



# COMPLETE YOUR COMPLIANCE.

TOP TRENDS BY CCI

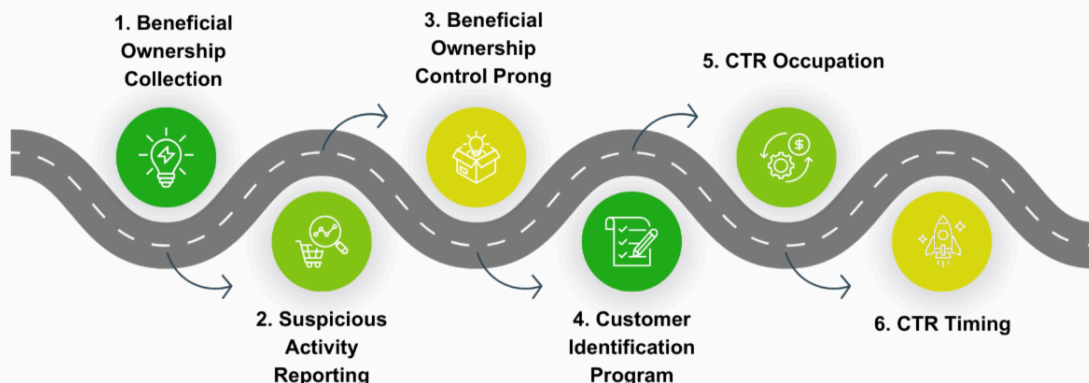
## CCI Annual Review

Compliance expectations never stand still, but some lessons never change. This special edition of our newsletter takes a sharp, data-driven look at where we see institutions most often stumble and the areas examiners always keep a close eye on (so you don't have to learn them the hard way).

We kick things off with the most frequently cited BSA violations, then move to the most common compliance missteps. These aren't just abstract stats - they come straight from our audits, highlighting recurring patterns that show up again and again, no matter the size or charter of the institution.

Finally, we take a step back with a regulatory look-back at 2025 and a peek ahead at what's currently on the horizon for 2026. With so many changes in motion, our team has been working closely with banks to help make sense of what matters most and how to navigate evolving expectations. We hope these insights give you a clear picture, a few practical takeaways, and a head start on keeping your compliance program on track.

## CCI's Most Frequently Cited BSA/AML/CFT Findings



### 1. Beneficial Ownership

**Regulation / Requirement:** (1) Identify the beneficial owner(s) of each legal entity customer at the time a new account is opened, unless the customer is otherwise excluded pursuant to paragraph (e) of this section or the account is exempted pursuant to paragraph (h) of this section. A covered financial institution may accomplish this either by obtaining a certification in the form of appendix A of this section from the individual opening the account on behalf of the legal entity customer, or by obtaining from the individual the information required by the form by another means, provided the individual certifies, to the best of the individual's knowledge, the accuracy of the information.

### Issue Summary:

Failure to collect beneficial ownership at or before account opening

## 2. Suspicious Activity Reporting

**Regulation / Requirement:** 31 CFR 1020.320(a) General. (1) Every bank shall file with the Treasury Department, to the extent and in the manner required by this section, a report of any suspicious transaction relevant to a possible violation of law or regulation. A bank may also file with the Treasury Department by using the Suspicious Activity Report specified in paragraph (b) (1) of this section or otherwise, a report of any suspicious transaction that it believes is relevant to the possible violation of any law or regulation but whose reporting is not required by this section.

### Issue Summary:

Failure to timely file SARs in accordance with regulatory requirements.

## 3. Beneficial Ownership

**Regulation / Requirement:** 1010.230 Beneficial ownership requirements for legal entity customers. In general. Covered financial institutions are required to establish and maintain written procedures that are reasonably designed to identify and verify beneficial owners of legal entity customers and to include such procedures in their anti-money laundering compliance program required under 31 U.S.C. 5318(h) and its implementing regulations. For purposes of this section, beneficial owner means each of the following: Each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, owns 25 percent or more of the equity interests of a legal entity customer; and A single individual with significant responsibility to control, manage, or direct a legal entity customer, including: (i) An executive officer or senior manager (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer); or (ii) Any other individual who regularly performs similar functions.

### Issue Summary:

Failure to properly complete Section D (control prong) of the Beneficial Owner form.

