



Supervisory Update News Summary

AS OF FEBRUARY 15, 2024

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Nonsufficient Funds (NSF) Fees for Instantaneously Declined Transactions	Proposed Rule Jan. 24, 2024	When a consumer’s attempted withdrawal, debit, payment, or transfer transaction amount exceeds the available funds in their account, currently, a financial institution might decline the transaction and charge the consumer a fee, often called a nonsufficient funds (NSF) fee. The proposed rule would prohibit NSF fees on transactions that are declined instantaneously or near-instantaneously—that is, those declined with no significant perceptible delay after the consumer initiates the transaction. This prohibition would cover transactions involving the use of debit cards, ATMs, or certain person-to-person apps. The proposed rule would declare that charging such fees would constitute an abusive practice under the Consumer Financial Protection Act.	CFPB
Community Bankers Adapting to Higher Interest Rates	Blog Post Jan. 17 2024	The CSBS fourth quarter 2023 Community Bank Sentiment Index (CBSI) indicates that community bankers are less pessimistic than they were in the previous two quarters, but concerns persist. The Federal Reserve’s aggressive monetary tightening over the past 22 months has significantly raised interest rates, resulting in lower loan demand, greater deposit competition, and an inverted yield curve. With narrower net interest margins, community bankers’ challenge will be to assiduously manage their banks’ assets and liabilities to maintain profitability.	CSBS
FDIC issues list of banks examined for CRA compliance	PR-2-24 Feb. 2, 2024	The FDIC today 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 October 2023. The Texas banks evaluated during this period received Satisfactory ratings.	FDIC
Six Men Sentenced for Roles in \$20M COVID-19 Relief Fraud Ring	Press Release Feb. 12, 2024	Six Texas men were sentenced today for their roles in a conspiracy to fraudulently obtain more than \$20 million in forgivable Paycheck Protection Program (PPP) loans that the Small Business Administration (SBA) guaranteed under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.	FDIC-OIG

SUPERVISORY UPDATE NEWS SUMMARY

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
FFIEC Issues Statement on Examination Principles Related to Valuation Discrimination and Bias in Residential Lending	Press Release Feb. 12, 2024	The Federal Financial Institutions Examination Council today issued a statement of principles related to valuation discrimination and bias for member entities to consider in their consumer compliance and safety and soundness examinations. The principles aid member entities in assessing whether their supervised institutions' compliance and risk management practices are appropriate to identify and mitigate discrimination or bias in their residential property valuation practices.	FFIEC
Federal Reserve Board announces the Bank Term Funding Program (BTFP) will cease making new loans as scheduled on March 11	Press Release Jan. 24, 2024	The Federal Reserve Board on Wednesday announced that the Bank Term Funding Program will cease making new loans as scheduled on March 11. The program will continue to make loans until that time and is available as an additional source of liquidity for eligible institutions. The BTFP was established under Section 13(3) of the Federal Reserve Act, with approval of the Treasury Secretary.	FRB
Securities Operations: Shortening the Standard Settlement Cycle	Bulletin Jan. 17, 2024	The OCC is issuing this bulletin to highlight actions that banks should take to prepare for a change in the standard securities settlement cycle for most U.S. securities transactions. The compliance date for this change is May 28, 2024. Rescissions: This bulletin replaces and rescinds OCC Bulletin 2017-22, "Securities Operations: Shortening the Settlement Cycle." This bulletin also replaces and rescinds OCC Bulletin 2018-15, "T+2 Securities Transaction Settlement Cycle: Final Rule."	OCC
Treasury Publishes 2024 National Risk Assessments for Money Laundering, Terrorist Financing, and Proliferation Financing	Press Release Feb. 7, 2024	Today, the U.S. Department of the Treasury published the 2024 National Risk Assessments on Money Laundering, Terrorist Financing, and Proliferation Financing. These reports highlight the most significant illicit finance threats, vulnerabilities, and risks facing the United States. The reports detail recent, significant updates to the U.S. anti-money laundering/counter-financing of terrorism framework and explain changes to the illicit finance risk environment. These include the ongoing fentanyl crisis, foreign and domestic terrorist attacks and related financing, increased potency of ransomware attacks, the growth of professional money laundering, and continued digitization of payments and financial services.	Treasury

INDUSTRY PUBLICATIONS

SOURCE	PUBLICATION
FRB	Beige Book (January 2024)

SUPERVISORY UPDATE NEWS SUMMARY

OTHER RESOURCES
Bloomberg Business and Financial News
Consumer Financial Protection Bureau (CFPB)
FFIEC BSA/AML InfoBase
FFIEC Information Technology Handbook InfoBase
Financial Accounting Standards Board (FASB)
Financial Action Task Force (FATF)
Financial Crimes Enforcement Network (FinCEN)
The Financial Forecast Center - Discount Rate Information
Office of Foreign Assets Control, U.S. Treasury (OFAC)
Real Estate Research Center, Texas A&M University (Market Reports)
Temporary Liquidity Guarantee Program
Texas Constitution and Statutes
Texas and National Economy – Federal Reserve Bank of Dallas
The Texas Economy – Texas Comptroller
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
BIS	Bank for International Settlements
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
FDIC-OIG	FDIC Office of Inspector General

SUPERVISORY UPDATE NEWS SUMMARY

ACRONYM / ABBREVIATION	MEANING
FFIEC	Federal Financial Institutions Examination Council
FHA	Federal Housing Authority
FHFA	Federal Housing Finance Agency
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