# Proposed Rules

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## FEDERAL DEPOSIT INSURANCE CORPORATION

### 12 CFR Part 337

**RIN 3064–AG26**

### Extensions of Credit to Insiders

**AGENCY:** Federal Deposit Insurance Corporation.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Federal Deposit Insurance Corporation (FDIC) is proposing to increase quantitative thresholds for certain extensions of credit to insiders of FDIC-supervised institutions, as restricted by the Federal Reserve Act and regulations promulgated thereunder. Specifically, the proposal would increase the thresholds for certain extensions of credit to executive officers not otherwise specifically authorized by statute from $100,000 to $400,000; and extensions of credit to insiders requiring prior approval by the board of directors from $500,000 to $2,000,000. The proposal would also establish an indexing methodology to periodically update such thresholds over time.

**DATES:** Comments must be received on or before October 5, 2026.

**ADDRESSES:** Comments should be directed to the FDIC as follows:

You may submit comments to the FDIC, identified by RIN 3064–AG26, by any of the following methods:

- *FDIC website: https://www.fdic.gov/federal-register-publications.* Follow instructions for submitting comments on the agency website.
- *Email: Comments@fdic.gov.* Include RIN 3064–AG26 in the subject line of the message.
- *Mail:* Jennifer M. Jones, Deputy Executive Secretary, Attention: Comments—RIN 3064–AG26, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.
- *Hand Delivery to FDIC:* Comments may be hand-delivered to the guard station at the rear of the 550 17th Street NW building (located on F Street) on business days between 7 a.m. and 5 p.m.
- *Public Inspection:* Comments received, including any personal information provided, may be posted without change to *https://www.fdic.gov/federal-register-publications.* Commenters should submit only information that the commenter wishes to make available publicly. The FDIC may review, redact, or refrain from posting all or any portion of any comment that it may deem to be inappropriate for publication, such as irrelevant or obscene material. The FDIC may post only a single representative example of identical or substantially identical comments, and in such cases will generally identify the number of identical or substantially identical comments represented by the posted example. All comments that have been redacted, as well as those that have not been posted, that contain comments on the merits of the proposed rule will be retained in the public comment file and will be considered as required under all applicable laws. All comments may be accessible under the Freedom of Information Act.

Follow the search instructions on *https://www.regulations.gov* to view public comments.

This proposal, all comments received, and a summary of not more than 100 words of the proposed rule pursuant to the Providing Accountability Through Transparency Act of 2023 are available at *https://www.fdic.gov/resources/regulations/federal-register-publications/.*

**FOR FURTHER INFORMATION CONTACT:** Division of Risk Management Supervision: Peter A. Martino, Senior Examination Specialist, 813–390–8508, *PMartino@fdic.gov;* Ryan C. Senegal, Chief, Examination Support Section, 980–249–3863, *RSenegal@fdic.gov.* Legal Division: Gregory S. Feder, Counsel, 202–898–8724, *GFeder@fdic.gov;* Shane M. Bogusz, Senior Attorney, 571–366–0212, *SBogusz@fdic.gov.*

**SUPPLEMENTARY INFORMATION:**

## I. Background

### *A. Overview of Sections 22(g) and (h) of the Federal Reserve Act*

Sections 22(g) and (h) of the Federal Reserve Act (FRA), which are codified at 12 U.S.C. 375a and 375b respectively, restrict extensions of credit by banks that are members of the Federal Reserve System (member banks) to executive officers, directors, principal shareholders, and related interests of such persons (collectively, insiders).[1] Section 18(j)(2) of the Federal Deposit Insurance Act (FDI Act) provides that sections 22(g) and (h) shall apply to every insured bank that is not a member of the Federal Reserve System (nonmember insured bank)[2] in the same manner and to the same extent as if the nonmember insured bank were a member bank.[3] Sections 22(g) and (h) provide the Board of Governors of the Federal Reserve System (Federal Reserve Board) general rulemaking authority. The Federal Reserve Board has implemented sections 22(g) and (h) through Regulation O, 12 CFR part 215.[4] Sections 22(g) and (h) also provide the FDIC limited rulemaking authority, as described below.

In general, under section 22(g)(1) of the FRA, no member bank may extend credit in any manner to any of its own executive officers, and no executive officer of any member bank may become

[1] "Insider" is defined in the proposal to include executive officers, directors, principal shareholders, and any of their related interests. "Executive officer" currently is defined to include employees with certain enumerated titles as well as persons who participate or have the authority to participate (other than in the capacity of a director) in the major policymaking functions of a company or IDI, regardless of title. The Federal Reserve Board's proposal (discussed in section II of this SUPPLEMENTARY INFORMATION) would remove "every vice president", "the cashier", and "the secretary" to modernize a list that has not changed since 1935 although the nature of those positions has changed. The chief executive officer, chief financial officer, chief lending officer, and chief investment officer would be added to the list, and it is likely that people with these titles already are being treated as executive officers.

[2] In reviewing relevant legislative and regulatory history, this SUPPLEMENTARY INFORMATION utilizes terms—*e.g.,* nonmember insured bank, State nonmember bank—as they are employed in the subject legislation or regulation. However, the institutions directly affected by this proposal are those for which the FDIC is the appropriate Federal banking agency, namely (1) any State nonmember insured bank, (2) any foreign bank having an insured branch, and (3) any State savings association. *See* 12 CFR 337.3(d) (providing that the FDIC's restrictions on extensions of credit to insiders apply to all institutions for which the FDIC is the appropriate Federal banking agency under the FDI Act); 12 U.S.C. 1813(q)(2) (defining "appropriate Federal banking agency").

[3] 12 U.S.C. 1828(j)(2). Under section 11(b) of the Home Owners' Loan Act, 12 U.S.C. 1468(b), sections 22(g) and (h) of the Federal Reserve Act, 12 U.S.C. 375a, 375b, apply to savings associations in the same manner and to the same extent as to member banks.

