



Supervisory Update News Summary

AS OF MAY 15, 2019

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CSBS Vision 2020: A Progress Report	The Examiner May 3, 2019	In recent years, state financial regulators have been making changes to modernize and enhance the regulation of nonbank financial services companies. Collectively, the regulators' efforts are known as CSBS Vision 2020 . This is a progress report on actions taken to date and a look ahead.	CSBS
Texas Department of Banking Commissioner Issues Consent Order Prohibiting Further Participation Relating to Sarah Nicole Gordon	Press Release May 6, 2019	On May 6, 2019, Texas Banking Commissioner Charles G. Cooper issued a Consent Order Prohibiting Further Participation (Consent Order) against Sarah Nicole Gordon of Athens, Texas. Gordon is a former employee of First State Bank in Athens, Texas.	TDB
Texas Banking Commissioner Issues Order Against Catana Gray, Prohibiting Further Participation and Ordering the Payment of Restitution	Press Release May 8, 2019	On April 12, 2019, Texas Banking Commissioner Charles G. Cooper issued an Order Prohibiting Further Participation and Ordering the Payment of Restitution (Order) against Catana Gray of Amarillo, Texas. Gray was formerly a Vice President in the Corporate Trust Department at Herring Bank in Amarillo, Texas.	TDB

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Texas Banking Commissioner Issues Order to Cease and Desist Activity Against Lavish Bank and Trust, Lavish Bank and Trust International, and Crystal Shoemake	Press Release May 13, 2019	On April 10, 2019, Texas Banking Commissioner Charles G. Cooper issued an Order to Cease and Desist Activity (the Order) to Lavish Bank and Trust, Lavish Bank and Trust International, and Crystal Shoemake (Respondents). The Respondents were issued the Order due to violating Texas Finance Code §31.005 by using the term “bank and trust” in the Respondent entities’ names to imply to the public that the Respondent entities are engaged in the business of banking in this state. Neither Shoemake, nor the Respondent entities are chartered or authorized to conduct the business of banking in the state of Texas.	TDB
FDIC Issues List of Banks Examined for CRA Compliance	PR-38-2019 May 3, 2019	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 2019. Four Texas state-chartered banks were evaluated during this period, and all four received a Satisfactory rating.	FDIC
Consolidated Reports of Condition and Income for First Quarter 2019	FIL-22-2019 April 19, 2019	The Call Report for the March 31, 2019, report date must be submitted to the agencies’ Central Data Repository (CDR) by Tuesday, April 30, 2019. Certain institutions with foreign offices have an additional five calendar days to file their reports. The Call Report for this quarter includes revisions that primarily address changes in the accounting for credit losses under the FASB’s ASU No. 2016-13.	FDIC
Federal Reserve Board Issues Enforcement Action with Former Employee of Centennial Bank	Press Release May 2, 2019	The FRB announced the execution of a Consent Order of Prohibition against Christopher O’Connell, former employee of Centennial Bank, Lubbock, Texas, for misappropriation of bank funds.	FRB

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Federal Reserve Approves Final Rule to Repeal Regulations that Incorporated the Secure and Fair Enforcement for Mortgage Licensing Act	Press Release May 9, 2019	The FRB approved final amendments to its regulations to reflect the transfer of the Board's rulemaking authority for the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act) to the CFPB. Entities that were subject to the Board's rules are now subject to the Bureau's rules.	FRB
FASB Issues Narrow-Scope Improvements to Financial Instruments Standards	News Release April 25, 2019	The FASB issued ASU No.2019-04 that clarifies and improves areas of guidance related to the recently issued standards on credit losses, hedging, and recognition and measurement.	FASB
FASB Issues Targeted Transition Relief to Institutions Applying the Credit Losses Standard	New Release May 15, 2019	The FASB issued ASU No. 2019-05 that eases transition to the credit losses standard by providing the option to measure certain types of assets at fair value.	FASB

