



Supervisory Update News Summary

AS OF FEBRUARY 15, 2025

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CFPB Orders Operator of Cash App to Pay \$175 Million and Fix Its Failures on Fraud	Press Release January 16, 2025	The CFPB ordered Block, the operator of the peer-to-peer payments app Cash App, to refund and pay other redress to consumers up to \$120 million and pay a penalty of \$55 million into the CFPB’s victims relief fund. Block employed weak security protocols for Cash App and put its users at risk. While Block is required by law to investigate and resolve disputes about unauthorized transactions, the company’s investigations were woefully incomplete. Block directed users — who had suffered financial losses as a result of fraud — to ask their bank to attempt to reverse transactions, which Block would subsequently deny. Block also deployed a range of tactics to suppress Cash App users from seeking help, reducing its own costs.	CFPB
CSBS Urges Congress to Support the Dual-Banking System	Press Release January 16, 2025	CSBS asked new Congressional leaders to advance policies that support community banking, enable effective state-federal partnerships, and safeguard the dual-banking system. Community Bank Vitality, State-Federal Partnerships, and State Nonbank Authority are 2025 Priorities. “This Congress can be a turning point for the creation of a more resilient, innovative, and consumer-focused financial system,” said CSBS President and CEO Brandon Milhorn. “State supervisors are prepared to work with Congress and our federal partners to strengthen the financial services that support the American economy.”	CSBS
CSBS Files Third Amicus Brief in Support of State Consumer Protection Laws	Press Release January 30, 2025	CSBS this week filed an amicus brief in the 9th Circuit Court of Appeals to highlight the importance of upholding state consumer protection laws when erroneously challenged by national banks. It is the third such <i>amicus brief</i> since the Supreme Court’s unanimous decision in <i>Cantero v. Bank of America</i> that courts must take a nuanced approach to preempting state consumer protection laws. CSBS is committed to ensuring states can protect their consumers, and the regulatory failures leading up to the mortgage crisis are not repeated.	CSBS

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Cybersecurity Threats: Actions to Take Today	IN 2025-01 January 24, 2025	The Department of Banking released an Industry Notice on Cybersecurity Threats: Actions to Take Today. Financial institutions in the United States continue to face threats on many fronts. Ensuring that your institution has a program of strong cyber hygiene practices in place today can significantly increase security protections and make your institution a less attractive target for cyber criminals. This notice reviews current cyber threats while the Attachment: Cyber Hygiene Practices-Focus on the Fundamentals provides some fundamental controls that your institution should have in place to significantly reduce the risks posed from these threats. As daunting as the challenge can seem for a community bank to defend against nation states and sophisticated cyber-criminal organizations, relatively simple measures, when fully and consistently applied, can mitigate most cyber risks. According to the Director of Cybersecurity and Infrastructure Security Agency “Basic cyber hygiene prevents 98% of cyber attacks.”	TDB
Financial Education Webinar: Financial Fitness	IN 2025-02 February 3, 2025	The Department of Banking and the Texas Office of the Consumer Credit Commissioner are sponsoring a financial education webinar: Financial Fitness. This 45-minute webinar will focus on the financial tools, knowledge and skills that help consumers make sound financial decisions. The Department encourages you to share this information with anyone who could benefit from this presentation.	TDB
Banking Commissioner Issues Order Prohibiting Further Participation Relating to Vicki Lagean Grisham	Press Release February 12, 2025	Texas Banking Commissioner Charles G. Cooper issued an Order Prohibiting Further Participation against Vicki Lagean Grisham of Abernathy, Texas, the former Chief Financial Officer of the First State Bank of Abernathy. The Commissioner determined that the statutory requirements for the issuance of a Prohibition Order as set forth in Texas Finance Code § 35.0035 have been met. The Order provides that Grisham is perpetually prohibited from serving as a director, officer, or employee of a state bank, state trust company, or holding company of a state bank, or as a director, officer, or employee with financial responsibility of any other entity chartered, registered, permitted, or licensed by the Commissioner.	TDB

