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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

October 23, 2026

The Honorable Travis Hill
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429

The Honorable Jonathan Gould
Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219

Dear Comptroller Gould and Chairman Hill:

I write regarding the rule recently finalized by your agencies, entitled “Unsafe or Unsound Practices, Matters Requiring Attention,”¹ which restrains bank examiners’ ability to issue supervisory warnings and execute enforcement actions to address risky conduct. Among other problems, the final rule leaves America’s banking system more vulnerable to malicious cyberattacks, escalated by advancements in AI, by limiting bank examiners’ ability to enforce strong cybersecurity standards.² This rule is especially harmful at a time when AI-enabled cyberattacks are intensifying and placing critical financial infrastructure at risk.³ As advancements in frontier AI increasingly enable bad actors to conduct cyberattacks, your agencies should be strengthening bank examiners’ supervisory tools and their ability to enforce strong cybersecurity standards, not gutting them. I write to request that you immediately rescind this rule.

The final rule details that “whether a cybersecurity vulnerability would meet the definition of an unsafe or unsound practice...depends on the potential severity and likelihood of material harm to the financial condition of the institution.”⁴ As I have previously written to Secretary Bessent,⁵ the narrowed definition of an unsafe or unsound practice means examiners can only take action if it is “likely,” rather than merely “possible” or “plausible,” that a cybersecurity incident could materially harm the financial condition of an institution.⁶ When

¹ Department of Treasury, “Unsafe or Unsound Practices, Matters Requiring Attention,” <https://occ.gov/news-issuances/news-releases/2026/nr-ia-2026-71a.pdf>.

² Office of the Comptroller of the Currency, “Agencies Issue Final Rule to Prioritize Material Financial Risks,” August 27, 2026, <https://occ.gov/news-issuances/news-releases/2026/nr-ia-2026-71.html>.

³ *Id*; IMFBlog, “Financial Stability Risks Mount as Artificial Intelligence Fuels Cyberattacks,” Tobias Adrian, Tamas Gaidosch, Rangachary Ravikumar, May 7, 2026, <https://www.imf.org/en/blogs/articles/2026/05/07/financial-stability-risks-mount-as-artificial-intelligence-fuels-cyberattacks>.

⁴ Department of Treasury, “Unsafe or Unsound Practices, Matters Requiring Attention,” p. 25, <https://occ.gov/news-issuances/news-releases/2026/nr-ia-2026-71a.pdf>.

⁵ Letter from Ranking Member Warren to Secretary Bessent, June 3, 2026, https://www.banking.senate.gov/imo/media/doc/20260603_letter_to_bessent_re_financial_sector_cybersecurity3pdf.pdf.

⁶ Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency, Federal Register Notice, “Unsafe or Unsound Practices, Matters Requiring Attention,” October 30, 2025, <https://www.federalregister.gov/documents/2025/10/30/2025-19711/unsafe-or-unsound-practices-matters-requiring->

calculating the likelihood of an incident, cybersecurity risk assessments take into account a variety of probability estimates and the “possible consequences of vulnerabilities being exercised.”⁷ Given this complex calculation and evolving AI-enabled cyberthreat capabilities, a vulnerability may not be easily quantifiable as “likely,” especially if vulnerabilities have been discovered but not yet exploited.⁸ In addition, it may be difficult to quantify whether a specific cyber vulnerability, or a lax cyber risk management framework, is likely to “materially harm the financial condition”⁹ of the bank. This rule may prevent a bank examiner from taking supervisory or enforcement action when identifying unsafe cybersecurity practices and may undermine incentives for banks to maintain rigorous policies, procedures, and internal controls related to cybersecurity.

