PRESS RELEASES

OCC Errs in Final Trust Charter Rule

February 27, 2026
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Washington, D.C. – Today's final rule from the OCC discards the term "fiduciary activities" – a long-held and commonly understood definition of what it means to engage in trust activities – in favor of ambiguity and unfettered agency discretion. The OCC received numerous comments raising serious concerns with the proposed rule before the deadline just 16 days ago.

Statement from CSBS President and CEO Brandon Milhorn on the final rule:

"CSBS is deeply concerned by the OCC's final rule related to the chartering of national trusts. The rule fails to address – or even meaningfully consider – the consequences of this change on the scope and limits of national trust bank authority and undermines the transparency and accountability of OCC decision-making.

"The OCC has granted itself unfettered discretion to decide – on a case-by-case basis – what activities any future applicant for a national trust charter can perform. In so doing, it doubled down on an already opaque process, where the scope of any applicant's business model and planned activities are often not clear from either the public portion of the application or the OCC's approval.

"The OCC missed an opportunity to provide critical transparency regarding its exercise of the specific and limited chartering authority granted by Congress under the National Bank Act.

"I challenge anyone to explain what the scope and limits of the business of a 'national trust bank' are after reading this rule. Neither this vague rule, nor trust charter applications approved under the OCC's case-by-case process, should be entitled to any deference by the courts."

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The Conference of State Bank Supervisors (CSBS) is the national organization of financial regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico, and U.S. Virgin Islands. State regulators supervise 79% of all U.S. banks and a variety of non-depository financial services. CSBS, on behalf of state regulators, also operates the Nationwide Multistate Licensing System to license and register non-depository financial service providers in the mortgage, money services businesses, consumer finance and debt industries.

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