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Agencies Announce Second Public Outreach Meeting as Part of Their Review of Regulations	Joint Release January 31, 2025	<p>Federal bank regulatory agencies will hold a virtual public outreach meeting on March 6, 2025, as part of their review of regulations, as required by law. The Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) requires the agencies, with input from the public, to review their regulations at least once every 10 years to identify any outdated or otherwise unnecessary regulatory requirements applicable to their supervised institutions.</p> <p>The outreach meeting is an opportunity for interested stakeholders to present their views on the six categories of regulations listed in the first two Federal Register notices: Applications and Reporting; Powers and Activities; International Operations; Consumer Protection; Directors, Officers and Employees; and Money Laundering.</p>	FDIC
FDIC Makes Public December Enforcement Actions	Press Release January 31, 2025	<p>The FDIC released a list of orders of administrative enforcement actions taken against banks and individuals in December 2024. There are no administrative hearings scheduled for February 2025. The FDIC issued 16 orders, one Notice, and one adjudicated Decision and Order in December 2024. The administrative enforcement actions in those orders consisted of six orders of prohibition; four orders terminating deposit insurance; one combined prohibition order and order to pay; one amended combined prohibition order and order dismissing order to pay; one consent order; one order terminating consent order; one Notice; and one Decision and Order.</p>	FDIC
FDIC Issues List of Banks Examined for CRA Compliance	Press Release February 4, 2025	<p>The FDIC issued its list of state nonmember banks recently evaluated for compliance with the Community Reinvestment Act (CRA). The list covers evaluation ratings that the FDIC assigned to institutions in November 2024.</p> <p>The CRA is a 1977 law that requires the FDIC to assess a bank's record of meeting the credit needs of its entire community, including those of low- and moderate-income neighborhoods, consistent with safe and sound operations. As part of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Congress mandated the public disclosure of an evaluation and rating for each bank or thrift that undergoes a CRA examination on or after July 1, 1990.</p>	FDIC

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FDIC Releases Documents Related to Supervision of Crypto-Related Activities	Press Release February 5, 2025	The FDIC released 175 documents (PDF) related to its supervision of banks that engaged in, or sought to engage in, crypto-related activities. Acting Chairman Travis Hill issued the following statement in connection with the release: “I have been critical in the past of the FDIC’s approach to crypto assets and blockchain. As I said last March, the FDIC’s approach ‘has contributed to a general perception that the agency was closed for business if institutions are interested in anything related to blockchain or distributed ledger technology...Looking forward, we are actively reevaluating our supervisory approach to crypto-related activities. This includes replacing Financial Institution Letter (FIL) 16-2022 and providing a pathway for institutions to engage in crypto- and blockchain-related activities while still adhering to safety and soundness principles. The FDIC also looks forward to engaging with the President’s Working Group on Digital Asset Markets established by the President’s January 23, 2025 Executive Order .”	FDIC
Acting Chairman Travis Hill Expresses Support for Enhancing Flexibility with Respect to Customer Identification Program Requirements	Press Release February 7, 2025	Acting Chairman Travis Hill sent a letter to the Financial Crimes Enforcement Network (FinCEN) expressing support for allowing more flexibility with respect to certain Customer Identification Program (CIP) requirements for bank-fintech partnerships. Specifically, Acting Chairman Hill expressed support for generally allowing the collection of the last four digits of a Social Security number from a customer, rather than the full nine digits -- the approach permitted for credit card customers.	FDIC
American Express Agrees to Pay \$108.7M to Settle Allegations of Deceptive Marketing and “Dummy” Account Information	Press Release January 16, 2025	The American Express Company (American Express), based in New York, New York, has agreed to pay a \$108.7 million civil penalty to resolve allegations that it violated the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) by deceptively marketing credit card and wire transfer products and by entering “dummy” Employer Identification Numbers in the credit card accounts of its affiliate bank.	FDIC OIG