[4] 12 U.S.C. 375a and 375b; 12 CFR part 215.

indebted to that member bank, except by means of an extension of credit which the bank[5] is authorized to make under that section.[6] Notwithstanding this general prohibition, the statute authorizes member banks to make certain extensions of credit to executive officers, including certain mortgage loans and educational loans.[7] In addition, section 22(g)(4) provides for a general limitation on the amount of credit under which a member bank may make extensions of credit not otherwise specifically authorized under the statute to any executive officer of the bank ''in an amount prescribed in a regulation of the member bank's appropriate Federal banking agency.''[8]

Furthermore, in general, under section 22(h)(1) of the FRA, no member bank may extend credit to any of the bank's insiders except to the extent permitted by subsequent provisions of the statute. One such exception allows a bank to extend credit to an insider above a certain aggregate dollar threshold upon the approval of the bank's board of directors of the extension of credit.[9] In particular, section 22(h)(3) provides that a member bank may extend credit to an insider in an amount that, when aggregated with the amount of all other outstanding extensions of credit by the bank to the person and that person's related interests, would ''exceed an amount prescribed by regulation of the appropriate Federal banking agency'' only if: (1) the extension of credit has been approved in advance by a majority vote of that bank's entire board of directors; and (2) the interested party has abstained from participating, directly or indirectly, in the deliberations or voting on the extension of credit.[10]

Under 12 U.S.C. 375b(3), ''appropriate Federal banking agency'' is defined to have the same meaning as that term has in 12 U.S.C. 1813. Under 12 U.S.C. 1813, ''appropriate federal banking agency'' is defined to mean the FDIC in the case of (1) any State nonmember insured bank; (2) any foreign bank having an insured branch; and (3) any State savings association.[11]

*B. Overview of 12 CFR Part 337.3*

In 1975, the FDIC added, pursuant to notice and comment rulemaking, a new § 337.3 to its regulations to require that State nonmember banks establish procedures and maintain records to ensure that bank boards of directors supervise transactions with insiders effectively, and from which FDIC examiners would be able to analyze insider transactions during examinations.[12] Boards of directors were required to review and approve insider transactions involving assets or services that had a fair market value greater than a specified amount that varied based on the size of the bank.[13] Certain transactions were expressly excluded from the scope of § 337.3: deposit account activities (other than the payment of interest on time deposits in amounts of $100,000 or more); safekeeping transactions; credit card transactions; and activities undertaken in the capacity of securities transfer agent or municipal securities dealer. Shortly thereafter, in response to questions that arose after finalizing the rule, the FDIC adopted amendments intended to clarify the FDIC's policy on insider transactions.[14]

With the enactment of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRIRCA),[15] Congress added section 22(h) to the FRA.[16] As a result, the FDIC rescinded § 337.3 because (1) FIRIRCA made the regulation unnecessary insofar as the statute related to loans and other extensions of credit and (2) the FDIC intended to deal with insider transactions other than loans on a supervisory basis.[17]

In 1982, Congress enacted the Garn-St. Germain Depository Institutions Act of 1982 (Garn-St. Germain Act).[18] Specifically, the Garn-St. Germain Act amended section 22(g) of the FRA by striking the $10,000 limitation on loans by a member bank to its executive officer for purposes other than a residential mortgage or education of the officer's children and amended section 22(h) of the FRA by striking the aggregate limit of $25,000 beyond which a loan to an executive officer, director, or principal shareholder of a bank must be approved in advance by a disinterested majority of the bank's entire board of directors. Instead, the Garn-St. Germain Act authorized the appropriate Federal banking agencies to prescribe new limits by regulation.[19]

In 1982, in response to the Garn-St. Germain Act, the FDIC adopted a new regulation promulgated at § 337.3, which provided that insured nonmember banks could make extensions of credit to insiders or their related interests exceeding $25,000 only with the prior approval of a majority of disinterested members of the board of directors.[20] At the same time, the FDIC clarified that, aside from certain provisions that applied only to member banks, Regulation O would apply to insured nonmember banks to the same extent and in the same manner as if they were member banks.[21]

In 1983, the $25,000 threshold was revised to a threshold that depended, in part, on the institution's capital and unimpaired surplus.[22] The FDIC reasoned that a sliding scale would more closely align the prior approval requirement to the capital levels of a given institution. The adjusted threshold provided that prior approval was required for aggregate extensions of credit that exceeded the greater of $25,000 or 5 percent of the bank's capital and unimpaired surplus. Prior approval was required, in any event, if the aggregate extension of credit exceeded $500,000. Accordingly, even banks with very low levels of capital and unimpaired surplus could extend credit up to $25,000 without prior board approval. In contrast, even banks with very high levels of capital and unimpaired surplus could not extend credit beyond $500,000 without prior board approval. Despite technical changes to other aspects of § 337.3(b), these thresholds have remained the same since their adoption in 1983.[23]

Section 306 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA),[24] made section 22(g)

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[5] This **SUPPLEMENTARY INFORMATION** uses the term ''bank'' to refer generally to insured depository institutions that are subject to sections 22(g) and (h) of the FRA.

[6] 12 U.S.C. 375a(1).

[7] 12 U.S.C. 375a(2), (3), (5).

[8] 12 U.S.C. 375a(4).

[9] 12 U.S.C. 375b(3).

[10] *Id.*

[11] While 12 U.S.C. 375a does not include a definition for ''appropriate Federal banking agency'' by cross-reference to 12 U.S.C. 1813, it is appropriate to apply the same definition to 12 U.S.C. 375a *in pari materia.*

[12] *See* 41 FR 8946 (Mar. 2, 1976).

[13] Insider transactions required review and approval if they had a fair market value of more than $20,000 if the bank had not more than $100 million in total assets; $50,000, if the bank had more than $100 million and not more than $500 million in total assets; or $100,000 if the bank had more than $500 million in total assets. *See id.* at 8948–49.

[14] *See, e.g.,* 41 FR 18405 (May 4, 1976).

[15] Public Law 95–630, 92 Stat. 3641 (Nov. 10, 1978).

[16] FIRIRCA, section 104, 92 Stat. 3644. Section 108 of FIRIRCA made the provisions of section 22(h) applicable ''to every nonmember insured bank in the same manner and to the same extent as if such nonmember insured bank were a State member bank.''

[17] 44 FR 18000 (Mar. 26, 1979).

[18] *See* Public Law 97–320, 96 Stat. 1469 (1982); *see also* 47 FR 49347 (Nov. 1, 1982).

[19] *See* 12 U.S.C. 375a(4); 375b(2).

[20] 47 FR 47002 (Oct. 22, 1982).

[21] *Id.* at 47003.

[22] 48 FR 42969 (Sept. 21, 1983).

[23] *See* 12 CFR 337.3(b); *see also* 85 FR 3232 (Jan. 21, 2020) (*inter alia,* including State savings associations within the scope of § 337.3).

