



Supervisory Update News Summary

AS OF MAY 15, 2017

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
State Regulators Issue Cease-and-Desist Orders to Subsidiaries of Ocwen Financial Corp.	Press Release April 20, 2017	<p>Today, 22 state mortgage regulators have issued public regulatory orders or charges to subsidiaries of Ocwen Financial Corporation (Ocwen) to address violations of state and federal laws, including the mishandling of consumer escrow accounts, unlicensed activity, and a deficient financial condition. The majority of the orders prohibit the acquisition of mortgage servicing rights and the origination of mortgage loans until the company is able to prove it can appropriately manage its existing mortgage escrow accounts. Some of the orders also require Ocwen to cease any ongoing unlicensed activity.</p> <p>The orders are the culmination of several years of examinations and monitoring by multiple state regulatory agencies that revealed the company is mismanaging consumer mortgage escrow accounts. The company has also operated unlicensed mortgage servicing facilities in certain states in apparent violation of state licensing statutes.</p> <p>The jurisdictions that have publicly issued orders are: Arkansas, Connecticut, District of Columbia, Florida, Hawaii, Idaho, Illinois, Maine, Massachusetts, Mississippi, Montana, Nebraska, Nevada, North Carolina, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, West Virginia, Wisconsin, and Wyoming.</p>	CSBS
CSBS Files Complaint Against Comptroller of the Currency	Press Release April 26, 2017	CSBS filed a complaint in the United States District Court for the District of Columbia against the OCC. The complaint seeks to prevent the agency from moving forward with an unlawful attempt to create a national nonbank charter that will harm markets, innovation and consumers.	CSBS

SUPERVISORY UPDATE NEWS SUMMARY

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<p>CSBS Announces Vision 2020 for Fintech and Non-Bank Regulation</p>	<p>Press Release May 10, 2017</p>	<p>The CSBS Board of Directors announced Vision 2020, a series of initiatives to modernize state regulation of non-banks, including financial technology firms. Achieving this vision should result in a regulatory system that makes supervision more efficient and recognizes standards across state lines – actions that will better support start-ups and enable national scale while protecting consumers and the financial system.</p> <p>The CSBS Board approved a policy statement: “CSBS, the states and territories will create consistent and data-driven solutions that support innovation by minimizing friction in the state regulatory system. By 2020, state regulators will adopt an integrated, 50-state licensing and supervisory system, leveraging technology and smart regulatory policy to transform the interaction between industry, regulators and consumers.”</p> <p>“We are committed to a multi-state experience that is as seamless as possible,” added CSBS Chairman and Texas Commissioner of Banking Charles G. Cooper. “Through Vision 2020, state regulators will transform the licensing process, harmonize supervision, engage fintech companies, assist state banking departments, make it easier for banks to provide services to non-banks, and make supervision more efficient for third parties.”</p>	<p>CSBS</p>
<p>CSBS Announces Five Finalist Teams in the 2017 Bank Case Study Competition</p>	<p>Press Release May 15, 2017</p>	<p>The CSBS announced five student teams as finalists in its nationwide Community Bank Case Study Competition. The college teams are: Bloomsburg University of Pennsylvania, Iowa State University, Kutztown University (PA), Texas Tech University, and University of Akron (OH).</p> <p>The student teams will now advance to the final round of competition judging where the students will compete for a chance to win a \$1,000 CSBS scholarship per student, an opportunity to present their case at the CSBS-Federal Reserve Community Banking Research and Policy Conference, and an opportunity to have their work published. CSBS will announce first, second and third place winning teams Thursday, May 25 live via Twitter during the annual state and federal banking regulator forum in New Orleans.</p> <p>Competition finalists were chosen among 33 undergraduate student teams from universities and colleges around the U.S. The Community Bank Case Study Competition encourages students to explore community banking by partnering student teams with local banks to conduct original case studies. The 2017 competition focused on management and board succession planning at local community banks.</p>	<p>CSBS</p>