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Updated FinCEN Advisory Warns Against Continued Corrupt Venezuelan Attempts to Steal, Hide, or Launder Money	News Release May 3, 2019	The FinCEN issued an updated advisory (FIN-2019-A002) to alert financial institutions of continued widespread public corruption in Venezuela and the methods Venezuelan senior political figures and their associates may use to move and hide proceeds of their corruption. In addition to outlining the corrupt looting of Venezuela’s government-sponsored food distribution program, the advisory provides and updates a number of financial red flags to assist in identifying and reporting suspicious activity that may be indicative of corruption.	FinCEN
New FinCEN Guidance Affirms Its Longstanding Regulatory Framework for Virtual Currencies and a New FinCEN Advisory Warns of Threats Posed by Virtual Currency Misuse	News Release May 9, 2019	<p>To provide regulatory certainty for businesses and individuals engaged in expanding fields of financial activity, FinCEN issued the following guidance, Application of FinCEN’s Regulations to Certain Business Models Involving Convertible Virtual Currencies (CVC) (FIN-2019-G001). The guidance is in response to questions raised by financial institutions, law enforcement, and regulators concerning the regulatory treatment of multiple variations of businesses dealing in CVCs.</p> <p>FinCEN also issued an Advisory on Illicit Activity Involving Convertible Virtual Currency (FIN-2019-A003) to assist financial institutions in identifying and reporting suspicious activity related to criminal exploitation of CVCs for money laundering, sanctions evasion, and other illicit financing purposes. The advisory highlights prominent typologies, associated “red flags,” and identifies information that would be most valuable to law enforcement if contained in suspicious activity reports.</p>	FinCEN
FinCEN Reissues Real Estate Geographic Targeting Orders for 12 Metropolitan Areas	News Release May 15, 2019	<p>The FinCEN announced the renewal of its Geographic Targeting Orders (GTOs) that require U.S. title insurance companies to identify the natural persons behind shell companies used in all-cash purchases of residential real estate. The purchase amount threshold remains \$300,000 for each covered metropolitan area.</p> <p>The Dallas-Fort Worth and San Antonio metropolitan areas are included in the GTOs.</p>	FinCEN

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Governor Abbott Issues Disaster Declaration For 9 Texas Counties in Response to Severe Weather	Proclamation April 17, 2019	Texas Governor Greg Abbott has issued a disaster declaration for nine Texas counties as the result of severe weather that began on April 12, 2019, causing widespread and severe property damage. The nine counties include Cherokee, Freestone, Houston, Leon, Madison, Nacogdoches, Robertson, San Augustine, and Shelby counties.	TxGov
Governor Greg Abbott Extended the State Disaster Declaration in May for Texas Counties Affected by Hurricane Harvey	Proclamation May 7, 2019	<p>Texas Governor Greg Abbott has renewed a disaster proclamation for 60 counties affected by Hurricane Harvey. Included in the original proclamation of August 23, 2017, were the counties of Aransas, Austin, Bee, Brazoria, Calhoun, Chambers, Colorado, DeWitt, Fayette, Fort Bend, Galveston, Goliad, Gonzales, Harris, Jackson, Jefferson, Jim Wells, Karnes, Kleberg, Lavaca, Liberty, Live Oak, Matagorda, Nueces, Refugio, San Patricio, Victoria, Waller, Wharton and Wilson.</p> <p>Subsequently added on August 26, 2017, were Angelina, Atascosa, Bastrop, Burleson, Bexar, Brazos, Caldwell, Cameron, Comal, Grimes, Guadalupe, Hardin, Jasper, Kerr, Lee, Leon, Madison, Milam, Montgomery, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Trinity, Tyler, Walker, Washington and Willacy counties.</p>	TxGov

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INDUSTRY PUBLICATIONS

FRB - [Beige Book](#) - Summary of Commentary on Current Economic Conditions - April 17, 2019

FRB - [Senior Loan Officer Survey on Bank Lending Practices](#) - May 2019

FRB - [Financial Stability Report](#) - Summarizing the Board's framework for assessing the resilience of the U.S. financial system - May 2019

FRB - [Supervision and Regulation Report](#) - Summarizing banking conditions and the Board's supervisory and regulatory activities - May 2019

FRB Dallas - [Your Texas Economy](#) - An overview of the Texas economy as of April 19, 2019, examining job growth, unemployment trends, and the performance of key industry sectors

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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 \(FinCEN\)](#)

[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](#)

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ACRONYMS AND ABBREVIATIONS

ACRONYM/ABBREVIATION	MEANING
AML	Anti-Money Laundering
ASU	Accounting Standards Update
BIS	Bank for International Settlements
BSA	Bank Secrecy Act
CFR	Code of Federal Regulations
CRA	Community Reinvestment Act
CRE	Commercial Real Estate
CFPB	Consumer Financial Protection Bureau
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
FDIC-OIG	FDIC Office of Inspector General
FFIEC	Federal Financial Institutions Examination Council
FHA	Federal Housing Authority
FHFA	Federal Housing Finance Agency

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ACRONYM/ABBREVIATION	MEANING
FinCEN	Financial Crimes Enforcement Network
FRB (or Fed or FR)	Federal Reserve Board or Federal Reserve
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
TSSB	Texas State Securities Board
Treasury	U.S. Department of Treasury