

U.S. Financial Regulatory and Supervisory Developments

January 2026 Intelligence Report

1. Federal Banking Regulators

FDIC

Creation of an Office of Supervisory Appeals

In January 2026 the Federal Deposit Insurance Corporation finalized guidelines establishing a **standalone Office of Supervisory Appeals** to adjudicate disputes involving supervisory determinations.

Key characteristics of the office:

- Independent from divisions responsible for supervision
- Staffed with professionals experienced in the supervisory process
- Designed to provide a consistent and impartial appeals process

The initiative reflects a broader effort to increase transparency and consistency in supervisory decisions.

Resolution Planning and Compliance Initiatives

Industry regulatory summaries during January noted continuing FDIC initiatives that included:

- Updated expectations for resolution planning for large insured depository institutions
- Ongoing consultation on AML and compliance cost surveys
- A proposed framework regarding payment stablecoin activities at banks

These developments signal continued focus on operational resilience, AML compliance, and emerging digital asset activity.

Federal Reserve

Coin Circulation Operational Adjustment

On January 8, 2026 the Federal Reserve Financial Services division resumed **accepting penny deposits from banks and credit unions** at commercial coin distribution locations.

The change followed the U.S. Mint ending new penny production and aimed to support circulation and liquidity of existing coin inventories.

Supervisory Policy Direction

Industry commentary and regulator speeches during January emphasized forthcoming supervisory reforms:

- Removal of **reputational risk** as a supervisory factor
- Development of clearer definitions for **unsafe or unsound practices**
- Realignment of supervisory priorities toward core financial risk categories

These changes represent part of a broader shift toward a risk focused supervisory framework.

OCC

Regulatory updates highlighted **proposed changes to the OCC chartering and community bank licensing framework**.

Items under consultation included:

- Updated rules governing community bank chartering applications
- Preemption determinations related to escrow interest laws
- Adjustments to heightened standards thresholds

Public comment deadlines were scheduled across January and February 2026.

NCUA

Regulatory actions noted during January included consultation on:

- Corporate credit union reporting requirements
- Supervisory committee audit rules
- Field of membership and underserved area policies

These proposals target modernization of credit union governance and supervisory reporting frameworks.

2. Treasury, Sanctions, and Financial Intelligence

OFAC Sanctions Actions

The Treasury Department issued sanctions actions on **January 16, 2026**, later published in the Federal Register.

Key action:

- Designation of **21 individuals and entities and one vessel linked to Houthi financial and smuggling networks**

The action targeted networks involved in weapons procurement, oil transfers, and financing activities tied to regional security threats.

FinCEN Activity

Financial intelligence coordination during January included:

- An international **Financial Intelligence Units working group initiative targeting transnational organized crime financing**
- Expanded whistleblower engagement for reporting violations involving BSA and sanctions regimes

The initiative supports broader efforts to strengthen cross border AML intelligence cooperation.

3. Cybersecurity and Technology Risk

CISA Vulnerability Alerts

On January 26, 2026 the Cybersecurity and Infrastructure Security Agency added **five newly exploited vulnerabilities** to its Known Exploited Vulnerabilities catalog.

The update indicates confirmed active exploitation in the wild and requires federal agencies to remediate affected systems within specified timeframes.

Financial institutions typically integrate KEV catalog updates into vulnerability management programs due to sector reliance on federal cyber intelligence feeds.

4. Financial Markets and Emerging Risk Themes

Regulatory commentary during January identified several evolving policy priorities across banking regulators:

Digital Assets and Stablecoins

Regulatory proposals included a framework allowing banks to apply for approval to issue **payment stablecoins**, reflecting increased regulatory attention toward digital settlement infrastructure.

Debanking and Reputation Risk

Regulators signaled movement away from the concept of reputational risk as a supervisory standard, emphasizing objective safety and soundness indicators.

Governance and Risk Accountability

Industry compliance analysis characterized January regulatory developments as emphasizing:

- stronger governance expectations
- transparency in financial decision making
- tighter AML enforcement and sanctions screening

The trend reflects a shift toward accountability frameworks for financial institutions and fintech providers.

5. Sanctions and Global Financial Enforcement

January sanctions policy developments focused heavily on geopolitical conflicts and energy markets.

Key themes included:

- targeted sanctions on networks facilitating **Houthi financing and smuggling operations**
- continued international sanctions enforcement related to **Iran and Venezuela energy sectors**
- coordinated enforcement actions among Western allies in shipping and oil trade monitoring

These sanctions developments reinforce continued use of financial restrictions as geopolitical policy instruments.

Key Cross Sector Trends Observed in January 2026

1. Supervisory Reform

Federal banking agencies signaled movement toward **risk based supervisory frameworks** with reduced emphasis on reputational risk.

2. Financial Infrastructure Adaptation

Operational changes such as Federal Reserve coin circulation adjustments reflect adaptation to physical currency supply changes.

3. Digital Asset Integration

Regulatory frameworks increasingly address **stablecoins and digital payment instruments**.

4. Expansion of Sanctions Enforcement

Treasury actions continue to target geopolitical networks using financial systems for logistics, procurement, and sanctions evasion.

5. Cybersecurity Risk Monitoring

CISA vulnerability updates demonstrate continued government focus on critical infrastructure cyber risk, including financial sector exposure.