## 4. Customer Identification Program

**Regulation / Requirement:** Sec. 1020220(a)(3) *Recordkeeping*. The CIP must include procedures for making and maintaining a record of all information obtained under the procedures implementing paragraph (a) of this section. *Required records*. At a minimum, the record must include: All identifying information about a customer obtained under paragraph (a)(2)(i) of this section; A description of any document that was relied on under paragraph (a)(2)(ii)(A) of this section noting the type of document, any identification number contained in the document, the place of issuance and, if any, the date of issuance and expiration date; A description of the methods and the results of any measures undertaken to verify the identity of the customer under paragraph (a)(2)(ii)(B) or (C) of this section; and A description of the resolution of any substantive discrepancy discovered when verifying the identifying information obtained. *Retention of records*. The bank must retain the information in paragraph (a)(3)(i)(A) of this section for five years after the date

the account is closed or, in the case of credit card accounts, five years after the account is closed or becomes dormant. The bank must retain the information in paragraphs (a)(3)(i)(B), (C), and (D) of this section for five years after the record is made.

**Issue Summary:**

Failure to identify and resolve an address discrepancy when collecting CIP information.

**5. Currency Transaction Reporting**

**Regulation / Requirement:** 32 CFR 1010.311 Each financial institution other than a casino shall file a report of each deposit, withdrawal, exchange of currency or other payment or transfer, by, through, or to such financial institution which involves a transaction in currency of more than \$10,000, except as otherwise provided in this section.

**Issue Summary:**

Failure to include occupation/type of business in Part 1 (“Person involved in transaction”) on the CTR.

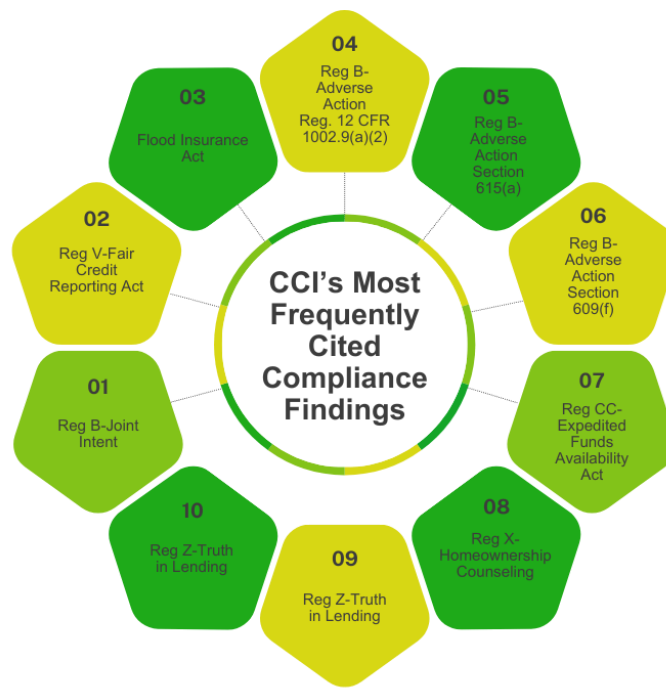
**6. Currency Transaction Reporting**

**Regulation / Requirement:** 31 CFR 1010.311 Each financial institution other than a casino shall file a report of each deposit, withdrawal, exchange of currency or other payment or transfer, by, through, or to such financial institution which involves a transaction in currency of more than \$10,000, except as otherwise provided in this section.

**Issue Summary:**

Failure to timely file CTRs in accordance with regulatory requirements.

**CCI’s Most Frequently Cited Compliance Findings**



## 1. Reg B- Joint Intent

**Regulation / Requirement:** Official Interpretation 12 CFR 1002.7#3. Evidence of joint application. A person's intent to be a joint applicant must be evidenced at the time of application. Signatures on a promissory note may not be used to show intent to apply for joint credit. On the other hand, signatures or initials on a credit application affirming applicants' intent to apply for joint credit may be used to establish intent to apply for joint credit. (See Appendix B.) The method used to establish intent must be distinct from the means used by individuals to affirm the accuracy of information. For example, signatures on a joint financial statement affirming the veracity of information are not sufficient to establish intent to apply for joint credit.

### Issue Summary:

Failure to document joint intent at the time of application in the reviewed loan files.

## 2. Reg V- Fair Credit Reporting Act

**Regulation / Requirement:** Appendix J to Part 334 VI (b)(2) *Contents of report*. The report should address material matters related to the Program and evaluate issues such as: the effectiveness of the policies and procedures of the financial institution or creditor in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts; service provider arrangements; significant incidents involving identity theft and management's response; and recommendations for material changes to the Program.

