



Supervisory Update News Summary

AS OF MARCH 15, 2024

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Texas Department of Banking Provides Guidance for April 8 Eclipse	IN-2024-02 March 7, 2024	<p>On April 8, 2024, there will be a total eclipse in Texas from 1:30 p.m. to 1:50 p.m. The Department has received questions and concerns from state-chartered banks with branches in the affected areas regarding the potential impact to operations, given the anticipated influx of travelers to the destinations within the path, the possibility of roadway gridlock and limited cellphone service due to heightened network use.</p> <p>Pursuant to Texas Finance Code § 37.002, upon a determination by the bank’s officers that the event may affect the bank’s offices or operations, a state-chartered bank may determine to temporarily close those affected offices or operations. Any bank closing an office or operation pursuant to Section 37.002 must notify the Commissioner as promptly as possible.</p>	TDB
Third Coast Bank, SSB, Humble, Texas, Converts to a State-Chartered Bank	Press Release March 13, 2024	Texas Banking Commissioner Charles G. Cooper announced today that Third Coast Bank, SSB, headquartered in Humble, Texas, has completed its conversion to a Texas state-chartered bank from a state savings bank. Third Coast Bank began operating under its new charter effective March 13, 2024. The bank, a wholly-owned subsidiary of Third Coastal Bancshares, Inc., was originally chartered in 2008 and enters the Texas Department of Banking’s portfolio with approximately \$4.4 billion in assets and no interruption or change in its FDIC deposit insurance coverage.	TDB
Agencies Issue 2023 Shared National Credit Program Report	PR-9-2024 Feb. 16, 2024	Federal bank regulatory agencies today reported in the 2023 Shared National Credit report that credit quality associated with large, syndicated bank loans remains moderate. However, the agencies noted declining credit quality trends due to the pressure of higher interest rates on leveraged borrowers and compressed operating margins in some industry sectors.	FDIC FRB OCC

SUPERVISORY UPDATE NEWS SUMMARY

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
FDIC Issues List of Banks Examined for CRA Compliance	PR-13-2024 March 4, 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 December 2023. The Texas banks evaluated during this period received Satisfactory ratings.	FDIC
FDIC-Insured Institutions Reported Full-Year 2023 Net Income of \$256.9 Billion and Fourth Quarter 2023 Net Income of \$38.4 Billion	PR-14-2024 March 7, 2024	Reports from 4,587 commercial banks and savings institutions insured by the FDIC reflect aggregate full-year 2023 net income of \$256.9 billion, down \$6 billion (2.3 percent) from the prior year, and fourth quarter 2023 net income of \$38.4 billion, down \$30 billion (43.9 percent) from the prior quarter. These and other financial results for fourth quarter 2023 are included in the FDIC's latest Quarterly Banking Profile released today.	FDIC
Financial Action Task Force Identifies Jurisdictions with Anti-Money Laundering, Combating the Financing of Terrorism, and Counter-Proliferation Deficiencies	Press Release Feb. 29, 2024	<p>FinCEN is informing U.S. financial institutions that the Financial Action Task Force (FATF), an intergovernmental body that establishes international standards for anti-money laundering, countering the financing of terrorism, and countering the financing of proliferation of weapons of mass destruction (AML/CFT/CPF), issued an additional public statement at the conclusion of its plenary meeting this month reiterating how the Russian Federation's war of aggression against Ukraine continues to run counter to FATF's principles, and, thus, the suspension of the membership of the Russian Federation continues to stand. The FATF highlighted the potential risks to the international financial system, including growing financial connectivity of Russia with the Democratic People's Republic of Korea (DPRK) and Iran, and risks of proliferation financing, malicious cyber activities, and ransomware attacks. In order to protect the international financial system, the FATF continues to urge all jurisdictions to remain vigilant to these risks.</p> <p>The FATF also updated its lists of jurisdictions with strategic AML/CFT/CPF deficiencies. U.S. financial institutions should consider the FATF's stance toward these jurisdictions when reviewing their obligations and risk-based policies, procedures, and practices.</p>	FinCEN

SUPERVISORY UPDATE NEWS SUMMARY

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
FinCEN Publishes an Administrative Ruling Regarding Customer Identification Program and Customer Due Diligence Requirements for Designated Beneficiaries of Individual Retirement Accounts	FIN-2024-R001 March 15, 2024	FinCEN published an administrative ruling today regarding customer identification program (CIP) and customer due diligence (CDD) requirements for designated beneficiaries of individual retirement accounts (IRAs). The request asked whether a broker-dealer must comply with certain requirements of the CIP and CDD rules when distributing to a beneficiary of an IRA funds inherited as part of a charitable estate. FinCEN’s response affirms that to the extent that the broker-dealer requires the opening of an account, FinCEN’s regulations would require the broker-dealer to collect certain information under the CIP and CDD rules.	FinCEN
Governor Abbott Issues Disaster Declaration For Texas Wildfires	Disaster Declaration Feb. 27, 2024	<p>Governor Abbott issued a disaster declaration for 60 Texas counties in response to widespread wildfire activity throughout the state. Additional counties may be added if conditions warrant. Governor Abbott also directed the Texas Division of Emergency Management to activate additional state emergency response resources to support local firefighters responding to multiple wildfires burning Texas. With more than 1,000 state responders supporting the state’s continued response to wildfires burning in the Texas Panhandle, the following active wildfires have ongoing state support as of today:</p> <ul style="list-style-type: none"> • Grape Vine Creek Fire, Gray County – est. 34,883 acres, 96% contained • Smokehouse Creek Fire, Hutchinson County - est. 1,058,482 acres, 74% contained • Windy Deuce Fire, Moore County – est. 144,207 acres, 89% contained 	TXGOV

INDUSTRY PUBLICATIONS

SOURCE	PUBLICATION
FRB	Biege Book (March 2024)
FRB	Deposit Composition Continues to Shift Amid Heightened Competition (February 2024)
CFPB	Credit Card Interest Rate Margins at All-Time High (February 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