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Federal Reserve Board Releases the Hypothetical Scenarios for its Annual Stress Test	Press Release February 4, 2025	<p>The Federal Reserve Board on Wednesday released the hypothetical scenarios for its annual stress test, which helps ensure that large banks can lend to households and businesses even in a severe recession. Additionally, the Board released two hypothetical elements designed to probe different risks through its "exploratory analysis" of the banking system. The exploratory analysis will not affect bank capital requirements.</p> <p>The Board's annual stress test evaluates the resilience of large banks by estimating losses, net revenue, and capital levels—which provide a cushion against losses—under hypothetical recession scenarios that extend two years into the future. This year, 22 banks will be tested against a severe global recession with heightened stress in both commercial and residential real estate markets, as well as in corporate debt markets. The scenarios are not forecasts and should not be interpreted as predictions of future economic conditions.</p>	FRB
Federal Reserve Board Announces Approval of Application by CSBH, LLC	Press Release February 12, 2025	<p>The Federal Reserve Board on Wednesday announced its approval of the application by CSBH, LLC, of Powhatan, Virginia, to acquire up to 49.9 percent of Industry Bancshares, Inc., of Industry, Texas, and thereby indirectly acquire control of several subsidiary banks.</p> <p>Those banks include: (1) Citizens State Bank, of Buffalo, Texas; (2) Industry State Bank, of Industry, Texas; (3) Bank of Brenham, National Association, of Brenham, Texas; (4) Fayetteville Bank, of Fayetteville, Texas; (5) The First National Bank of Shiner, of Shiner Texas; and (6) The First National Bank of Bellville, of Bellville, Texas.</p>	FRB
Dallas Fed: Texas Employment Forecast Softens Slightly for 2025	News Release February 7, 2025	<p>The Texas Employment Forecast released by the Federal Reserve Bank of Dallas indicates jobs will increase 1.6 percent in 2025, with an 80 percent confidence band of 0.8 to 2.4 percent. Texas employment grew 1.7 percent in 2024 after rising 2.4 percent in 2023. The forecast is based on an average of four models that include projected national GDP, oil futures prices, and the Texas and U.S. leading indexes.</p>	FRB-Dallas

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Governor Abbott Announces SBA Assistance for Southeast Texas Tornadoes	Press Release January 17, 2025	Governor Greg Abbott announced that the U.S. Small Business Administration (SBA) approved his request for a disaster declaration for Southeast Texas communities impacted by severe weather and tornadoes in December. The declaration includes the following Texas counties: Brazoria, Fort Bend, Galveston, Grimes, Harris, Liberty, Matagorda, Montgomery, San Jacinto, Walker, Waller, and Wharton.	TXGOV
Governor Abbott Amends, Renews Drought Disaster Proclamation in January 2025	Proclamation January 22, 2025	Governor Greg Abbott amended and renewed the disaster proclamation issued on July 8, 2022, certifying that exceptional drought conditions posed a threat of imminent disaster in several counties; and the Texas Division of Emergency Management has confirmed that those same drought conditions persist in certain counties in Texas. The proclamation authorizes the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.	TXGOV
Governor Abbott Renews Wildfire Disaster Proclamation in February 2025	Proclamation February 11, 2025	Governor Greg Abbott amended and renewed the disaster proclamation issued on October 14, 2024, certifying that elevated fire weather conditions pose an imminent threat of widespread or severe damage, injury, or loss of life or property in several counties. The proclamation authorizes the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.	TXGOV
Governor Abbott Celebrates Launch of NYSE Texas	Press Release February 12, 2025	Governor Greg Abbott today celebrated the announcement by the New York Stock Exchange, part of Intercontinental Exchange, Inc. (NYSE: ICE), of plans to launch NYSE Texas, a fully electronic equities exchange to be headquartered in Dallas.	TXGOV