### Issue Summary:

Failure to include all required elements in the annual Board Red Flags report, specifically the section addressing service provider arrangements.

### 3. Flood Insurance Act

**Regulation / Requirement:** 2 CFR 339.9(a) *Notice requirement.* When an FDIC-supervised institution makes, increases, extends, or renews a loan secured by a building or a mobile home located or to be located in a special flood hazard area, the FDIC-supervised institution shall mail or deliver a written notice to the borrower and to the servicer in all cases whether or not flood insurance is available under the Act for the collateral securing the loan. Delivery of the notice of special flood hazards must take place within a “reasonable time” before the completion of the transaction. What constitutes “reasonable” notice will necessarily vary according to the circumstances of particular transactions. An institution should bear in mind, however, that a borrower should receive notice timely enough to ensure that: The borrower has the opportunity to become aware of the borrower’s responsibilities under the NFIP; and where applicable, the borrower can purchase flood insurance before completion of the loan transaction. The Agencies generally regard ten days as a “reasonable” time interval.

#### **Issue Summary:**

Failure to provide the required Notice of Special Flood Hazards within a reasonable time before loan closing.

### 4. Reg B- Adverse Action

**Regulation / Requirement:** 12 CFR 1002.9(a)(2) *Content of notification when adverse action is taken.* A notification given to an applicant when adverse action is taken shall be in writing and shall contain a statement of the action taken; the name and address of the creditor; a statement of the provisions of section 701(a) of the Act; the name and address of the Federal agency that administers compliance with respect to the creditor; and either: iA statement of specific reasons for the action taken; or ii. A disclosure of the applicant's right to a statement of specific reasons within 30 days, if the statement is requested within 60 days of the creditor's notification. The disclosure shall include the name, address, and telephone number of the person or office from which the statement of reasons can be obtained. If the creditor chooses to provide the reasons orally, the creditor shall also disclose the applicant's right to have them confirmed in writing within 30 days of receiving the applicant's written request for confirmation.

#### **Issue Summary:**

Failure to provide the specific reasoning as to why the applicant was denied on an adverse action notice.

### 5. Reg B- Adverse Action

**Regulation / Requirement:** Section 615(a) *Duties of users taking adverse actions on the basis of information contained in consumer reports.* If any person takes any adverse action with respect to any consumer that is based in whole or in part on any information contained in a consumer report, the person shall (1) provide oral, written, or electronic notice of the adverse action to the consumer; (2) provide to the consumer written or electronic disclosure (A) of a numerical credit score as defined in section 609(f)(2)(A) used by such person in taking any adverse action based in whole or in part on any information in a consumer report; and (B) of the information set forth in subparagraphs (B) through (E) of section 609(f)(1);

Note: paragraph (2) above inserted by § 1100F of the Dodd-Frank Act, effective 7/21/2011. (3) provide to the consumer orally, in writing, or electronically

(A) the name, address, and telephone number of the consumer reporting agency (including a toll-free telephone number established by the agency if the agency compiles and maintains files on consumers on a nationwide basis) that furnished the report to the person; and

(B) a statement that the consumer reporting agency did not make the decision to take the adverse action and is unable to provide the consumer with the specific reasons why the adverse action was taken; and

(4) provide to the consumer an oral, written, or electronic notice of the consumer's right

(A) to obtain, under section 612 [§ 1681j], a free copy of a consumer report on the consumer from the consumer reporting agency referred to in paragraph (3), which notice shall include an indication of the 60-day period under that section for obtaining such a copy; and

(B) to dispute, under section 611 [§ 1681i], with a consumer reporting agency the accuracy or completeness of any information in a consumer report furnished by the agency.

#### **Issue Summary:**

Failure to provide the required contact information for the consumer reporting agency on adverse action notices.

### **6. Reg B- Adverse Action**

**Regulation / Requirement:** Section 609(f) Disclosures of Credit Scores- (1) In general. Upon the request of a consumer for a credit score, a consumer reporting agency shall supply to the consumer a statement indicating that the information and credit scoring model may be different than the credit score that may be used by the lender, and a notice which shall include - (A) the current credit score of the consumer or the most recent credit score of the consumer that was previously calculated by the credit reporting agency for a purpose related to the extension of credit; (B) the range of possible credit scores under the model used; (C) all of the key factors that adversely affected the credit score of the consumer in the model used, the total number of which shall not exceed 4, subject to paragraph (9); (D) the date on which the credit score was created; and (E) the name of the person or entity that provided the credit score or credit file upon which the credit score was created.

