Community Bankers Association of Illinois
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CBAI Again Expressed Its Opposition to Federal Reserve "Skinny" Accounts

In a comment letter to the Federal Reserve dated July 27, 2026, CBAI stated its strong opposition to the Federal Reserve's proposed revisions to its guidelines to allow for limited access to payments accounts and services for novel financial institutions and financial entities (Novel FIs). These Novel FIs are not regulated to the same rigorous extent as traditional banks (including regulations to combat illicit financial activities) and no alternative level of due diligence should allow them to be eligible for even a limited segment of benefits of a Federal Reserve payment account.

If the Federal Reserve is determined to move forward with these ill-advised payment accounts, CBAI urged that they be part of a prototype program consisting of a small number of participants with strict eligibility requirement, and that there be limits on closing balances, no interday credit, no settlement overdrafts, a prohibition on operating as a correspondent or a respondent, no Discount Window borrowings, and no interest on account balances. CBAI recommended that after a limited period of time, this payment account prototype program should be thoroughly examined and there should be a transparent review process before any additional applications are considered for approval.

Read CBAI Comment Letter to the Federal Reserve →