[24] Public Law 102–42, 306(k), 105 Stat. 2236 (Dec. 19, 1991).

of the FRA applicable to nonmember insured banks in the same manner and to the same extent as if the nonmember insured bank were a member bank. Section 306 also required the FDIC to set maximum limits on the amount a nonmember insured bank could lend to executive officers.[25] In 1992, the FDIC amended § 337.3 to extend to insured nonmember banks certain sections of Regulation O that previously had not applied to insured nonmember banks.[26]

A short time later, the FDIC adopted a new subsection (c) which restricted extensions of credit to executive officers of insured nonmember banks, in a manner consistent with the general prohibition on loans to executive officers set forth in section 22(g) of the FRA. As the appropriate Federal banking agency for insured State nonmember banks, the FDIC established the limits for extensions of credit to an executive officer of the bank for any purpose other than certain education and mortgage loans at an amount that did not, in the aggregate, exceed the higher of 2.5 percent of the bank's capital and unimpaired surplus or $25,000, but in no event more than $100,000.[27] [28] These limits were the same as those set for member banks in Regulation O. As with § 337.3(b), this methodology scaled the relevant threshold to a bank's levels of capital and unimpaired surplus, while also setting a floor and ceiling for institutions with relatively low and relatively high levels of capital and unimpaired surplus, respectively. Despite subsequent technical changes to other aspects of § 337.3, the thresholds in § 337.3(c)(2) have remained the same since their adoption in 1992.

## II. Overview of Proposed Rule

Under sections 22(g) and (h) of the FRA, the FDIC and Federal Reserve Board have issued quantitative thresholds under which the agencies determine compliance with the FRA and Regulation O.

However, many of these thresholds are outdated, and in some cases, have not been revised in over 40 years. As relevant here, the Federal Reserve Board last revised the thresholds for loans to executive officers not otherwise specifically authorized under section 22(g) and for extensions of credit to insiders requiring prior approval by the board of directors under section 22(h) in 1983.[29] These outdated thresholds not only fail to reflect current market realities but also impose unnecessary regulatory burden on community banks and other institutions supervised by the agencies. Board approval requirements for relatively small extensions of credit may divert the board's attention away from strategic goals and the management of material financial risk. Further, certain limitations on extensions of credit to insiders may unduly impact community banks, because community banks, relative to larger banks, may be more likely to be located in areas where there are few or no other banks in the locality.

In recognition that these regulatory thresholds are misaligned with contemporary markets, on August 4, 2026, the Federal Reserve Board published in the **Federal Register** a notice of proposed rulemaking (FRB NPR) that would update these and other thresholds,[30] while also making additional revisions to Regulation O.[31] In particular, the FRB NPR would increase and streamline the threshold at § 215.4 (b) of Regulation O,[32] governing extensions of credit to insiders requiring prior approval by the board of directors, to the lower of 5 percent of the member bank's unimpaired capital and unimpaired surplus or $2,000,000, up from $500,000. The FRB NPR would make similar revisions to the threshold at 12 CFR 215.5(c)(4), governing extensions of credit to executive officers not otherwise specifically authorized, to the lower of 2.5 percent of the member bank's unimpaired capital and unimpaired surplus or $400,000, up from $100,000.

The FDIC believes it is appropriate to propose new thresholds concerning certain (1) extensions of credit to executive officers not otherwise specifically authorized under section 22(g); and (2) extensions of credit to insiders requiring prior approval by the board of directors to align its thresholds with those proposed by the FRB.[33]

### *A. One-Time Adjustment to Dollar-Based Thresholds in § 337.3*

Consistent with the FRB NPR, the proposed rule would increase the dollar-based limits of the two thresholds in § 337.3 to adjust for economic growth and inflation. Specifically, the proposed rule would increase the threshold for loans to executive officers not otherwise specifically authorized and the threshold for loans to insiders requiring prior approval by the board of directors. The FDIC is proposing to update these thresholds for economic growth and inflation utilizing seasonally adjusted U.S. nominal gross domestic product (nominal GDP),[34] comparing the change in nominal GDP between the fourth quarter of 2025 and the fourth quarter of 1994, which is when the FDIC last considered updating one of the relevant thresholds for economic growth and inflation.[35] To simplify compliance, the FDIC is proposing to round the resulting figures to simple whole numbers that are multiples of the current thresholds.[36] Utilizing this approach for updating these thresholds for changes in inflation and economic growth—which aligns with that proposed in the FRB NPR [37]—would ensure consistent standards for national, State member, and State nonmember banks.[38] This one-time adjustment would increase the threshold for loans to executive officers not otherwise specifically authorized from $100,000 to $400,000 and the threshold for loans to insiders requiring

[25] *Id.* § 306(m)(2).

[26] 57 FR 7647 (Mar. 4, 1992).

[27] 57 FR 17847 (Apr. 28, 1992).

[28] For executive officers, this restriction operates alongside the restrictions on extensions of credit for insiders without prior board approval. Accordingly, even for extensions of credit to an executive officer *authorized* by Regulation O, the extension of credit, when aggregated with the institution's other extensions of credit to that insider, must not exceed (1) the greater of $25,000 or 5 percent of the FDIC-supervised institution's unimpaired capital and unimpaired surplus, or (2) $500,000, *unless* the extension of credit receives prior approval by a majority of the board of directors with the interested director(s) not participating.

[29] *See* 48 FR 42804 (Sept. 20, 1983).

[30] In addition to the thresholds that are the subject of this proposal, the FRB NPR would adjust the thresholds at 12 CFR 215.3(b)(5) and (6); 12 CFR 215.4(b)(1), (b)(2), (d)(2) and (e)(2); 12 CFR 215.5(d)(4); 12 CFR 215.9(b)(1).

[31] 91 FR 49526 (Aug. 4, 2026).

[32] The FRB NPR also would reorganize the provisions of the current Regulation O so the requirements are easier for the practitioner to locate and apply. Citations to the sections of Regulation O in this proposal are to the sections as they currently are published in the Code of Federal Regulations.

[33] 12 U.S.C. 375a(4); 12 U.S.C. 375b(3). For corresponding thresholds in Regulation O, see 12 CFR 215.5(c)(4) and 215.4(b).

[34] Nominal GDP is calculated quarterly by the U.S. Bureau of Economic Analysis. *See* U.S. Bureau of Economic Analysis, account code: A191RC, Gross Domestic Product [GDP], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/GDP,* June 25, 2026.

[35] *See* 59 FR 66666, 66667 (Dec. 28, 1994) (declining to adjust threshold for inflation to ensure that insured State nonmember banks remain ''on an equal footing'' with State member banks).

[36] For example, adjusting for growth in nominal GDP from Q4 1994 to Q4 2025 would entail increasing the thresholds to 421 percent of their current levels ($31,422.53/7455.29 × 100 = 421). Instead of 421 percent, the FDIC would use a multiplier of 400 percent to ensure that the thresholds are set at round numbers, simplifying compliance.

[37] 91 FR 49526.

[38] Because the Office of the Comptroller of the Currency's regulations for nationally-chartered banks incorporate Regulation O by reference, *see* 12 CFR 31.2(a), the thresholds applicable to national banks will be automatically updated if the Federal Reserve Board adopts its proposed changes to Regulation O.

prior approval by the board of directors from $500,000 to $2,000,000.

