

U.S. Financial Regulatory Intelligence Report

Period Covered

Approximately February 5, 2026 to March 6, 2026

Scope

Sources include federal banking regulators, financial markets regulators, cybersecurity authorities, enforcement agencies, federal policy institutions, industry regulatory organizations, and selected state regulators.

1. Federal Banking and Prudential Regulation

Federal Reserve System

Enforcement and Supervisory Actions

The Federal Reserve issued multiple enforcement related actions in February and early March.

Key development:

- **Termination of the long standing 2018 enforcement action against Wells Fargo.**
The Federal Reserve determined the bank satisfied required remediation commitments and compliance conditions.

This represents one of the most significant enforcement resolutions in recent U.S. banking history.

Additional enforcement actions issued during the period:

- Actions involving **former employees of East Cambridge Savings Bank**
- Actions involving **former employees of United Bank**
- Enforcement action involving **former employee of First Financial Bank**
- Enforcement action involving **former employee of Regions Bank**

These enforcement actions focused primarily on misconduct by individuals rather than institutional systemic deficiencies.

Monetary Policy Transparency

The Federal Reserve released:

- **Minutes of January 27 to 28 Federal Open Market Committee meeting**
- **Discount rate meeting minutes from January meetings**

These releases support transparency regarding policy deliberations amid persistent inflation management concerns.

Regulatory Review Initiative

The Federal Reserve announced a **public outreach meeting scheduled for March 26 under the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA)** review process.

This initiative reviews existing banking regulations to identify outdated or burdensome requirements.

Federal Deposit Insurance Corporation

Industry Performance and Banking Sector Conditions

FDIC data for the latest reporting period showed:

- **Return on Assets (ROA): 1.24 percent across FDIC insured institutions**
- A decrease from prior periods.

Implications identified by analysts include:

- Margin compression tied to interest rate environment
- Higher funding costs
- Continued credit normalization

Regulatory Policy and Legislative Interaction

FDIC leadership commented on regulatory recalibration across banking regulators.

Key topic:

- Review of the **Community Reinvestment Act regulatory framework**

The agencies previously proposed rescinding the **2023 CRA rule** and reverting to the longstanding **1995 CRA framework**, with comments currently under review.

This reflects broader regulatory reassessment following the administrative transition.

Federal Register Activity

Recent FDIC Federal Register actions included:

Stablecoin issuance oversight proposal

The FDIC proposed procedures governing how FDIC supervised institutions may seek approval to issue **payment stablecoins through subsidiaries under the GENIUS Act framework**.

This reflects the growing regulatory integration of digital asset payment systems.

Office of the Comptroller of the Currency

Major themes across OCC communications during the period include:

Banking supervision priorities

- operational resilience

- fraud risk management
- fintech partnerships
- compliance modernization

Ongoing enforcement environment

Industry reporting indicates continued supervisory monitoring of institutions previously subject to enforcement orders.

Example:

- **USAA Federal Savings Bank continues remediation following OCC compliance orders related to risk governance and technology controls.**

The bank invested heavily in compliance upgrades and returned to profitability in 2025.

2. Consumer Financial Protection Regulation

Consumer Financial Protection Bureau

Rulemaking and Data Collection Review

The CFPB issued requests for public comment regarding regulatory data collection requirements.

Topics under review include:

- reporting requirements
- compliance burden estimates
- data accuracy improvements for mortgage lenders and depository institutions

These reviews form part of broader federal regulatory burden reassessment.

Enforcement Environment

The CFPB continues active enforcement across:

- mortgage servicing
- consumer lending
- payment systems
- fair lending

Policy commentary indicates CFPB supervision and enforcement have materially influenced consumer credit pricing and compliance costs across the industry.

3. Financial Stability and Systemic Risk Oversight

Federal Reserve Financial Stability Oversight

Key monitoring themes:

1. Interest rate risk within bank balance sheets
2. Commercial real estate exposure
3. Liquidity conditions within regional banks
4. Shadow banking sector leverage

The Federal Reserve continues stress testing oversight, including:

- maintenance of stress test capital framework
 - release of annual stress test scenarios earlier in 2026.
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Financial Stability Oversight Council and Office of Financial Research

Within the period:

Major systemic monitoring priorities include:

- digital asset systemic implications
 - market liquidity conditions
 - non bank financial intermediaries
 - cyber risk across financial infrastructure
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4. Treasury Department and Financial Intelligence

Treasury Department

Treasury communications emphasize:

- sanctions enforcement
 - international financial monitoring
 - digital asset oversight
 - illicit finance prevention
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Financial Crimes Enforcement Network

