue any remaining aspects as nonbinding supervisory guidance following appropriate notice and comment procedures.

Because the Guidelines were issued under Section 39 of the Federal Deposit Insurance Act (“Section 39”),¹⁹ subject to Section 39’s enforcement provisions, their prescriptive procedural and documentation requirements are potential bases for enforcement even in the absence of a connection to material financial risk. This is incompatible with the approach to enforcement endorsed by the OCC in the Unsafe and Unsound Practices NPR and the OCC’s overall supervisory reform efforts. If the OCC were to retain any aspect of the Guidelines, this flaw must be corrected by removing the Guidelines from 12 C.F.R. Part 30 and reissuing them as nonbinding supervisory guidance after seeking public comment through a notice of proposed rulemaking.

Under Section 39, the Guidelines provide an alternative, more expansive basis for the OCC to bring enforcement actions and supervisory criticism than would apply under the standard proposed in the Unsafe and Unsound Practices NPR. This heightened enforcement risk incentivizes covered banks to devote additional resources to ensure

¹⁷ *Id.*

¹⁸ See 12 C.F.R. pt. 252. See also, e.g., 12 C.F.R. pt. 30, app. A; OCC Bulletin 2023-17, *Third-Party Relationships: Interagency Guidance on Third-Party Risk Management* (June 6, 2023); OCC Bulletin 2011-12, *Supervisory Guidance on Model Risk Management* (Apr. 4, 2011); OCC, *Comptroller’s Handbook*.

¹⁹ 12 U.S.C. § 1831p-1.

technical compliance with the Guidelines' prescriptive mandates, which is inconsistent with the OCC's supervisory objective "to concentrate supervisory and bank attention on material financial risks that genuinely threaten safety and soundness, not on secondary procedural issues."²⁰

The Guidelines should not, by themselves, provide a basis for issuing Matters Requiring Attention ("MRAs") or initiating enforcement actions unless, consistent with the Unsafe and Unsound Practices NPR standard, an issue involves a reasonable expectation or likelihood of causing material financial harm to the bank.²¹ Both the Unsafe and Unsound Practices NPR and the Proposal make clear that enforcement actions and MRAs should be grounded in demonstrated deficiencies that give rise to material financial risk, rather than technical departures from prescriptive governance requirements.²² All OCC-supervised banks should be able to rely on a clear and consistent approach to supervisory expectations, focused on material financial risk, across the Guidelines and other regulations.

Although retaining any aspect of the Guidelines could still encourage process-driven supervision, reissuing the Guidelines as nonbinding supervisory guidance outside of Part 30 and Section 39, when combined with the Unsafe and Unsound Practices NPR, would appropriately align the standard for supervisory criticism and enforcement action with the OCC's supervisory priorities. Removing the Guidelines from Part 30 and Section 39 would make clear that examiners should prioritize supervision and enforcement efforts on substantive threats to banks' financial health and the financial system rather than on administrative or procedural deficiencies.

III. If the Guidelines are retained in any form, the OCC should fundamentally reform their approach, scope and content to ensure they align with the OCC's supervisory objectives.

The OCC has repeatedly emphasized that both supervisors and banks should "prioritize material financial risks over concerns related to policies, process, documentation, and other nonfinancial risks."²³ If the OCC retains any aspect of the Guidelines, or retains the expectations therein in supervisory guidance or supervisory manuals, it should revise the

²⁰ December Gould Remarks.

²¹ See 90 Fed. Reg. at 48841 ("[P]ractices, acts, or failures to act that are captured by the proposed MRA standard would, in the vast majority of cases, relate directly to risks of material harm to the financial condition of an institution or violations of certain laws and regulations. Material financial risks will, in the vast majority of cases, relate directly, clearly and predictably to an institution's capital, asset quality, earnings, liquidity, or sensitivity to market risk.").

²² *Id.* at 48836 ("Moreover, the agencies believe it is critical that examiners and institutions prioritize material financial risks over concerns related to policies, process, documentation, and other nonfinancial risks and that their enforcement and supervision standards further that prioritization.").

²³ 90 Fed. Reg. at 61087. See also note 5 above.

approach, scope and content to ensure any remaining framework is proportionate, risk-focused, aligned with the OCC's stated supervisory objectives and does not otherwise frustrate the effective implementation of other public policy goals.²⁴ To this end, we endorse the detailed substantive revisions described in the comment letter submitted by the Bank Policy Institute on the Proposal²⁵ and note just a few thematic points of emphasis below.

First, it would be important for any such revised guidance to be limited to only those elements of the corporate governance framework that are demonstrably linked to material financial risk and to eliminate overly prescriptive board and senior management requirements. Many of the current board requirements in the Guidelines, particularly mandates regarding board composition, training and conduct, and board reviews and approvals, divert attention from the board's core responsibilities and promote a process-focused, rather than strategic- and risk-focused, approach to the board's function. Similar prescriptive requirements and duties also apply to senior management in ways that are unrelated to material financial risk. These requirements would need to be removed.

Second, revised guidance would also need to include more flexibility than is currently provided in the Guidelines for a covered bank to leverage its parent company's enterprise-wide risk management framework. Large banking organizations generally operate under integrated risk governance structures designed to ensure consistency, efficiency and effective oversight across the enterprise. Mandating a duplicative, bank-specific risk governance framework wastes resources for little supervisory benefit and can undermine coherent risk management across the organization. If the Guidelines are retained in any form, the OCC should adopt a presumption that a covered bank may rely on its parent company's risk management framework regardless of the relative size of the bank within the broader organization.

Third, the common control prong of the definition of covered bank should be removed.²⁶ If the OCC wishes to require a covered bank's sister bank that does not independently meet the Guidelines' threshold or other scope criteria to adhere to any aspect of the Guidelines, the OCC should do so through clearly articulated standards and following appropriate notice and comment procedures.

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²⁴ December Gould Remarks.

²⁵ See BPI Letter.

²⁶ 12 C.F.R. pt. 30, app. D § I.E.5.b.

Thank you for considering these comments. If you have any questions, please contact Sean Campbell of the Financial Services Forum by phone at (202) 821-2574 or by email at scampbell@fsforum.com.

Respectfully submitted,

Financial Services Forum