Following this adjustment, § 337.3(b) would provide that FDIC-supervised institutions must comply with the prior approval requirements when aggregated extensions of credit to any insider exceed the lower of 5 percent of the FDIC-supervised institution's unimpaired capital and unimpaired surplus or $2,000,000. Section 337.3(c)(2) would provide that loans to executive officers not otherwise specifically authorized shall not exceed, in the aggregate, the lower of 2.5 percent of an FDIC-supervised institution's unimpaired capital and unimpaired surplus or $400,000.[39] The FDIC is proposing to update these thresholds in an effort to reduce regulatory burden and to reflect changing economic conditions since the current thresholds were adopted.

*B. Periodic Indexing of Dollar-Based Thresholds by Nominal GDP*

The FRB NPR also proposes to automatically update the relevant dollar-based thresholds for real economic growth and inflation on a going-forward basis. To ensure that the dollar-based thresholds applicable to FDIC-supervised institutions continue to align with those applicable to other banks, the FDIC proposes to make the same automatic adjustments to the thresholds in its own regulations.

As noted, considerable time has passed without an adjustment to the dollar-based thresholds for extensions of credit to executive officers not otherwise specifically authorized under section 22(g) and extensions of credit to insiders requiring prior approval by the board of directors under section 22(h). As a result, fixed thresholds have become steadily more restrictive, reducing the effective amount that banks could lend to their insiders, whether as a general matter or without triggering the board approval requirement. While a one-time adjustment to these dollar-based thresholds will reduce burden for banks and restore these thresholds to the effective level intended by Congress, it will not account for future imbalances caused by inflation or real economic growth. To limit the need for future rulemaking, and to provide FDIC-supervised institutions with a more predictable regulatory environment, the proposal would adopt an indexing methodology to ensure the thresholds keep pace with changing economic conditions.

Consistent with the FRB NPR, the FDIC would update the dollar-based thresholds addressed by this proposal every five years, utilizing nominal GDP.[40] Every five years following the effective date of the proposed rule, the FDIC would publish in the **Federal Register** (1) the ratio of nominal GDP at the time of the last adjustment to nominal GDP five years later and (2) the resulting updated thresholds. To simplify compliance, the FDIC would round each threshold in the thousands to the nearest number with one significant digit; and would round each threshold in the millions to the nearest number with two significant digits. To address concerns about procyclicality during a prolonged period of economic contraction, the proposal does not call for an adjustment if nominal GDP declines during the intervening five years between scheduled updates. Providing updates every five years will avoid the burden associated with frequent changes to regulatory requirements while still ensuring that the thresholds do not become significantly misaligned with economic conditions over time. By striking this balance on the frequency of adjustments and by providing transparency and predictability on the nature of those adjustments, the FDIC expects that the proposal will produce a more durable regulatory framework that appropriately adapts to changing economic conditions.

Because this approach for future indexing of these thresholds is consistent with that recently proposed in the FRB NPR,[41] the FDIC's proposal would ensure that restrictions on extensions of credit to bank insiders do not vary based on a bank's primary federal regulator.

*C. Streamlining the Calculation of Applicable Thresholds*

Under Regulation O and the FDIC's associated regulations, the federal banking agencies currently utilize a three-pronged approach for the calculation of the applicable threshold above which (1) a bank cannot, in the aggregate, extend further credit to an executive officer, and (2) a bank must obtain approval from a majority of disinterested board members for an extension of credit to an insider. Those three prongs are a dollar-based minimum threshold, a sliding scale based on the size of the bank, and a dollar-based maximum threshold. The three prongs establish a bounded requirement: the applicable amount is the greater of (1) the fixed minimum or (2) the amount determined based on the bank's capital, subject to (3) an overall maximum. In this case, the relevant sliding scale threshold is 2.5 percent or 5 percent, respectively, of a bank's unimpaired capital and unimpaired surplus. The dollar-based minimum threshold means that any bank, no matter how small its unimpaired capital and unimpaired surplus, may extend credit up to $25,000 without triggering either restriction. Additionally, the dollar-based maximum threshold means that no bank, no matter how large its unimpaired capital and unimpaired surplus, may extend credit for a purpose not otherwise authorized to an executive officer beyond $100,000, or for any purpose to any insider above $500,000 without obtaining prior board approval.

This three-pronged approach for calculating the relevant thresholds for a given bank can present unnecessary administrative challenges. The FDIC proposes to eliminate the minimum dollar-based threshold to streamline compliance for FDIC-supervised institutions and to maintain consistency with the FRB NPR. Accordingly, the relevant threshold for restricting extensions of credit to executive officers not otherwise authorized by statute or regulation would be the lower of 2.5 percent of a bank's unimpaired capital and unimpaired surplus or $400,000. The relevant threshold for restricting extensions of credit to insiders without prior board approval would be the lower of 5 percent of a bank's unimpaired capital and unimpaired surplus or $2,000,000.[42]

*Question 1: Do commenters agree with the FDIC's approach to align the thresholds in § 337.3 and indexing methodology with the FRB, consistent with the FRB NPR? What are the advantages and disadvantages? Are there other alternative thresholds or indexing methodologies the FDIC should consider?*

*Question 2: Should the FDIC consider not using absolute dollar-based thresholds and instead rely solely on thresholds set by a percent of*

[39] Section 22(g) of the FRA did not apply to insured nonmember banks until the enactment of FDICIA in 1991. When the FDIC promulgated a limit on loans to executive officers for purposes not authorized in section 22(g), it adopted the same limits that were in use by the OCC and Federal Reserve Board. *See* 57 FR 17847.

[40] The FDIC would look to the most current estimate of nominal U.S. GDP for a given year, published by the Bureau of Economic Analysis on or before September 30th of the year in which the thresholds are to be adjusted.

[41] 91 FR 49526.

[42] The restrictions for extensions of credit without prior board approval would continue to apply in conjunction with the restrictions on extensions of credit to executive officers, including those specifically authorized.

*unimpaired capital and unimpaired surplus?*

*Question 3: Are there any compliance or related costs associated with the proposed rule? If so, please describe.*

*Question 4: What alternatives to the elimination of the minimum dollar-based aspect of the relevant thresholds would simplify administrative compliance for banks?*

*Question 5: What other simplifying or clarifying measure should the FDIC consider adopting?* [43]

**III. Expected Effects**

The proposed rule would increase the dollar-based thresholds associated with limitations on extensions of credit to insiders, as defined at § 337.3(b) and (c)(2) of the FDIC's regulations. Currently, an FDIC-supervised institution may not extend credit to an insider without board approval if the total amount of credit extended exceeds the greater of $25,000 or 5 percent of the FDIC-supervised institution's unimpaired capital and unimpaired surplus or exceeds $500,000. If adopted, the proposed rule would eliminate the $25,000 threshold, retain the 5 percent threshold, and increase the $500,000 threshold to $2,000,000, so that board approval would be required if the total amount of credit extended exceeds the lower of 5 percent of the institution's unimpaired capital and unimpaired surplus or $2,000,000.

