OCC Reduced Regulatory Burden for Community Banks

As we head into 2026, the OCC is rolling out meaningful changes to its examination framework. The agency is shifting away from rigid, calendar-based exam cycles and checklist-driven procedures. Beginning January 1, 2026, community bank examinations will move to a risk-based approach, allowing the OCC to tailor exam frequency and scope to each institution's size, complexity, and risk profile.

While the new approach may help reduce regulatory burden, especially for well-managed institutions, it also places greater responsibility on banks to demonstrate strong internal controls, thoughtful risk assessments, and effective governance practices. In short: fewer boxes to check, but higher expectations for what is happening behind the scenes.

What's Changing?

- Risk-Based Exams – Structured around each bank's actual risk, not a fixed schedule.
- Retail Nondeposit Investment Products Oversight – Reviews integrated into broader supervisory work using core assessment standards.
- Greater Use of Internal Reporting – Strong internal audit, compliance, and risk reports may reduce duplicative exam work.
- Tailored Supervision – Smaller, well-managed banks may see lighter-touch exams; higher-risk institutions will see more targeted reviews.

The following bulletins released by the OCC highlight the changes:

- **OCC Bulletin 2025-38** – Discontinuation of Annual Money Laundering Risk System Data Collection
- **OCC Bulletin 2025-37** – Community Bank Minimum BSA/AML Examination Procedures (Effective Feb 1, 2026)
- **OCC Bulletin 2025-24** – Tailored Exam Frequency and Scope for Community Banks (Effective Jan 1, 2026)

What does this mean for you?

- Reassess your risk profile early in 2026. Make sure it accurately reflects what is happening in your institution.
- Strengthen internal audit, compliance, and risk reports, as they may play a larger role in exam scoping.
- Ensure leadership oversight is active and visible, not just documented.
- Document your decisions; if it's not written down, it didn't happen (and risk-based exams put more weight on documentation).

Complete Compliance is here to help. Whether you need to reassess your risk profile, strengthen internal reporting, or prepare leadership for the new exam framework, our team can guide you through the transition. Contact us today for tailored support.

Victoria Peterson, CCBCO

Complete Compliance, Inc. | Email | Website | Newsletter | IT Newsletter |(402) 939-6715