

**Statement of Jonathan V. Gould
Comptroller of the Currency**

Before the

Committee on Financial Services
United States House of Representatives

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The views expressed herein are those of the Office of the Comptroller of the Currency and do not necessarily present the views of the President. See 12 U.S.C. § 250

Chairman Hill, Ranking Member Waters, and Members of the Committee, thank you for the opportunity to appear before you. It is an honor to discuss the Office of the Comptroller of the Currency's (OCC's) work implementing the President's economic agenda by ensuring that America's federal banking system is safe and sound, and remains the world's most trusted, dynamic, and resilient.

After the 2008 financial crisis, Washington too often sought to eliminate rather than manage risks, resulting in a less relevant and diverse banking system. This approach drove financial activities into less regulated and visible parts of our economy, making risks harder to monitor and mitigate. The Dodd-Frank Act, far from ending too big to fail, created a "moat" around the largest banks and introduced "too-small-to-succeed." Unelected bureaucrats discouraged prudent risk-taking and reduced credit availability in many communities.

In particular, community banks suffered from these misguided policies. The number of banks with less than \$1 billion in total assets declined by 50 percent. The OCC has introduced reforms to address this decline. We removed fixed examination requirements, tailored examinations to actual risk, and imposed workday limits on examinations. We also created a supervision group focused on community banks. These actions, among others, represent a down payment on future reforms to promote a more relevant and diverse banking system.

Community banks are not the only casualty of the post Dodd-Frank banking system. In the years that followed, new bank formation in this country nearly ceased. From 1990 to 2008, the OCC received and approved over 1,000 de novo charter applications. After 2008, application volume and approvals fell by 90 percent. But the OCC is open for business again. The agency received as many applications in 2025 alone as it did in the previous four years. For the first time in five years, a full-service national bank opened its doors. And we have conditionally approved 10 more banks this year. This is the result of us once again following the law and our publicly-stated procedures.

The OCC is also returning to risk-based supervision rooted in law and emphasizing examiner judgment, not arbitrary checklists. We are hardwiring the foundations of supervision, such as the definition of unsafe and unsound practices, into regulation, and are reviewing past supervisory criticisms and enforcement actions to ensure alignment with our standard for material financial risk.

But we, like the banking system itself, must always look towards the future. Our job is to facilitate, not stymie, responsible innovation. We are working to respond to comments on our GENIUS Act proposal and finalize it. Just as the National Bank Act brought an end to the “wildcat” banking of the 1800s, the GENIUS Act and our rule will help ensure appropriate consumer protections for stablecoin users. In other words, our regulation will help ensure that all OCC institutions are able to satisfy their obligations—including both deposits and stablecoins.

The OCC is working to facilitate innovation outside of the GENIUS Act as well. We, along with the other federal banking agencies, revised our model risk management guidance to avoid impeding banks’ use of AI. We also plan to seek information from the public on what additional guidance would be helpful.

Our banking system will only remain relevant and trusted if it resists pressures to deny access based on political or religious beliefs or lawful business activity. We have made considerable progress in reviewing the activities of the largest national banks and are investigating complaints of alleged debanking, consistent with the President’s executive order. We will continue to follow the evidence and report on our findings as appropriate.

We have moved quickly to fix longstanding problems of agency management. The OCC too often relied on costly outside contractors for many core IT functions. Since I arrived, we have eliminated the need for 165 contractors, saving \$75 million in the process. Our bank

examiners also lacked modern technology to do their jobs. This summer, we will begin replacing IT platforms from the early 2000s with modern tools. These efforts help fulfill our core mission while reducing assessment costs.

Since its creation during the Civil War, the OCC's nation-wide banking markets created the economic union necessary to support the political union forged on the battlefields. We at the OCC are proud of our role, particularly as we celebrate our country's 250th anniversary. But we take nothing for granted, and we work hard to support the growth and dynamism that have defined our federal banking system since its inception.