#### **Issue Summary:**

Failure to disclose the key factors affecting the applicant's credit score on adverse action notices.

### **7. Reg CC- Expedited Funds Availability Act**

**Regulation / Requirement:** Official Interpretations 229.13(b)1. Under the large deposit exception, a depository bank may extend the hold placed on check deposits to the extent that the amount of the aggregate deposit on any banking day exceeds \$5,525 [\$6,725]. This exception applies to local and nonlocal

checks, as well as to checks that otherwise would be made available on the next (or second) business day after the day of deposit under §229.10(c). Although the first \$5,525 [\$6,725] of a day's deposit is subject to the availability otherwise provided for checks, the amount in excess of \$5,525 [\$6,725] may be held for an additional period of time as provided in §229.13(h). When the large deposit exception is applied to deposits composed of a mix of checks that would otherwise be subject to differing availability schedules, the depository bank has the discretion to choose the portion of the deposit to which it applies the exception. Deposits by cash or electronic payment are not subject to this exception for large deposits.

**Issue Summary:**

Failure to document the reason for applying an exception hold on the funds availability notice.

**8. Reg X- Homeownership Counseling**

Regulation / Requirement: 12 CFR 1024.20(a) Provision of list. (1) Except as otherwise provided in this section, not later than three business days after a lender, mortgage broker, or dealer receives an application, or information sufficient to complete an application, the lender must provide the loan applicant with a clear and conspicuous written list of homeownership counseling organizations that provide relevant counseling services in the loan applicant's location. The list of homeownership counseling organizations distributed to each loan applicant under this section shall be obtained no earlier than 30 days prior to the time when the list is provided to the loan applicant from either: The website maintained by the Bureau for lenders to use in complying with the requirements of this section; or Data made available by the Bureau or HUD for lenders to use in complying with the requirements of this section, provided that the data is used in accordance with instructions provided with the data.

**Issue Summary:**

Failure to provide the required Homeownership Counseling Notice within three business days of application.

**9. Reg Z- Truth in Lending**

12 CFR 1026.19(e)(1)(i) *Creditor*. In a closed-end consumer credit transaction secured by real property or a cooperative unit, other than a reverse mortgage subject to § 1026.33, the creditor shall provide the consumer with good-faith estimates of the disclosures in § 1026.37.

**Issue Summary:**

Failure to provide required Loan Estimates or Closing Disclosures.

**10. Reg Z- Truth in Lending**

12 CFR 1026.40(d)(12)(xi) An historical example, based on a \$10,000 extension of credit, illustrating how annual percentage rates and payments would have been affected by index value changes implemented according to the terms of the plan. The historical example shall be based on the most recent 15 years of index values (selected for the same time period each year) and shall reflect all significant plan terms, such as negative amortization, rate

carryover, rate discounts, and rate and payment limitations, that would have been affected by the index movement during the period.

### **Issue Summary:**

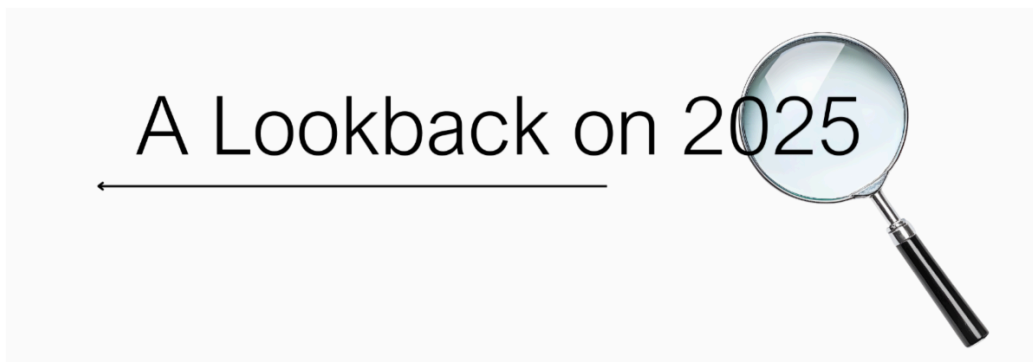
Failure to update the HELOC Program Disclosure with the correct historical index timeframe.

Before looking ahead, it's worth pausing to catch our breath after a year of significant regulatory shifts. 2025 brought meaningful developments, driven by shifts in leadership, policy direction, and regulatory frameworks; changes that continue to shape supervisory priorities and examination expectations.

