



441 G St. N.W.
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B-338364

May 18, 2026

The Honorable Tim Scott
Chairman
The Honorable Elizabeth Warren
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable French Hill
Chairman
The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
House of Representatives

Subject: *Department of the Treasury, Office of the Comptroller of the Currency; Federal Reserve System; Federal Deposit Insurance Corporation: Regulatory Capital Rule: Community Bank Leverage Ratio Framework*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of the Treasury, Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRB), and the Federal Deposit Insurance Corporation (collectively, the Agencies) entitled “Regulatory Capital Rule: Community Bank Leverage Ratio Framework” (RINs: 1557-AF33, 7100-AH08, 3064-AG17). We received a submission of the rule from OCC on April 29, 2026, and from FRB on May 6, 2026. It was published in the *Federal Register* on April 29, 2026. 91 Fed. Reg. 22973. The stated effective date of the rule is July 1, 2026.

According to the Agencies, this rule lowers the community bank leverage ratio (CBLR) requirement from 9 percent to 8 percent, consistent with the lower bound provided in section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The Agencies stated that the rule also extends the length of time that certain depository institutions and depository institution holding companies can remain in the CBLR framework while not meeting all of the qualifying criteria for the CBLR framework from two consecutive quarters to four consecutive quarters, subject to a limit of eight quarters in the previous five-year period.

The Congressional Review Act (CRA) requires a 60-day delay in the effective date of a major rule from the date of publication in the *Federal Register* or receipt of the rule by Congress, whichever is later. 5 U.S.C. § 801(a)(3)(A). This rule was published in the *Federal Register* on April 29, 2026. 91 Fed. Reg. 22973. The Senate received the rule on April 29, 2026. 172 Cong. Rec. S2276 (daily ed. May 13, 2026). The House of Representatives received the rule on May 7, 2026. 172 Cong. Rec. H3391 (daily ed. May 12, 2026). The stated effective

date of the rule is July 1, 2026. Therefore, the stated effective date is less than 60 days from the date of receipt by Congress.

Enclosed is our assessment of the Agencies' compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact me (202) 512-8156.

A handwritten signature in black ink that reads "Shirley A. Jones". The signature is written in a cursive style with a large, prominent "S" and "J".

Shirley A. Jones
Managing Associate General Counsel

Enclosure

cc: Carl Kaminski
Assistant Director, Bank Advisory Group, Chief Counsel's Office
Office of the Comptroller of the Currency

Jennifer Gallagher
Assistant to the Board
Board of Governors of the Federal Reserve System

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF THE TREASURY,
OFFICE OF THE COMPTROLLER OF THE CURRENCY;
FEDERAL RESERVE SYSTEM;
FEDERAL DEPOSIT INSURANCE CORPORATION
ENTITLED
“REGULATORY CAPITAL RULE:
COMMUNITY BANK LEVERAGE RATIO FRAMEWORK”
(RINS: 1557-AF33, 7100-AH08, 3064-AG17)

(i) Cost-benefit analysis

The Department of the Treasury, Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the Agencies) prepared an analysis of the costs and benefits for this rule. See 91 Fed. Reg. 22973, 22980–22984 (Apr. 29, 2026). The Agencies stated that the rule may impose costs on banking organizations and the banking industry in that it could encourage community banking organizations currently participating in the community bank leverage ratio (CBLR) framework to operate with lower capital ratios or the newly eligible community banking organizations that opt into the CBLR framework to take on riskier loans. *Id.* at 22983. For benefits, the Agencies stated that by expanding eligibility and extending the grace period, the rule is expected to enable more community banking organizations to benefit from the regulatory cost savings provided by the CBLR framework. *Id.* at 22981–22982.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

The Agencies certified that this rule will not have a significant economic impact on a substantial number of small entities. 91 Fed. Reg. 22985–22987.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

OCC determined that this rule will not result in the expenditure by state, local, or tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year. 91 Fed. Reg. 22987.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On December 1, 2025, the Agencies published a proposed rule. 90 Fed. Reg. 55048. The Agencies received approximately 30 comments on the proposed rule from a range of parties including a policy advocacy group, banking organizations, banking and financial trade associations, other financial market participants, a law firm, and individuals. The Agencies summarized and responded to comments in the rule. See 91 Fed. Reg. 22975–22980.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

The Agencies determined that this rule does not introduce any new collection of information pursuant to PRA. 91 Fed. Reg. 22985.

Statutory authorization for the rule

The Agencies promulgated this rule pursuant to sections 93a, 161, 1462, 1462a, 1463, 1464, 1818, 1828(n), 1828 note, 1831n note, 1835, 3907, 3909, 5371, 5371 note, and 5412(b)(2)(B) of title 12, United States Code; and Pub. L. No. 116-136, 134 Stat. 281.

Executive Order No. 12866 (Regulatory Planning and Review)

The Agencies stated that the Office of Information and Regulatory Affairs has determined that this rule is a significant regulatory action under the Order. 91 Fed. Reg. 22988.

Executive Order No. 13132 (Federalism)

In its submission to us, the Agencies indicated that the Order is not applicable to this rule.