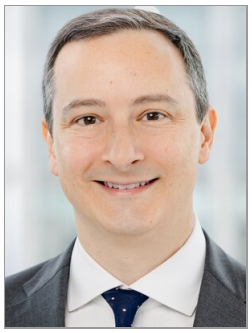
For Faster FDIC Review, Banks Must Front-Load Prep

By **Mark Chorazak, Monica Freas and Melissa Dorow** (September 21, 2026, 2:52 PM EDT)



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On Aug. 10, the Federal Deposit Insurance Corp. announced a new two-phase approach to evaluating deposit insurance applications.

The revised process seeks to improve the speed and efficiency of review. For applicants that satisfy applicable requirements, it would provide a contingent authorization within 120 days of receipt of an application, followed by final approval within the ensuing 12 months after the applicants provide supplemental information and complete required organizational steps. It also includes coordination with the Office of the Comptroller of the Currency and state authorities regarding charters.

The shorter timetable should not be read as a relaxation of substantive review. To operate on an accelerated schedule, the FDIC expects applicants to place substantially greater emphasis on preparation before filing, including a comprehensive business plan, credible financial projections and assumptions, qualified management and directors, and coordinated submissions to the applicable chartering authority.

Recent actions by the OCC point in the same direction: Regulators may be receptive to new and innovative bank charters, but they continue to expect applications to demonstrate operational readiness, managerial depth, credible financial support, and satisfactory compliance and risk-management frameworks at the time of filing.

Following the FDIC's announcement, Comptroller Jonathan Gould issued a statement commending the FDIC's action, saying it "aligns with the OCC's efforts to reverse the decline in de novo chartering by providing a clear and transparent application process that encourages new entrants to the banking system."[1]

Potential applicants will need to prepare a complete application package, prioritize recruitment of high-quality bank management and directors, use prefiling engagement, document operations and plan for the second approval phase before receiving contingent authorization.

The FDIC's Two-Phase Process

Under the new approach, the FDIC will provide de novo applicants that satisfy the pertinent requirements with:

1. Contingent authorization within 120 days of receiving the application, detailing all preopening conditions; and

2. Final approval within the following 12 months, after the applicants provide additional information and complete key organizational steps.

For all the FDIC's descriptions and annotations, see its summary of these two phases.[2]

Phase I

To meet the 120-day timeline for contingent authorization, applicants must provide the FDIC with sufficiently detailed supporting materials as part of the initial submission. Among the required information outlined in the revised procedures, the application must be supported by a comprehensive business plan, qualified management and directors, and credible financial projections with supporting assumptions for the first three years of operations.

The FDIC also expects applicants to simultaneously provide materials to the OCC or the relevant state chartering authority, as applicable, and intends to coordinate communications concerning completeness and requests for additional information.

Phase II

During the second phase following contingent authorization, the FDIC expects to receive the supplementary application materials listed in the revised procedures. Applicants should submit these materials as soon as possible to allow timely ongoing review. The FDIC will continue to coordinate with other regulatory agencies to maximize efficiency, reduce redundancies and promote timeliness.

When an applicant is ready to commence operations, the FDIC will confirm that all applicable preopening conditions have been satisfied.

Faster Processing, More Work at the Front End

The practical consequence of the new framework is that applicants seeking to benefit from the 120-day timetable should treat the filing as a comprehensive submission, rather than one with informational gaps that can be filled through successive rounds of regulator comments. The application needs to:

- Clearly define products and services;
- Detail the operating model;
- Include credible capital, liquidity and earnings projections;
- List experienced management; and
- Outline the governance, compliance and risk-management systems appropriate for a regulated bank.

Providing a complete initial application is particularly important for fintech and other nontraditional applicants. Novelty is not itself a barrier to approval, but a proposal that departs from traditional banking models may require more, not less, supporting detail. Regulators must be able to evaluate not only the legal permissibility of a proposed bank's activities, but also:

- How those activities will be conducted in practice;
- How associated risks will be controlled;
- Whether management has the necessary banking experience; and
- Whether the institution can remain adequately capitalized and viable through a range of operating conditions.

Prefiling engagement also becomes more valuable under an accelerated process. Organizers can use their prefiling meeting and the period between the prefiling meeting and submission of the initial application to:

- Identify potential regulatory concerns;
- Test key assumptions;
- Align the materials submitted to the FDIC and chartering authority; and
- Resolve foundational issues before formal review begins.