In addition, an FDIC-supervised institution may not extend to any executive officer credit for any purpose not otherwise authorized if the total amount of credit extended exceeds the greater of 2.5 percent of unimpaired capital and unimpaired surplus or $25,000, or exceeds $100,000.[44] If adopted, the proposal would eliminate the $25,000 threshold, retain the 2.5 percent threshold, and increase the $100,000 threshold to $400,000, so that an institution may not extend credit for any purpose not authorized to any executive officer if the total amount of credit exceeds the lower of 2.5 percent of unimpaired capital and unimpaired surplus or $400,000.

To estimate the expected scope, benefits, and costs of the proposed changes, the FDIC compared expected outcomes under the proposed rule to a baseline scenario in which the dollar-based thresholds in the FDIC's regulations remain at March 31, 2026 levels. Under both scenarios, this analysis uses all relevant regulations and financial conditions data for all FDIC-supervised institutions as of the quarter ending March 31, 2026, to estimate the economic outcomes.

As of March 31, 2026, the FDIC supervised 2,700 IDIs.[45] In contrast to the baseline, the proposed rule would change outcomes for FDIC-supervised institutions whose extensions of credit to insiders would exceed the current thresholds in § 337.3 but not exceed the proposed thresholds (affected IDIs). To estimate this population, the FDIC used data on the extension of credit to insiders, as reported on Schedule RC–M of the Call Reports. As of March 31, 2026, 2,348 FDIC-supervised institutions reported insider extensions of credit and 1,530 FDIC-supervised institutions reported extending credit to at least one insider in an amount greater than the lower of 5 percent of unimpaired capital and unimpaired surplus or $500,000. For 1,457 of these IDIs, $500,000 is less than 5 percent of unimpaired capital and unimpaired surplus. As such, the FDIC estimates that up to 1,457 FDIC-supervised institutions could be directly affected by the proposed dollar-based threshold increase from $500,000 to $2,000,000 in § 337.3(b). The number of affected IDIs could be greater, as the estimated population does not include the population of IDIs that would be separately affected by the proposed increase in thresholds relating to extensions of credit to executive officers—a type of insider—in § 337.3(c)(2). The FDIC does not have data to estimate this separate population. However, because insider loans to executive officers would be subject to the proposed changes to both thresholds, the FDIC believes the estimated population of 1,457 likely includes most IDIs affected by one or the other.

Notably, the $500,000 threshold is lower than 5 percent of unimpaired capital and unimpaired surplus for 92 percent of the 2,348 FDIC-supervised IDIs that report insider extensions of credit. This ranking has reversed over the previous 40 years because bank capital has increased: on December 31, 1984—shortly after the threshold was adopted—90 percent of FDIC-supervised IDIs were bound by the 5 percent of unimpaired capital and unimpaired surplus capital threshold and only 10 percent by the $500,000 threshold.[46] Under the proposed rule, 50 percent of FDIC-supervised IDIs would be bound by the capital threshold and 50 percent by the $2,000,000 threshold.[47] Therefore, as compared to the baseline, the proposed dollar-based thresholds resemble more closely the balance established by the original thresholds.

The FDIC expects that the proposed rule would have benefits for affected IDIs, relative to the baseline. By raising the thresholds in § 337.3, the proposed rule would directly benefit these institutions by lowering the number of insider loans that must be approved by the board of directors and reducing the administrative burden therein. The proposed rule also could improve the ability of these IDIs to retain qualified executive officers and directors by reducing the opportunity cost of becoming an insider of these IDIs, particularly for IDIs located in areas with limited banking options. The FDIC does not have data to quantify these impacts.

Insiders at affected IDIs would also benefit from the proposed higher thresholds. In particular, the requirements of § 337.3 increase the costs of obtaining credit for insiders at affected IDIs. For example, insiders may find it costly to establish relationships with other lenders, particularly in areas where fewer options for outside credit are available (*e.g.,* rural areas). By increasing the dollar-based thresholds mentioned above, the proposed rule would make it easier for insiders to obtain credit in these circumstances. The FDIC does not have the information necessary to quantify the effects described above, and while the effects may be material to insiders at certain FDIC-supervised institutions, the FDIC expects the effects are likely to be modest in the aggregate.

The proposed rule would not impose any new or additional reporting requirements on institutions or impose any direct costs. Indirect costs may include increased risk to institutions, for example, if lending standards for insider loans—especially those made without board approval—are effectively lower than for other loans. The FDIC expects that these loans or extensions of credit pose little or no risk to institutions, as extensions of credit to insiders typically make up only a small percentage of an FDIC-supervised institution's total loans. Based on Call Report data as of March 31, 2026, the median FDIC-supervised institution reported that extensions of credit to insiders made up only 0.6 percent of its total loans and leases. In addition, the

[43] In addition, the FDIC will continue to review and consider any comments received pursuant to the current EGRPRA review that relate to this proposal as part of any final rulemaking.

[44] 12 CFR 337.3(c)(2).

[45] FFIEC Reports of Condition and Income (Call Reports), March 31, 2026.

[46] December 31, 1984 Call Report data. The 90 percent figure includes three percent of IDIs eligible to extend up to $25,000 in insider credit without board approval because five percent of their capital was less than $25,000. *See* 12 CFR 337.3(b).

[47] March 31, 2026 Call Report data.

proposed $2,000,000 threshold represents only 5 percent of unimpaired capital and unimpaired surplus at the median FDIC-supervised institution—a marginal increase from the 1.3 percent that $500,000 represents. The FDIC expects this marginal increase in risk would be mitigated by supervisory and board oversight. For comparison, in December 1984, $500,000 represented 18.5 percent of unimpaired capital and unimpaired surplus at the median FDIC-supervised institution. Thus, the thresholds in the proposed rule represent much less risk to capital than when they were adopted.

Given the analysis above, the FDIC concludes that the benefits of the proposed rule are expected to exceed its costs. The FDIC invites comment on this analysis; in particular, what are other economic effects of the proposed rule that the FDIC should consider?

## IV. Alternatives Considered

The FDIC considered several alternatives to the proposed rule that could meet the objectives of this rulemaking. For the reasons described above, the FDIC views the proposed rule as the most appropriate and effective means of achieving its objectives with respect to determining compliance with the Federal Reserve Act and Regulation O.