SUPERVISORY UPDATE NEWS SUMMARY

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Commissioner Approves First De Novo Bank Since 2009: The Bank of Austin, Austin, Texas	Press Release May 9, 2017	Banking Commissioner Charles G. Cooper announced the approval of the first de novo state bank charter since June 2009. The Bank of Austin, Austin, Texas is anticipated to primarily serve customers in Travis and Williamson counties. Subject to the granting of deposit insurance by the FDIC, The Bank of Austin is expected to open in the summer of 2017 with a minimum capital of \$31 million. Organizers are J. Bruce Bugg, Jr., who will serve as Chairman, Jon Eckert, Robert Cavender, Gene Dawson Jr., David Spencer, and Brent R. Given.	TDB
Free Financial Education Webinar: Texas Financial Education Endowment (TFEE)	Industry Notice May 8, 2017	The TDB is hosting a free financial education webinar on May 23, 2017. The goal of this event is to provide information about the Texas Financial Education Endowment (TFEE) . This grant is designed to support statewide financial capability, consumer credit building activities, and programs. Schools, governmental agencies, profit, and non-profit organizations are encouraged to apply for awards through a competitive application and review process.	TDB
FDIC Releases Final Handbook for De Novo Organizers Applying for Deposit Insurance	PR-35-2017 May 1, 2017	The FDIC released a final handbook to assist parties interested in establishing new banks. As part of the FDIC's ongoing commitment to work with organizers, the handbook – Applying for Deposit Insurance – A Handbook for Organizers of De Novo Institutions – was designed to provide a plain language overview of the requirements and considerations significant to the application process, and to provide organizers a clear and transparent explanation of the path to obtaining deposit insurance.	FDIC
FDIC Issues List of Banks Examined for CRA Compliance	PR-36-2017 May 3, 2017	The FDIC issued its list of state nonmember banks recently evaluated for compliance with the CRA. The list covers evaluation ratings that the FDIC assigned to institutions in February 2017. One state-chartered bank in Texas was evaluated during this period and received a Satisfactory rating.	FDIC

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Federal Reserve Announces Two Enforcement Actions Against Deutsche Bank AG That Will Require Bank to Pay a Combined \$156.6 Million in Civil Money Penalties	Press Release April 20, 2017	The Federal Reserve announced two enforcement actions against Deutsche Bank AG that will require the bank to pay a combined \$156.6 million in civil money penalties. The bank will pay a \$136.9 million fine for unsafe and unsound practices in the foreign exchange (FX) markets, as well as a \$19.7 million fine for failure to maintain an adequate Volcker rule compliance program prior to March 30, 2016.	FRB
Ag Finance Databook: Farm Lending Continues to Moderate	Publication April 21, 2017	<p>According to the FRB of Kansas City's Ag Finance Databook, a quarterly report compiling national and regional agricultural finance data, lending activity at agricultural banks continued to decline in the first quarter of 2017. As economic conditions in the farm sector have remained weak, borrowers and lenders have sought to make some adjustments in financing agricultural production. Some borrowers have looked to reduce spending on farm inputs in response to persistently low profit margins. Agricultural lenders have also sought to accommodate farm borrowers by extending loan maturities when possible, despite having increased interest rates slightly to compensate for additional risk.</p> <p>For a report on agricultural credit conditions in the 11th Federal Reserve District, see the FRB of Dallas Agricultural Survey, First Quarter 2017.</p>	FRB - KC
FinCEN and Manhattan U.S. Attorney Announce Settlement with Former MoneyGram Executive Thomas E. Haider	News Release May 4, 2017	The FinCEN and the U.S. Attorney's Office for the Southern District of New York announced the settlement of claims under the BSA against Thomas E. Haider, the former Chief Compliance Officer of MoneyGram International, Inc. Mr. Haider has agreed to a three-year injunction barring him from performing a compliance function for any money transmitter and has agreed to pay a \$250,000 penalty.	FinCEN
Governor Abbott Declares State of Disaster for Three Texas Counties Following Severe Weather	Press Release May 1, 2017	Texas Governor Greg Abbott declared a State of Disaster in three Texas Counties following severe weather and deadly tornadoes that struck Texas over the weekend. In response to the significant damage the Governor has issued a Disaster Declaration for the following Texas Counties: Henderson, Van Zandt, and Rains.	TXGov