Lessons for Future Applicants From Recent OCC Denials

On June 17, the OCC issued OCC Bulletin 2026-27, which reinforces the need for application completeness.[3] In particular, the OCC may return an application as materially deficient when the submission lacks sufficient information to evaluate the applicable statutory or regulatory criteria, including before meaningful processing has occurred.

The OCC also highlighted circumstances in which it would publicly deny a filing. These include (1) where there are significant supervisory or compliance concerns; (2) inconsistency with law, regulation or policy; or (2) a failure to provide requested information.

The OCC has since demonstrated the seriousness of this warning by following it with two denials of charter applications.

In July, the OCC issued its first denial of a charter application under the current administration. In its **denial** of a national trust bank application by Wise US Inc, it cited deficiencies in anti-money-laundering standards at the applicant's proposed parent company and the absence of demonstrated competence relevant to the proposed national trust bank's services among the proposed management team and board of directors.[4]

In August, the OCC denied a second application. This **denial** of European digital bank Bunq's application for a full-service national bank charter was on the basis of, among other things, insufficient support for the proposed capital structure, gaps in relevant management and board experience, inadequately supported financial assumptions, concerns regarding profitability, and insufficient demonstrated familiarity with U.S. banking laws and regulations.[5]

While the agencies are approving applications — including those involving nontraditional and digital-asset-related business models — at a record pace, this will likely continue only where the information provided is complete and credible.

Takeaways for Potential Applicants

These developments highlight several takeaways for potential applicants.

Prepare an application to be a complete package when submitted.

The application should not depend on repeated postfiling revisions to clarify or explain the business plan or demonstrate competence in key areas of concern, such as the quality of proposed management and directors, anti-money-laundering compliance or affiliate transactions. Shortcuts or clear gaps in the initial filing will result in delays and loss of credibility.

Prioritize recruitment of high-quality bank management and directors.

The proposed board and senior management will need to show experience relevant to the institution's principal activities and demonstrate an understanding of the business plan in interviews and meetings with regulators.

Provide a detailed, credible business plan.

The three-year business plan is a critical component of the application process. The plan will need to address capital sources, liquidity assumptions, projected losses, profitability, funding needs and contingency plans.

Document how the bank will operate, not just what it intends to do.

Applications will need to discuss products and services in detail, with clear descriptions of the products and services themselves, the proposed management structure, governance and risk ownership.

Use the prefiling process.

Early discussions with regulators and advisers can help identify issues that would otherwise consume the 120-day review period or place the application at risk of being delayed or denied. Take the time to address these issues before filing, rather than viewing them as a preview of the first set of questions from the agencies.

Plan for the organization phase before receiving contingent authorization.

Organizers will want to identify and prepare for anticipated preopening conditions, hiring, vendor contracts, capitalization, systems implementation, policies, testing and other organizational steps in advance so that contingent authorization can translate into final approval without unnecessary delay.

Conclusion

The new FDIC review process provides a more structured approach, with clearly defined time frames and opportunities for closer collaboration between the FDIC and the OCC to meet intended action dates. The FDIC's process also creates a meaningful opportunity for well-prepared bank charter applicants to obtain greater timing certainty.

Taken together, the FDIC's and OCC's recent actions convey an important message: Speed is increasingly available, but only where application quality supports it.

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[1] https://occ.gov/news-issuances/news-releases/2026/nr-occ-2026-67.html.

[2] https://www.skadden.com/-/media/files/publications/2026/08/bank-charter-update/revised-procedures-for-processing-fdi-applications.pdf?rev=7feed6e91c0f4d4793c356e1055a7a95&hash=ABECFF3FD259AB3AD4A01E145893C40E.

[3] https://www.occ.gov/news-issuances/bulletins/2026/bulletin-2026-27.html.

[4] https://www.skadden.com/-/media/files/publications/2026/08/bank-charter-update/first-denial.pdf?rev=532a6991524144078716b014070238c0&hash=7572C162FAD48872EAEE94D7BEA568ED.

[5] https://www.skadden.com/-/media/files/publications/2026/08/bank-charter-update/denied-a-second-application.pdf?rev=10de8bde58dd4a58aa49d25c25a6ece0&hash=4DC20A7D4A67A12D0624E2F5B6E96B42.