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Treasury Sanctions Company Associated with Salt Typhoon and Hacker Associated with Treasury Compromise	Press Release January 17, 2025	Today, the Department of the Treasury’s Office of Foreign Assets Control (OFAC) is sanctioning Yin Kecheng, a Shanghai-based cyber actor who was involved with the recent Department of the Treasury network compromise. Additionally, OFAC is sanctioning Sichuan Juxinhe Network Technology Co., LTD., a Sichuan-based cybersecurity company with direct involvement in the Salt Typhoon cyber group, which recently compromised the network infrastructure of multiple major U.S. telecommunication and internet service provider companies. People’s Republic of China-linked (PRC) malicious cyber actors continue to target U.S. government systems, including the recent targeting of Treasury’s information technology (IT) systems, as well as sensitive U.S. critical infrastructure. As highlighted in the most recent Office of the Director of National Intelligence Annual Threat Assessment , Chinese state-backed cyber actors continue to present some of the greatest and most persistent threats to U.S. national security.	Treasury
Treasury Department Letter to Members of Congress Regarding Payment Systems	Statement February 4, 2025	<p>The Treasury Department’s Bureau of the Fiscal Service (Fiscal Service) operates vital payment systems for the federal government, and those systems should promote financial integrity and operational efficiency. The Fiscal Service disburses nearly 90 percent of all federal payments, in over 1.2 billion transactions per year. Treasury is committed to ensuring that the Fiscal Service is functioning in a manner consistent with the highest levels of efficiency and in accordance with the expectations of taxpayers to prevent waste, fraud and abuse.</p> <p>Treasury has no higher obligation than managing the government’s finances on behalf of the American people, and its payments system is critical to that process. In keeping with that mission, Treasury is committed to safeguarding the integrity and security of the system, given the implications of any compromise or disruption to the U.S. economy. The Fiscal Service is confident those protections are robust and effective. Therefore, expanding on efforts that began under the prior Administration, Treasury has been undergoing a review of these systems to maximize payment integrity for agencies and the public.</p>	Treasury

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United States, Australia, and the United Kingdom Jointly Sanction Key Infrastructure that Enables Ransomware Attacks	Press Release February 11, 2025	The Department of the Treasury’s Office of Foreign Assets Control (OFAC), Australia’s Department of Foreign Affairs and Trade, and the United Kingdom’s Foreign Commonwealth and Development Office are jointly designating Zservers , a Russia-based bulletproof hosting (BPH) services provider, for its role in supporting LockBit ransomware attacks. LockBit, a Russia-based ransomware group best known for its ransomware variant of the same name, is one of the most deployed ransomware variants and was responsible for the November 2023 attack against the Industrial Commercial Bank of China U.S. broker-dealer. BPH service providers sell access to specialized servers and other computer infrastructure designed to evade detection and defy law enforcement attempts to disrupt these malicious activities. OFAC is also designating two Russian nationals who are key administrators of Zservers and have enabled ransomware attacks and other criminal activity.	Treasury
OCC Promotes 2025 Earned Income Tax Credit Awareness Day	News Release 2025-7 January 31, 2025	To help increase familiarity with the Earned Income Tax Credit (EITC), the Office of the Comptroller of the Currency is joining other agencies in promoting January 31 as EITC Awareness Day . This year marks the 50th anniversary of the EITC and its positive impact on America’s working families. Banks can play an important role by informing customers about EITC and reminding them to review qualifications to determine eligibility.	OCC

INDUSTRY PUBLICATIONS

SOURCE	PUBLICATION
FRB	FOMC Statement (January 2025)
FRB	Senior Loan Officer Opinion Survey on Bank Lending Practices (January 2025)
FRB-Dallas	Texas Manufacturing Outlook Survey (January 2025)
FRB-Dallas	Trimmed Mean PCE Inflation Rate (January 2025)

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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

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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
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

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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
TXGOV	Office of the Texas Governor
TSSB	Texas State Securities Board
Treasury	U.S. Department of Treasury