



Supervisory Update News Summary

AS OF OCTOBER 15, 2025

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Net Interest Margins Bump Reg Burden as Top Community Bank Concern	Press Release October 7, 2025	Community bankers report net interest margins have overtaken regulatory burden as their top external risk in the 2025 CSBS Annual Survey of Community Banks . Now in its twelfth year, the annual survey gauges internal and external risks, competition, safety and soundness, and deposit insurance policy. This year, community bankers expressed that their internal concerns remain steady, while external threats have shifted dramatically. Regulatory burden fell to the sixth highest concern amid a changing political landscape. Now, core deposit growth ranks second among surveyed banks, followed by economic conditions, cost of technology, and cost of funds.	CSBS
Community Banker Optimism Reaches New High	Press Release October 2, 2025	Community banker sentiment reached a peak in the third quarter results of the Conference of State Bank Supervisors (CSBS) Community Banking Sentiment Index (CBSI). The latest CBSI gained seven points from last quarter to 133 points, a record high since the survey's inception in 2019. The monetary policy indicator also reached an all-time high, improving 16 points to 130. Expected future business conditions was the only component pulling the index down, although this measure improved seven points from last quarter and now sits just below the neutral level of 100.	CSBS
Cendera Bank, National Association, Bells, Texas, Converts to a State-Chartered Bank	Press Release October 1, 2025	Banking Commissioner Charles G. Cooper announced today that Cendera Bank, National Association, headquartered in Bells, Texas, has completed its conversion to a Texas state-chartered bank from a national banking association. The bank will begin operating as Cendera Bank under its new charter effective October 1, 2025.	TDB

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Texas Department of Banking Unveils FLEX System	IN 2025-07 September 29, 2025	The Texas Department of Banking (Department) is transitioning to the new file transfer portal system, FLEX, in 2025. The new FLEX system, set to replace the current Document Exchange (DEX) Program, will use updated technology and offer secure file transfers between the Department and regulated entities. The FLEX System is designed to improve security, organization, communication, and data sharing. Entities and their representatives will continue to access this portal through the Department’s external website .	TDB
Frequently Asked Questions Regarding Suspicious Activity Reporting Requirements	FIL-48-2025 October 10, 2025	The FinCEN, jointly with the Board of Governors of the Federal Reserve System (Federal Reserve), the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (each an “Agency” and collectively the “Agencies”) is issuing answers to frequently asked questions (FAQs) regarding Suspicious Activity Reports (SARs) and other anti-money laundering (AML) considerations for financial institutions covered by SAR rules.	FinCEN, FDIC, FRB
FinCEN Announces Postponement of Residential Real Estate Reporting Until March 1, 2026	Press Release September 30, 2025	To reduce business burden and ensure effective regulation, the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) today announced that it will postpone reporting requirements of the Anti-Money Laundering Regulations for Residential Real Estate Transfers Rule (RRE Rule) until March 1, 2026. FinCEN is taking this step to provide industry with more time to comply—consistent with the Administration’s agenda to reduce compliance burden—while still adequately protecting the U.S. financial system from money laundering, terrorist financing, and other serious illicit finance threats.	FinCEN
FinCEN Renews Residential Real Estate Geographic Targeting Orders	Press Release October 9, 2025	FinCEN announced the renewal of its Geographic Targeting Orders (GTOs) that require U.S. title insurance companies to identify the natural persons behind shell companies used in non-financed purchases of residential real estate. The GTOs are effective beginning October 10, 2025.	FinCEN

