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## WHAT TO EXPECT IN BANK REGULATION IN 2025

With a new administration and an evolving economic landscape, 2025 is set to be a turning point for bank regulation in the United States. This article looks at a few of the most critical areas where banking regulation in the United States will undergo significant changes in 2025.

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This year is setting up to be a significant turning point in bank regulation and policy. The sector is poised to undergo significant regulatory transformations, particularly with respect to the overall supervisory approach, financial technology (fintech), digital assets, and mergers and acquisitions. The return of President Trump to the White House has set the stage for a shift towards deregulation, aiming to foster innovation and economic growth. This article delves into the anticipated changes in bank regulation, focusing on the aforementioned areas.

Just a few weeks into the new year we have seen leaders of both the FDIC and the Federal Reserve issue statements and give speeches wherein they outline a new direction for policy in bank regulation. To date, it seems that there are a few key themes to extract from these public releases.

## A SHIFT IN SUPERVISORY APPROACH

In just the last few months, we have seen a number of bank regulatory agency leaders give speeches wherein they discuss what appears to be a very different approach and perspective with respect to bank regulatory policy and changes they hope to see in 2025 and beyond. For example, Federal Reserve Governor Bowman

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Governor Bowman believes the areas to focus on should include prioritizing safety and soundness, reviewing the federal reserve's commitment to regulatory tailoring, and increasing transparency.<sup>3</sup> With respect to tailoring specifically, Governor Bowman notes that "over the past two years we've seen proposals that would materially reduce tailoring of regulatory

<sup>&</sup>lt;sup>1</sup> Federal Reserve Governor Bowman Speech, *Reflections on* 2024: Monetary Policy, Economic Performance and Lessons for Banking Regulation, January 9, 2025.

 $<sup>^{2}</sup>$  Id.

<sup>&</sup>lt;sup>3</sup> *Id. See also,* Federal Reserve Governor Bowman Speech, *Bank Regulation in 2025 and Beyond*, February 5, 2025.