The proliferation of AI tools that expedite phishing attempts or aid in exploiting vulnerabilities is increasingly subjecting financial institutions and their third party vendors to cyberattacks.¹⁰ The potential consequences of sophisticated attacks on the financial system include operational disruption and data compromise.¹¹ One survey found that 76% of banks saw an increase in cybersecurity attacks over the past year and that 84% are increasing investments into cybersecurity to address risks associated with AI.¹² Additionally, frontier AI labs like OpenAI and Anthropic have recently reported instances of cyberattacks conducted by their models during testing.¹³ For example, in July, OpenAI revealed that hundreds of AI agents bypassed testing guardrails, and hacked a community AI platform known as “Hugging Face,” without the company’s knowledge.¹⁴ Anthropic similarly announced that their models gained unauthorized access to the systems of three external organizations.¹⁵ The final rule fails to account for the evolving cybersecurity threat landscape.¹⁶ Instead, it stifles supervisory and enforcement

[attention.](#)

⁷ National Institute of Standards and Technology, “Guide for Conducting Risk Assessments,” September 2012, p. 15, <https://nvlpubs.nist.gov/nistpubs/Legacy/SP/nistspecialpublication800-30r1.pdf>.

⁸ National Institute of Standards and Technology, “Guide for Conducting Risk Assessments,” September 2012, <https://nvlpubs.nist.gov/nistpubs/Legacy/SP/nistspecialpublication800-30r1.pdf>.

⁹ Department of Treasury, “Unsafe or Unsound Practices, Matters Requiring Attention,” <https://occ.gov/news-issuances/news-releases/2026/nr-ia-2026-71a.pdf>.

¹⁰ BIS, “When machines attack: frontier AI cyber threats and policy responses in the financial sector,” Juan Carlos Crisanto, Adrien Currat, and Jeffery Yong, September 9, 2026, <https://www.bis.org/publications/fsi-paper-28-when-machines-attack-frontier-ai-cyber-threats-and-policy-responses-financial-sector>.

¹¹ Board of Governors of the Federal Reserve System, “Implications of Cyber Risk for Financial Stability,” Danny Brando, Antonis Kotidis, Anna Kovner, Michael Lee, and Stacey L. Schreft, May 12, 2022, <https://www.federalreserve.gov/econres/notes/feds-notes/implications-of-cyber-risk-for-financial-stability-20220512.html>.

¹² Texas Bankers Association, “Survey shows more banks preparing for cyber attacks with AI rise,” June 24, 2026, <https://www.texasbankers.com/survey-shows-more-banks-preparing-for-cyber-attacks-with-ai-rise/>.

¹³ OpenAI, “OpenAI and Hugging Face partner to address security incident during model evaluation,” July 21, 2026, <https://openai.com/index/hugging-face-model-evaluation-security-incident/>.

¹⁴ OpenAI, “The Hugging Face incident and the road ahead,” August 26, 2026, <https://openai.com/index/hugging-face-incident-and-the-road-ahead/>; NBC News, “OpenAI agents hacked Hugging Face in 700-strong swarm, tried to cover tracks, investigations find,” August 27, 2026, <https://www.nbcnews.com/tech/tech-news/openai-report-says-network-was-hacked-rogue-ai-agents-rcna594590>.

¹⁵ Anthropic, “Investigating three real-world incidents in our cybersecurity evaluations,” July 30, 2026, <https://www.anthropic.com/news/investigating-incidents-cybersecurity-evals>.

¹⁶ MIT Management Sloan School, “These are the most urgent AI risks, according to 272 experts,” Kristin Burnham, July 20, 2026, <https://mitsloan.mit.edu/ideas-made-to-matter/these-are-most-urgent-ai-risks-according-to-272-experts>.

authority despite increases in malicious AI-enabled attacks¹⁷ and security breaches as a result of unchecked frontier AI development, the consequences of which are massive.

Allowing cybersecurity vulnerabilities to fester, instead of remediating them early, could lead to more frequent and severe cyberattacks, threaten the sensitive financial data of businesses and households, and undermine the stability of the financial system. Given the elevated threats AI-enabled cyberattacks raise for the financial system, I urge you to immediately rescind this rule and instead strengthen bank examiners' ability to enforce strong cybersecurity standards. If you refuse to do so, your agencies will share responsibility for the potential harm wrought by future cyberattacks on the banking system.

Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs

¹⁷IBM, "IBM Study: One in Four Malicious Breaches are AI-Enabled, Costing Companies \$6 Million on Average," July 29, 2026, <https://newsroom.ibm.com/2026-07-29-ibm-study-one-in-four-malicious-breaches-are-ai-enabled,-costing-companies-6-million-on-average>.