FinCEN activity during the period focuses on:

- beneficial ownership reporting implementation
- AML modernization initiatives
- suspicious activity monitoring enhancements

FinCEN continues coordination with:

- FBI
 - Treasury Office of Terrorism and Financial Intelligence
 - international financial intelligence units.
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5. Securities and Derivatives Market Regulation

Securities and Exchange Commission

SEC priorities over the past month include:

- investment adviser regulatory oversight
 - cybersecurity disclosures
 - market structure reforms
 - private fund transparency
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Commodity Futures Trading Commission

Recent CFTC communications emphasize:

- derivatives market surveillance
 - crypto derivative oversight
 - risk management at clearinghouses.
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6. Federal Cybersecurity and Technology Authorities

Cybersecurity and Infrastructure Security Agency

CISA alerts during the period focus on:

- active exploitation vulnerabilities
- ransomware campaigns targeting critical infrastructure
- financial sector cyber threat intelligence.

Key emphasis areas include:

- supply chain compromise
 - identity infrastructure vulnerabilities
 - remote access exploitation.
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NIST Cybersecurity and AI Governance

Recent NIST activity emphasizes:

- implementation guidance for the **AI Risk Management Framework**

- continued updates to cybersecurity standards.

Financial institutions increasingly reference these frameworks in model risk governance and AI compliance programs.

7. Payments and Financial Infrastructure

Payments Regulation Evolution

Policy analysis indicates continued regulatory activity involving:

- digital payment systems
- stablecoin regulatory architecture
- cross border payment modernization
- real time settlement infrastructure.

Regulators including the Federal Reserve and OCC are expected to publish implementing rules governing stablecoin related banking activities.

8. Industry Regulatory Coordination

Banking Trade Associations

Recent communications from organizations such as:

- American Bankers Association
- Independent Community Bankers of America
- Bank Policy Institute

emphasize:

- regulatory burden reduction
- capital rule review
- digital asset clarity
- fraud mitigation collaboration.

The ABA Washington Summit scheduled for March 9 to 11 will include participation from senior regulators including the Federal Reserve, OCC, and FDIC.

9. Cyber Intelligence and Risk Monitoring Organizations

Key threat intelligence updates from:

- FS ISAC
- SANS Internet Storm Center
- ISACA
- ACAMS

focus on several threat vectors impacting financial institutions:

Major trends

1. credential harvesting campaigns targeting bank employees
2. third party vendor compromise
3. ransomware targeting smaller financial institutions
4. payment fraud involving real time transfers.

10. State Regulatory Developments

Across the state banking regulator network, activity over the past month includes:

- licensing updates
- enforcement disclosures
- consumer protection advisories
- mortgage servicing supervision.

Major regulators producing updates include:

- New York Department of Financial Services
- California Department of Financial Protection and Innovation
- Texas Department of Banking
- Massachusetts Division of Banks
- Washington Department of Financial Institutions

11. State Attorney General Consumer Protection Activity

Recent activity across state attorneys general includes:

- enforcement related to consumer lending practices
- actions involving deceptive financial marketing
- digital payment fraud investigations

- fintech compliance actions.

States showing notable enforcement activity:

- New York
 - California
 - Massachusetts
 - Illinois
 - Texas.
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12. Key Cross Sector Regulatory Themes

Across all sources reviewed, several macro regulatory themes emerge.

1. Regulatory recalibration

Federal regulators are reviewing and potentially rolling back several rules issued in the previous regulatory cycle.

Example:

- reassessment of Community Reinvestment Act rules.

2. Digital asset integration

Stablecoins and digital payments remain a central focus of policy design.

3. Individual accountability enforcement

Regulators continue enforcement actions targeting individuals responsible for compliance failures.

4. Cybersecurity as systemic risk

Financial sector cybersecurity monitoring continues to intensify across federal agencies.

5. Consumer protection enforcement

Consumer financial enforcement remains a major pillar of federal oversight.

13. Implications for Financial Institutions

Operational risk management

Institutions face growing expectations regarding:

- fraud prevention
- cyber resilience
- operational continuity.

Compliance architecture

Regulatory complexity continues to expand across:

- AML
- digital assets
- data governance.

Technology modernization

Banks continue upgrading:

- payments infrastructure
- compliance technology

- fraud monitoring.
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14. Strategic Outlook

Regulatory expectations across the U.S. financial system during 2026 are likely to emphasize:

- modernization of payment systems
- stronger cybersecurity governance
- enhanced financial crime monitoring
- recalibration of regulatory frameworks created in the early 2020s.