For example, the FDIC considered several alternative approaches to update the applicable thresholds. The FDIC considered utilizing measures such as the non-seasonally adjusted Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI–W), particularly because the FDIC already uses that metric for adjusting several other regulatory thresholds.[48] However, if the FDIC were to adjust its thresholds using a measure other than nominal GDP, there would likely be a steady divergence over time between the thresholds applicable to FDIC-supervised institutions and institutions supervised by the other federal banking agencies. Such inconsistency would introduce inconsistent treatment for similarly situated institutions. Accordingly, this proposal contemplates one-time and prospective adjustments using nominal GDP. The FDIC invites comments on alternatives to the proposed rule.

## V. Regulatory Analyses

### *A. Paperwork Reduction Act*

The Paperwork Reduction Act of 1995 [49] (PRA) states that no agency may conduct or sponsor, nor is the respondent required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The FDIC has reviewed this proposed rule and determined that it does not create any information collection or revise any existing collection of information. Accordingly, no PRA submissions to OMB will be made with respect to this proposed rule.

### *B. Regulatory Flexibility Act*

The Regulatory Flexibility Act [50] (RFA) generally requires an agency, in connection with a proposed rule, to prepare and make available for public comment an initial regulatory flexibility analysis that describes the impact of the proposed rule on small entities.[51] However, an initial regulatory flexibility analysis is not required if the agency certifies that the proposed rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. The Small Business Administration (SBA) has defined ''small entities'' to include banking organizations with total assets of less than or equal to $850 million.[52] Generally, the FDIC considers a significant economic impact to be a quantified effect in excess of 5 percent of total annual salaries and benefits or 2.5 percent of total noninterest expenses. The FDIC believes that effects in excess of one or more of these thresholds typically represent significant economic impacts for FDIC-supervised institutions. For the reasons discussed below, the FDIC certifies that the proposed rule will not have a significant impact on a substantial number of small entities.

As discussed in section II of this **SUPPLEMENTARY INFORMATION**, the proposed rule would update certain thresholds relating to extensions of credit to insiders to account for inflation and economic growth since the thresholds were originally adopted. Currently, an FDIC-supervised institution may not extend credit to an insider without board approval if the total amount of credit extended exceeds the greater of $25,000 or five percent of the FDIC-supervised institution's unimpaired capital and unimpaired surplus, or exceeds $500,000. If adopted, the proposed rule would eliminate the $25,000 threshold, retain the 5 percent threshold, and increase the $500,000 threshold to $2,000,000, such that an FDIC-supervised institution may not extend credit to an insider without board approval if the aggregate amount of credit extended exceeds the lower of 5 percent of the IDI's unimpaired capital and unimpaired surplus or $2,000,000. In addition, an FDIC-supervised institution may not extend credit to any executive officer for a purpose other than expressly authorized if the total amount of such credit extended exceeds the greater of $25,000 or 2.5 percent of the IDI's unimpaired capital and unimpaired surplus or exceeds $100,000. If adopted, the proposal would eliminate the $25,000 threshold, retain the 2.5 percent threshold, and increase the $100,000 threshold to $400,000, such that an FDIC-supervised institution may not extend credit to any executive officer for a purpose other than expressly authorized if the total amount of such credit extended exceeds the lower of 2.5 percent of the IDI's unimpaired capital and unimpaired surplus or $400,000. To estimate the effects of the proposed rule on small IDIs, the FDIC compared expected outcomes under the proposed rule to a baseline scenario in which the dollar-based thresholds in the FDIC's regulations remain at March 31, 2026 levels. Under both scenarios, this analysis uses all relevant regulations and financial conditions data for all small FDIC-supervised IDIs as of the quarter ending March 31, 2026, to estimate the economic outcomes.

As of March 31, 2026, the FDIC supervised 2,700 IDIs, of which 1,978 are ''small entities'' for purposes of RFA.[53] In contrast to the baseline, the proposed rule would change outcomes for small FDIC-supervised institutions whose extensions of credit to insiders would exceed the current thresholds in § 337.3 but not exceed the proposed thresholds (affected small IDIs). To estimate this population, the FDIC uses data on the extension of credit to insiders, as reported on Schedule RC–M of the Call Reports. As of March 31, 2026, 1,726 small FDIC-supervised institutions reported insider extensions of credit and 1,029 reported extending credit to insiders in amounts exceeding

[48] *See* 90 FR 55789 (Dec. 4, 2025).

[49] 44 U.S.C. 3501–3521.

[50] *Id.*

[51] 5 U.S.C. 601 *et seq.*

[52] The SBA defines a small banking organization as having $850 million or less in assets, where an organization's ''assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year.'' *See* 13 CFR 121.201 (as amended by 87 FR 69118, effective December 19, 2022). In its determination, the ''SBA counts the receipts, employees, or other measure of size of the concern whose size is at issue and all of its domestic and foreign affiliates.'' *See* 13 CFR 121.103. Following these regulations, the FDIC uses an insured depository institution's affiliated and acquired assets, averaged over the preceding four quarters, to determine whether the insured depository institution is ''small'' for the purposes of RFA.

[53] FFIEC Reports of Condition and Income (Call Reports), March 31, 2026.

the lower of $500,000 or 5 percent of the institution's unimpaired capital and unimpaired surplus.[54] For 956 of these small FDIC-supervised IDIs, $500,000 is less than 5 percent of unimpaired capital and unimpaired surplus.[55] Thus, the FDIC estimates that 956 affected small IDIs could be directly affected by the proposed dollar-based threshold increase from $500,000 to $2,000,000 in § 337.3(b). The number of affected small IDIs could be greater, as the estimated population does not include the population of small IDIs that would be separately affected by the proposed increase in thresholds relating to extensions of credit to executive officers—a type of insider—in § 337.3(c)(2). The FDIC does not have data to estimate this separate population. However, because insider loans to executive officers would be subject to the proposed changes to both thresholds, the FDIC believes the estimated population of 956 likely includes most small IDIs affected by one or the other.

The FDIC expects that the proposed rule would have modest benefits on affected small IDIs, relative to the baseline. By raising the thresholds in § 337.3, the proposed rule would directly benefit these institutions by lowering the number of insider loans that must be approved by the board of directors and reducing the administrative burden therein. The proposed rule could also improve the ability of affected small IDIs to retain qualified executive officers and directors by reducing the opportunity cost of becoming an insider of an affected small IDI, particularly for those located in areas with limited banking options. The FDIC does not have data to quantify these impacts but believes they would be modest.