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Agencies Issue Proposal to Focus Supervision on Material Financial Risks	FIL-45-2025 October 7, 2025	The Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (the agencies) issued a joint notice of proposed rulemaking that would continue their effort to focus supervision on material financial risks. Among other things, the proposal would define the term “unsafe or unsound practice” for purposes of section 8 of the Federal Deposit Insurance Act and revise the supervisory framework for the issuance of matters requiring attention (MRAs) and other supervisory communications.	FDIC and OCC
Agencies Issue Proposal to Prohibit Use of Reputation Risk by Regulators; FDIC Removes References to Reputation Risk from Examination and Other Materials	FIL-46-2025 October 7, 2025	The OCC and the FDIC (the agencies) issued a joint notice of proposed rulemaking that would codify the removal of reputation risk from their supervisory programs. In conjunction with the proposed rule, the FDIC is announcing the removal of references to reputation risk from its guidance, policy documents, and examination manuals to memorialize the agency’s instruction to examiners not to use reputation risk as a basis for supervisory criticism.	FDIC and OCC
Agencies Issue Reminder to Institutions on Lending When the National Flood Insurance Program Is Unavailable	Press Release October 1, 2025	Federal financial institution regulatory agencies today remind lenders that they may continue to make loans that are subject to the federal flood insurance statutes when the National Flood Insurance Program is not available. During this period, lenders are allowed to make these loans without requiring federal flood insurance.	FDIC

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Federal Reserve Board Announces Expanded Operating Days of Two Large-Value Payments Services, Fedwire® Funds Service and the National Settlement Service (NSS)	Press Release October 9, 2025	The Federal Reserve Board on Thursday announced expanded operating days of two large-value payments services, Fedwire® Funds Service and the National Settlement Service (NSS), to include Sundays and weekday holidays. The Reserve Banks will implement this expansion in several years, no earlier than 2028 to ensure operational and industry readiness.	FRB
Federal Reserve Board Announces Approval of Application by Huntington Bancshares Incorporated	Press Release October 3, 2025	The Federal Reserve Board on Friday announced its approval of the application by Huntington Bancshares Incorporated, of Columbus, Ohio, to acquire Veritex Holdings, Inc., and thereby indirectly acquire Veritex Community Bank, both of Dallas, Texas.	FRB
Dallas Fed: Texas Employment Forecast Softens Despite Strong August Job Growth	News Release September 22, 2025	The Texas Employment Forecast released by the Federal Reserve Bank of Dallas indicates jobs will increase 1.3 percent in 2025, with an 80 percent confidence band of 1.0 to 1.6 percent. That is down from the 1.5 percent growth forecasted last month, a downshift that is largely a result of benchmark revisions to first quarter employment data. The forecast is based on an average of four models that include projected national GDP, oil futures prices, and the Texas and U.S. leading indexes.	FRB-Dallas

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Defining 'Unsafe or Unsound Practice' and Revising the Framework for Issuing Matters Requiring Attention and Other Supervisory Communications: Interagency Notice of Proposed Rulemaking	OCC Bulletin 2025-29 October 7, 2025	The OCC and the FDIC (collectively, the agencies) are proposing to issue a joint notice of proposed rulemaking that would define the term "unsafe or unsound practice" for purposes of section 8 of the Federal Deposit Insurance Act (12 USC 1818) and revise the supervisory framework for the issuance of matters requiring attention (MRA) and other supervisory communications. The proposed rule is intended to promote greater clarity and certainty regarding certain enforcement and supervision standards and to ensure that these standards prioritize material financial risks.	OCC
Community Bank Licensing Amendments: Notice of Proposed Rulemaking	OCC Bulletin 2025-28 October 6, 2025	The OCC is proposing to amend its regulations to simplify licensing requirements for corporate activities and transactions involving national banks and federal savings associations that have less than \$30 billion in total assets and satisfy certain conditions. The proposed rule is intended to reduce burden on these institutions.	OCC
Model Risk Management: Clarification for Community Banks	OCC Bulletin 2025-26 October 6, 2025	Community banks have the flexibility to tailor their model risk management practices, including the appropriate frequency and nature of validation activities, commensurate with the bank's risk exposures, its business activities, and the complexity and extent of its model use. The OCC's guidance on model risk management does not, and should not be interpreted to, require community banks to perform annual model validation. The OCC will not provide negative supervisory feedback to a bank solely for the frequency or scope of the model validation that the bank reasonably determined to perform based on the bank's risk exposures, its business activities, and the complexity and extent of its model use.	OCC