The next section takes a closer look at the key regulatory developments from 2025, followed by a look ahead at what's currently known for 2026. Together, this perspective helps provide context for where regulatory expectations are coming from and what institutions should keep an eye on as things continue to evolve.

## **Regulatory Developments 2025 Year in Review and Upcoming for 2026**

2025 saw an unusually high volume of changes in U.S. banking regulation, marked by a series of reversals, withdrawals, and new directives across multiple federal agencies. Compared with previous years—when regulatory adjustments tended to be incremental and slower-moving—the pace in 2025 was notably accelerated, with major shifts in areas such as crypto-asset activities, merger oversight, supervisory expectations, and customer-access standards. The result was a year defined by rapid realignment of regulatory frameworks, creating both new flexibilities and new compliance expectations for banks as they worked to adapt to a substantially revised oversight landscape.



### **March 7th, 2025 – Cryptocurrency (OCC)**

The OCC allowed OCC-supervised banks to obtain a non-objection before engaging in crypto-asset activities. You can read about it [here](#).

**This is applicable to all OCC-regulated financial institutions.**

### **March 12th, 2025 – OFAC Record Retention**

The Office of Foreign Assets Control (OFAC) extended the record-keeping requirement under 31 C.F.R. § 501.601 from five years to ten years. You can read about it [here](#).

**This is applicable to all financial institutions subject to OFAC sanctions.**

### **March 20th, 2025 – Reputation Risk (OCC)**

The OCC issued Bulletin 2025-4, formally removing references to “reputation risk” from its Comptroller’s Handbook. Examiners will no longer assess banks based on reputation risk. You can read about it [here](#).

**This is applicable to all OCC-regulated financial institutions.**

### **March 28th, 2025 – Cryptocurrency (FDIC)**

The FDIC allowed FDIC-supervised banks to engage in crypto-asset activities without prior FDIC approval. You can read about it [here](#).

**This is applicable to all FDIC-regulated financial institutions.**

### **April 1st, 2025 – NACHA Operating Rule**

NACHA amended its rules so that when an Originating Depository Financial Institution (ODFI) submits a “Request for Return” (via return code R06) to a Receiving Depository Financial Institution (RDFI), the RDFI must respond within 10 banking days indicating whether it will comply or providing the status of the request. You can read about it [here](#).

**This is applicable to all financial institutions.**

### **April 11th, 2025 – Telephone Consumer Protection Act (TCPA)**

The FCC adopted new rules to simplify revocation of consent for robocalls and robotexts, requiring callers and texters to honor revocation requests promptly. You can read about it [here](#).

**This is applicable only to financial institutions that utilize robocalls and robotexts.**

### **June 23rd, 2025 – Reputation Risk (Fed)**

The Fed announced that reputational risk will no longer be a component of examination programs, and references to reputation risk are being removed from supervisory materials. You can read about it [here](#).

**This is applicable to all Fed-regulated financial institutions.**

### **June 27th, 2025 – Bank Secrecy Act**

Federal bank regulators allowed a Customer Identification Program (CIP) exemption, permitting banks to collect CIP information from third-party sources instead of directly from customers. You can read about it [here](#).

**This is applicable to all financial institutions.**

### **July 1st, 2025 – Expedited Funds Availability Act (EFAA) / Reg CC**

Several dollar thresholds under Reg CC were adjusted for inflation:

- Minimum check deposit availability: \$225 → \$275
- Cash withdrawal limit: \$450 → \$550
- New account/large deposit/repeatedly overdrawn account thresholds: \$5,525 → \$6,725

You can read about it [here](#).

**This is applicable to all depository institutions.**

### **July 14th, 2025 – Fair Lending Handbook (OCC)**

The OCC removed references to disparate-impact liability from its Fair Lending Handbook. You can read about it [here](#).

This is applicable to all OCC-regulated financial institutions.

### **August 29th, 2025 – FDIC Consumer Compliance Examination Manual**

The FDIC removed all references to disparate impact as a basis for fair lending or UDAP examinations, focusing solely on evidence of disparate treatment.

You can read about it [here](#).

This is applicable to all FDIC-regulated depository institutions.

### **October 1st, 2025 – DODD-Frank Act**

Regulators (FDIC, Fed, CFPB, FHFA, NCUA, OCC) issued a final rule implementing quality control standards for the use of AVMs in mortgage collateral valuation. You can read about it [here](#).

This is applicable only to institutions that utilize AVMs.

### **October 29<sup>th</sup> 2025- Federal Reserve Bank Supervisory Priorities**

The Federal Reserve released its priorities and operating principles which outlined changes in the way they will conduct supervisory exams. The changes represent a significant shift to a more risk-based approach to the exam process. You can read about it [here](#).