The proposed rule would not impose any new or additional reporting requirements on institutions or impose any direct costs. Indirect costs may include increased risk to affected small IDIs, for example, if lending standards for insider loans—especially those made without board approval—are effectively lower than for other loans. The FDIC expects that these loans or extensions of credit pose little or no risk to institutions, as extensions of credit to insiders typically make up only a small percentage of an affected small IDI's total loans. Based on Call Report data as of March 31, 2026, the median small FDIC-supervised IDI reported that extensions of credit to insiders made up only 0.7 percent of its total loans and leases. In addition, the proposed $2,000,000 threshold represents only 6.9 percent of unimpaired capital and unimpaired surplus at the median affected small IDI—a marginal increase from the 1.7 percent that $500,000 represents. The FDIC expects this marginal increase in risk would be mitigated by supervisory and board oversight. For comparison, in March 2000, $500,000 represented 9.9 percent of unimpaired capital and unimpaired surplus at the median FDIC-supervised small IDI. Thus, the thresholds in the proposed rule represent less risk to capital than historically.

As mentioned previously, the FDIC does not have the data necessary to quantify the impact of the proposed rule on affected small IDIs. However, based on the preceding analysis the FDIC believes the proposed rule will be modestly beneficial to affected small IDIs. While the proposed rule's benefits may be material to certain affected small IDIs, the FDIC does not believe the number of such small FDIC-supervised IDIs is substantial.

Thus, based on the foregoing, the FDIC certifies that the proposed rule will not have a significant impact on a substantial number of small FDIC-supervised institutions. The FDIC invites comments on all aspects of this analysis. The FDIC is particularly interested in comments on any significant effects on small entities that the agency has not identified.

### *C. Riegle Community Development and Regulatory Improvement Act of 1994*

Pursuant to section 302(a) of the Riegle Community Development and Regulatory Improvement Act of 1994, 12 U.S.C. 4802(a), in determining the effective date and administrative compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions, the FDIC will consider, consistent with principles of safety and soundness and the public interest: (1) any administrative burdens that the proposed rule would place on depository institutions, including small depository institutions and customers of depository institutions; and (2) the benefits of the proposed rule. The FDIC requests comment on any administrative burdens that the proposed rule would place on depository institutions, including small depository institutions, and their customers, and the benefits of the proposed rule that the FDIC should consider in determining the effective date and administrative compliance requirements for a final rule.

### *D. Plain Language*

Section 722 of the Gramm-Leach-Bliley Act[56] requires the Federal banking agencies to use plain language in all proposed and final rulemakings published in the **Federal Register** after January 1, 2000. The FDIC invites your comments on how to make this proposed rule easier to understand. For example:

- Has the FDIC organized the material to suit your needs? If not, how could the proposed rule be more clearly stated?
- Are the requirements in the proposed rule clearly stated? If not, how could the proposed rule be more clearly stated?
- Does the proposed rule contain language or jargon that is not clear? If so, which language requires clarification?
- Would a different format (grouping and order of sections, use of headings, paragraphing) make the proposed rule easier to understand? If so, what changes to the format would make the proposed rule easier to understand?
- What else could the FDIC do to make the proposed rule easier to understand?

### *E. Providing Accountability Through Transparency Act of 2023*

The Providing Accountability Through Transparency Act of 2023, 5 U.S.C. 553(b)(4), requires that a notice of proposed rulemaking include the internet address of a summary of not more than 100 words in length of a proposed rule, in plain language, that shall be posted on the internet website *www.regulations.gov.*

The FDIC propose to revise thresholds applicable to FDIC-supervised institutions regarding compliance with 12 U.S.C. 375a(4) and 375b(3), which concern certain extensions of credit to insiders.

The proposal and the required summary can be found at *https://www.fdic.gov/federal-register-publications.* The summary states that the FDIC proposes to revise quantitative thresholds for certain extensions of credit to insiders applicable to FDIC-supervised institutions regarding compliance with 12 U.S.C. 375a(4) and 375b(3).

### *F. Executive Order 12866 (as Amended)*

Executive Order 12866, titled ''Regulatory Planning and Review,'' as amended, requires the Office of Information and Regulatory Affairs (OIRA), Office of Management and Budget to determine whether a

[54] *Id.*

[55] *Id.*

[56] Public Law 106–102, section 722, 113 Stat. 1338, 1471 (1999), 12 U.S.C. 4809.

proposed rule is a ''significant regulatory action'' prior to the disclosure of the proposed rule to the public. If OIRA finds the proposed rule to be a ''significant regulatory action,'' Executive Order 12866 requires an agency to conduct a cost-benefit analysis of the proposed rule. Executive Order 12866 defines ''significant regulatory action'' to mean a regulatory action that is likely to: (1) have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in Executive Order 12866.

OIRA has determined that this proposed rule is not a significant regulatory action under section 3(f)(1) of Executive Order 12866 and, therefore, is not subject to review under Executive Order 12866.

The FDIC's analysis conducted in connection with Executive Order 12866 is also included above under the ''Expected Effects'' section of this document.

*G. Executive Order 14192*

Executive Order 14192, titled ''Unleashing Prosperity Through Deregulation,'' requires that an agency, unless prohibited by law, identify at least 10 existing regulations to be repealed when the agency publicly proposes for notice and comment or otherwise promulgates a new regulation with total costs greater than zero. Executive Order 14192 further requires that new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations. The FDIC expects the proposed rule, if finalized, will be neither a regulatory action nor a deregulatory action under Executive Order 14192 because it simply implements an economic growth and inflation adjustment to the existing regulatory framework.

**List of Subjects in 12 CFR Part 337**

Banks, banking, Reporting and recordkeeping requirements, Savings associations, Securities.

**Federal Deposit Insurance Corporation**

12 CFR Chapter III

**Authority and Issuance**

For the reasons set forth in the preamble, the FDIC proposes to amend part 337 of chapter III of title 12 of the *Code of Federal Regulations* as follows:

## PART 337—UNSAFE AND UNSOUND BANKING PRACTICES

■ 1. The authority citation for part 337 continues to read as follows:

**Authority:** 12 U.S.C. 375a(4), 375b, 1463, 1464, 1468, 1816, 1818(a), 1818(b), 1819, 1820(d), 1821(f), 1828(j)(2), 1831, 1831f, 1831g, 5412.

■ 2. Revise and republish § 337.3 to read as follows:

**§ 337.3 Limits on extensions of credit to executive officers, directors, and principal shareholders of FDIC-supervised institutions.**

(a) With the exception of 12 CFR 215.20 (c), (d)(3), and (d)(4), FDIC-supervised institutions are subject to the restrictions contained in Federal Reserve Board Regulation O (12 CFR part 215) to the same extent and to the same manner as though they were member banks.

