Money Matters Roundup | September 2026

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Categories:

Banking On It

Publications

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***Money Matters* is a monthly snapshot of key developments across the financial services industry. From regulatory changes and enforcement actions to lending and compliance trends, we track notable issues affecting banks, credit unions, lenders, and other consumer and commercial finance providers.**

As you read through this month's update, we encourage you to visit our *Banking On It* blog for additional insights and more in-depth analysis of the latest trends and developments shaping the banking and finance industry.

FinCEN identifies nearly $13 billion linked to overseas digital-asset scam centers.

FinCEN's alert on digital-asset investment scam centers urges financial institutions to detect and report activity associated with overseas scam operations and related money-laundering networks. The alert directs institutions to use the SAR key term "FIN-2026-SCAMCENTERS" and describes how transnational fraud organizations allegedly use shell companies, money mules, digital assets, online criminal marketplaces, and AI-enabled tools to move illicit proceeds.

Why it matters: FinCEN estimates that financial institutions identified nearly $13 billion in suspicious activity tied to suspected scam center operations in 2024 alone. The alert highlights red flags, laundering typologies, and reporting expectations designed to help banks identify and disrupt large-scale fraud and related money-laundering activity before funds leave the regulated financial system.

Community banks gain broader access to the 18-month examination cycle.

The OCC's Expanded Examination Cycle Eligibility bulletin explains that an interagency interim final rule raises the asset threshold for institutions eligible for an 18-month on-site examination cycle from $3 billion to $6 billion. Eligible institutions must remain well capitalized, maintain composite and management ratings of 1 or 2, avoid formal enforcement actions, and have experienced no change in control during the preceding 12 months.

Why it matters: The change extends regulatory relief to a substantially larger group of community and regional banks by reducing examination frequency for qualifying institutions while preserving regulators' authority to conduct more frequent reviews when warranted by risk.

FDIC reports banking industry earned $90.1 billion in Q2 net income.

The FDIC reported that FDIC-insured institutions generated $90.1 billion in net income and a 1.37% return on assets during the second quarter of 2026. The report provides a snapshot of industry profitability, credit conditions, and operating performance across the banking sector.

Why it matters: Industry earnings remain a key indicator of bank health amid ongoing competition for deposits, evolving credit conditions, and continued pressure to invest in technology, fraud prevention, and compliance capabilities. The results offer a broader view of the industry's operating environment than institution-specific earnings reports.

Agencies seek comment on proposed third-party risk management guidance.

The federal banking agencies announced proposed third-party risk management guidance and issued a related statement on community-bank engagement with core service providers. The proposal addresses banks' oversight of vendors, fintech partners, and other critical third-party relationships, while emphasizing a risk-based approach to managing outsourcing arrangements.

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Why it matters: As community and regional banks increasingly rely on fintechs, core processors, and other external providers, regulators are signaling continued focus on vendor governance, operational resilience, and third-party concentration risk. The proposal could influence how institutions structure vendor oversight, due diligence, and ongoing monitoring programs.

Banking On It

Delivering timely and practical commentary on the legal and regulatory challenges impacting financial institutions, our ***Banking On It*** blog covers a wide range of topics, from consumer finance and loan originations to workouts and regulatory enforcement trends. Our goal is to keep you informed and prepared for what's ahead.

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