SUPERVISORY UPDATE NEWS SUMMARY

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Governor Abbott Requests Disaster Assistance For Van Zandt County From The Small Business Administration	Press Release May 11, 2017	Governor Greg Abbott has asked the SBA to declare Van Zandt County a disaster area following the deadly storms that swept through North Texas on the weekend of April 28th and devastated the area. The Governor is asking the SBA to make long-term, low-interest-rate physical disaster home and business loans and economic injury disaster loans available to citizens and businesses affected by the catastrophe so that they may begin to rebuild their communities and pick up the pieces of their lives. If granted, these loans will be made available to affected citizens who qualify in Van Zandt and contiguous counties.	TXGov
Small Business Administration Grants Governor Abbott's Request For Disaster Assistance	Press Release May 11, 2017	Governor Greg Abbott's request for low interest federal disaster loans for those affected by the devastating tornadoes that swept through Texas on the weekend of April 28th has been granted by the SBA for seven Texas counties. Those counties include: Henderson, Hunt, Kaufman, Rains, Smith, Wood and Van Zandt.	TxGov

SUPERVISORY UPDATE NEWS SUMMARY

INDUSTRY PUBLICATIONS
Federal Reserve System's Community Banking Connections - First Issue of 2017
FRB Beige Book - As of April 19, 2017
FRB Senior Loan Officer Opinion Survey on Bank Lending Practices - April 2017
FRB Dallas Eleventh District Beige Book
FRB Dallas - Economic Indicators Austin, DFW, El Paso, Houston, Permian Basin, San Antonio, and Texas
FRB Dallas - Texas Business Outlook Surveys -Monthly Manufacturing and Service Sector and Retail
FRB Dallas - Agricultural Survey - First Quarter 2017
FRB Dallas - Energy Survey - First Quarter 2017
FinCEN - Interacitve SAR Stats
FinCEN - Law Enforcement Case Examples
Comptroller's Licensing Manual - Fiduciary Powers Booklet - May 2017

SUPERVISORY UPDATE NEWS SUMMARY

OTHER RESOURCES
Bloomberg Business and Financial News
Consumer Financial Protection Bureau (CFPB)
The Financial Forecast Center - Discount Rate Information
FFIEC Information Technology Handbook InfoBase
FFIEC BSA/AML Examination Manual InfoBase
Financial Accounting Standards Board (FASB)
Financial Action Task Force (FATF)
Financial Crimes Enforcement Network (FinCEN)
FinCEN - Money Services Businesses (MSB)
Office of Foreign Assets Control, U.S. Treasury (OFAC)
Real Estate Market Reports (Texas A&M RE Center)
Temporary Liquidity Guarantee Program
Texas Constitution and Statutes
The Texas Economy – Texas Comptroller
Texas and National Economy – Federal Reserve Bank of Dallas
Troubled Asset Relief Program (TARP)
Uniform Bank Performance Reports (UBPR) and Users Guide

SUPERVISORY UPDATE NEWS SUMMARY

ACRONYMS AND ABBREVIATIONS

ACRONYM/ABBREVIATION	MEANING
AML	Anti-Money Laundering
ASU	Accounting Standards Update
BSA	Bank Secrecy Act
CFPB	Consumer Financial Protection Bureau
CFR	Code of Federal Regulations
CRA	Community Reinvestment Act
CRE	Commercial Real Estate
CSBS	Conference of State Bank Supervisors
Dodd-Frank Act	The Dodd-Frank Wall Street Reform and Consumer Protection Act
DOJ	Department of Justice
FASB	Financial Accounting Standards Board
FC	Finance Commission of Texas
FCA	Farm Credit Administration
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
FHA	Federal Housing Authority

SUPERVISORY UPDATE NEWS SUMMARY

ACRONYM/ABBREVIATION	MEANING
FHFA	Federal Housing Finance Agency
FinCEN	Financial Crimes Enforcement Network
FRB (or Fed or FR)	Federal Reserve Board
FTC	Federal Trade Commission
HUD	Housing and Urban Development Department
NCUA	National Credit Union Association
OCC	Office of the Comptroller of the Currency
OFAC	Office of Foreign Asset Control
OIG	Office of Inspector General
SDN	Specially Designated National
SEC	Securities and Exchange Commission
TDB	Texas Department of Banking
Treasury	U.S. Department of Treasury