(b) For purposes of complying with § 215.12 of Federal Reserve Board Regulation O (12 CFR 215.12), no FDIC-supervised institution may extend credit or grant a line of credit to any of its executive officers, directors, or principal shareholder or any related interest of any such person in an amount that, when aggregated with the amount of all other extensions of credit to that person and to all related interests of that person, exceeds the lower of 5 percent of the FDIC-supervised institution's unimpaired capital and unimpaired surplus, or $2,000,000, multiplied by the GDP growth adjustment, unless:

(1) The extension of credit has been approved in advance by a majority of the entire board of directors of that bank; and

(2) The interested party has abstained from participating directly or indirectly in the voting.

* * * * *

(2) An FDIC-supervised institution is authorized to extend credit to any executive officer of the institution for any other purpose not specified in § 215.20(d) of Federal Reserve Board Regulation O (12 CFR 215.20(d)) if the aggregate amount of extensions of credit to that executive officer under this paragraph (c)(2) does not exceed at any one time the lower of 2.5 per cent of the FDIC-supervised institution's unimpaired capital and unimpaired surplus or $400,000, multiplied by the GDP growth adjustment, provided, however, that no such extension of credit shall be subject to this limit if the extension of credit is secured by:

(i) a perfected security interest in bonds, notes, certificates of indebtedness, or Treasury bills of the United States or in other such obligations fully guaranteed as to principal and interest by the United States;

(ii) unconditional takeout commitments or guarantees of any department, agency, bureau, board, commission or establishment of the United States or any corporation wholly owned directly or indirectly by the United States; or

(iii) Extensions of credit secured by a perfected security interest in a segregated deposit account in the lending bank.

* * * * *

(4) (i) *In general.* The FDIC will publish a GDP growth adjustment every five years starting with [the effective date of a final rule] for the dollar-based thresholds set forth in paragraphs (b) and (c)(2) of this section.

(ii) *Rounding.* When adjusting thresholds under paragraph (a) of this section, each threshold shall be rounded based on the size of the threshold (*e.g.,* thousands, millions) to the nearest number with two significant digits, such that:

(A) Each threshold in the thousands shall be rounded to the nearest number with one significant digit; and

(B) Each threshold in the millions shall be rounded to the nearest number with two significant digits.

(iii) *Exception.* Notwithstanding paragraph (i) of this subsection, the FDIC will not publish an updated GDP growth adjustment if the five-year cumulative growth of nominal U.S. GDP is negative.

* * * * *

3. In § 337.3(d), replace the word ''Definition'' with ''Definitions'' and add a definition for ''GDP growth adjustment'' in alphabetical order, to read as follows:

* * * * *

*GDP growth adjustment* means the most recent multiplier published by the FDIC equal to the ratio of:

(1) The nominal United States gross domestic product in the 4th quarter of the calendar year prior to publication of the multiplier, as reflected by the most current estimates published by the Bureau of Economic Analysis on or before September 30th of the year of the publication of the multiplier, or a comparable value; to

(2) The nominal United States gross domestic product in the 4th quarter of the calendar year prior to [the effective date of a final rule], as reflected by the most current estimates published by the Bureau of Economic Analysis.

* * * * *

Federal Deposit Insurance Corporation.

By order of the Board of Directors.

Dated at Washington, DC, on August 4, 2026.

**Jennifer M. Jones,**

*Deputy Executive Secretary.*

[FR Doc. 2026–15995 Filed 8–5–26; 8:45 am]

**BILLING CODE 6714–01–P**

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## DEPARTMENT OF TRANSPORTATION

## Federal Aviation Administration

## 14 CFR Part 25

**[Docket No.: FAA–2026–0430; Notice No. 26–09]**

**RIN 2120–AL42**

# Transport Airplane and Propulsion Certification Modernization; Extension of Comment Period

**AGENCY:** Federal Aviation Administration (FAA), Department of Transportation (DOT).

**ACTION:** Notice of proposed rulemaking (NPRM); Extension of comment period.

**SUMMARY:** This action extends the comment period for a NPRM titled ''Transport Airplane and Propulsion Certification Modernization'' that was published on June 26, 2026. In that document, FAA proposed to amend various airworthiness regulations to modernize certain certification standards for transport category airplanes and propulsion systems. This rule would be both deregulatory and relieving by reducing the number of exemptions, special conditions, and equivalent level of safety findings required during the certification process. FAA expects that this proposal would reduce certification costs and time to certify new and changed products for both industry and FAA while maintaining or increasing the level of safety provided by the current regulations. FAA proposes to remove Special Federal Aviation Regulation No. 109 from part 25 and relocate certain of its requirements. Finally, this action would address industry and National Transportation Safety Board recommendations while also harmonizing FAA's regulations with international standards. FAA is extending the comment period closing date, on request, to allow commenters additional time to analyze the proposed rule and prepare a response.

**DATES:** The comment period for the NPRM published on June 26, 2026, at 91 FR 38878, is extended. Comments should be received on or before September 24, 2026.

**ADDRESSES:** Send comments identified by docket number FAA–2026–0430 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations; U.S. Department of Transportation (DOT), 1200 New Jersey Avenue SE, West Building, 5th Floor (W58–213), Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W58–213 of the West Building 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- *Fax:* Fax comments to Docket Operations at (202) 493–2251.

*Docket:* Background documents or comments received may be read at *www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W58–213 of the West Building 5th Floor at 1200 New Jersey Avenue SE, Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** James Wilborn, AIR–62A, Product Policy Management: Transport Airplanes & Engines Section, Policy and Standards Division, Aircraft Certification Service, Federal Aviation Administration, 2200 South 216th Street, Des Moines, WA 98198; (206) 231–3237; *James.Wilborn@faa.gov.*

**SUPPLEMENTARY INFORMATION:**

## Comments Invited

FAA invites interested persons to participate in this rulemaking by submitting written comments, data, or views. FAA also invites comments relating to the economic, environmental, energy, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should send only one copy of written comments, or if comments are filed electronically, commenters should submit only one time.

FAA will file in the docket all comments it receives, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rulemaking. Before acting on this proposal, FAA will consider all comments it receives on or before the closing date for comments. FAA will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. FAA may change this proposal in light of the comments it receives.

*Privacy:* In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to *www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *www.dot.gov/privacy.*

## Confidential Business Information

Confidential Business Information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as ''PROPIN.'' FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to the person in the **FOR FURTHER INFORMATION CONTACT** section of this document. Any commentary FAA receives which is not specifically designated as CBI will be placed in the public docket for this rulemaking.

## Availability of Rulemaking Documents

A copy of this NPRM, all comments received, any final rule, and all background material may be viewed online at *www.regulations.gov* using the docket number listed above. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from the Office of the Federal Register's website at *www.federalregister.gov* and the