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Examinations: Frequency and Scope for Community Banks	OCC Bulletin 2025-24 October 6, 2025	Effective January 1, 2026, the OCC is updating its policies to eliminate mandatory examination activities not required by statute or regulation to reduce supervisory burden for community banks. OCC community bank examiners will continue to apply risk-based supervision, with a heightened focus on material financial risks. This approach will maintain the value of the federal charter and preserve banks' safety and soundness while ensuring regulatory oversight does not unduly distract banks from serving their communities. The OCC will continue to review its examination processes and will update the relevant booklets of the Comptroller's Handbook and other documents as soon as practicable.	OCC

INDUSTRY PUBLICATIONS

SOURCE	PUBLICATION
FDIC	Consolidated Reports of Condition and Income for Third Quarter 2025 (October 2025)
FDIC	FDIC Issues List of Banks Examined for CRA Compliance (October 2025)
FDIC	FDIC Publishes August Enforcement Actions (September 2025)
FDIC	FDIC Releases Results of Summary of Deposits Annual Survey (September 2025)
FRB	Beige Book (October 2025)
FRB	Discount Rate Meeting Minutes and Federal Open Market Committee Minutes (October 2025)

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OTHER RESOURCES
Bloomberg Business and Financial News
Consumer Financial Protection Bureau (CFPB)
FFIEC BSA/AML InfoBase
FFIEC Information Technology Handbook InfoBase
Financial Accounting Standards Board (FASB)
Financial Action Task Force (FATF)
Financial Crimes Enforcement Network (FinCEN)
The Financial Forecast Center - Discount Rate Information
Office of Foreign Assets Control, U.S. Treasury (OFAC)
Real Estate Research Center, Texas A&M University (Market Reports)
Temporary Liquidity Guarantee Program
Texas Constitution and Statutes
Texas and National Economy – Federal Reserve Bank of Dallas
The Texas Economy – Texas Comptroller
Troubled Asset Relief Program (TARP)
Uniform Bank Performance Reports (UBPR) and Users Guide

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ACRONYMS AND ABBREVIATIONS

ACRONYM / ABBREVIATION	MEANING
AML	Anti-Money Laundering
ASU	Accounting Standards Update
BIS	Bank for International Settlements
BSA	Bank Secrecy Act
CFPB	Consumer Financial Protection Bureau
CFR	Code of Federal Regulations
CRA	Community Reinvestment Act
CRE	Commercial Real Estate
CSBS	Conference of State Bank Supervisors
Dodd-Frank Act	The Dodd-Frank Wall Street Reform and Consumer Protection Act
DOJ	Department of Justice
FASB	Financial Accounting Standards Board
FC	Finance Commission of Texas
FCA	Farm Credit Administration
FDIC	Federal Deposit Insurance Corporation
FDIC-OIG	FDIC Office of Inspector General

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ACRONYM / ABBREVIATION	MEANING
FFIEC	Federal Financial Institutions Examination Council
FHA	Federal Housing Authority
FHFA	Federal Housing Finance Agency
FinCEN	Financial Crimes Enforcement Network
FRB (or Fed or FR)	Federal Reserve Board or Federal Reserve
FTC	Federal Trade Commission
HUD	Housing and Urban Development Department
NCUA	National Credit Union Association
OCC	Office of the Comptroller of the Currency
OFAC	Office of Foreign Asset Control
OIG	Office of Inspector General
SDN	Specially Designated National
SEC	Securities and Exchange Commission
TDB	Texas Department of Banking
TXGOV	Office of the Texas Governor
TSSB	Texas State Securities Board
Treasury	U.S. Department of Treasury