



**Community Bankers
Association of Illinois**
One Mission. **Community Banks.**

CBAI Supports Greater Focus in Supervision on Material Financial Risks

In a comment letter dated December 29, 2025, CBAI urged the OCC and FDIC to focus their supervision and examination of community banks on material financial risks. CBAI expressed its support for a more precise definition of “unsafe and unsound practice” that would provide greater clarity and a consistent nationwide standard and avoid supervisory criticism not related to material financial risks. CBAI also expressed support for tailoring requirements for supervisory and enforcement actions, as well as MRAs, “based on the capital structure, riskiness, complexity of activities, asset size, and any financial risk-related factors that the agencies deem appropriate.” In addition, CBAI urged the regulators to give community banks proper credit for MRAs that are not completely resolved, but where the bank has made a diligent effort.

[Read CBAI Comment Letter to the OCC and FDIC »](#)

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