### **November 7th, 2025 – FDIC Consumer Compliance Examination Manual**

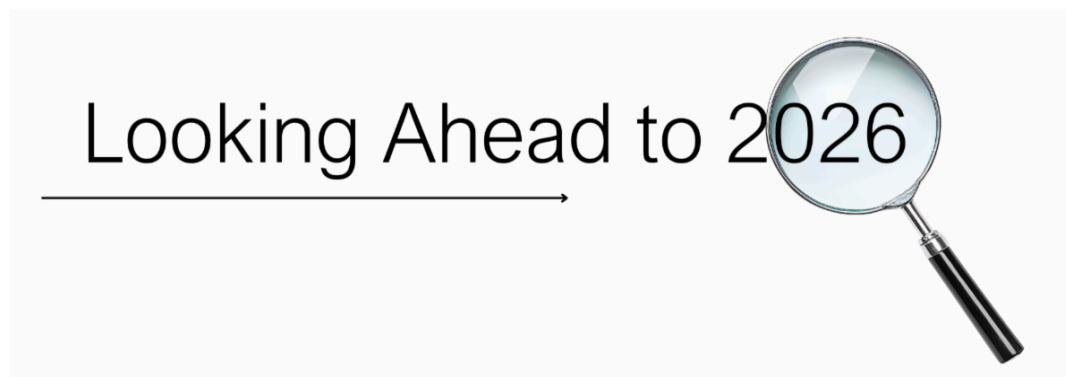
The FDIC updated examination and visitation frequency schedules, reducing CRA and consumer compliance exam frequency based on asset size, with a new “midpoint risk analysis” for certain institutions. You can read about it [here](#).

This is applicable to all FDIC-regulated depository institutions.

### **TBD – FDIC Deposit Insurance / Sign and Advertising Rule**

The FDIC amended regulations governing use of the official FDIC sign and IDI advertising statements, including digital and mobile channels, and clarified misrepresentation scenarios. Compliance for sign and advertising (Subpart A) was delayed; misrepresentation compliance (Subpart B). The compliance date for this rule has been extended from March 1<sup>st</sup>, 2026, to January 1<sup>st</sup>, 2027. You can read about it [here](#).

This is applicable to all financial institutions.



### **January 1st, 2026 – FDIC Regulatory Thresholds**

The FDIC is raising key regulatory thresholds under Part 363, including asset-size, audit, and internal-control requirements, reflecting inflation and reducing compliance burdens for smaller and mid-sized banks. You can read about it [here](#).

These changes apply to all FDIC-insured depository institutions.

## TBD – Equal Credit Opportunity Act (ECOA) / Section 1071

The CFPB amended Regulation B to implement Section 1071, requiring covered institutions to collect and report data on small-business credit applications. As of late 2025, the rule remains on hold. While the original final rule required covered financial institutions to collect and report data on small business loan applications, litigation and stakeholder concerns prompted the CFPB to extend compliance deadlines and delay enforcement. In November 2025, the CFPB issued a proposed rule revising Section 1071's requirements, including potential changes to the small business definition, exemption thresholds, and data points collected. The proposed effective date under this new rule has not yet been finalized, so institutions should continue planning for compliance, but are not currently required to report under Section 1071 until a final rule is issued. You can read about it [here](#).

This is applicable to all financial institutions meeting 1071 reporting thresholds.

Many of the regulatory changes introduced over the past year are still unfolding. While some have already begun to influence examinations, others carry future effective dates and longer implementation timelines, giving compliance teams plenty to keep their calendars full.

For that reason, our look ahead to 2026 is intentionally narrow, focusing only on changes with confirmed effective dates this year. Beyond that, much will depend on how existing initiatives are finalized, interpreted, and incorporated into supervisory processes, something we'll only fully understand as the year unfolds.

Throughout 2025, our CCI updates have tracked these developments as they happened, translating regulatory activity into practical takeaways. If you want to stay on top of evolving expectations (without feeling like you're chasing your own inbox), we invite you to sign up for CCI updates - keeping you informed, prepared, and ahead of what comes next.

Victoria Peterson, CCBCO

---

Complete Compliance, Inc. | [Email](#) | [Website](#) | [Get Newsletter](#) | (402) 939-6715

The foregoing Compliance Update is for informational purposes only and does not constitute legal advice

Complete Compliance Inc. | PO Box 201 | Omaha, NE 68010 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)