



Supervisory Update News Summary

AS OF MAY 15, 2024

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CFPB Takes Action to Stop Illegal Junk Fees in Mortgage Servicing	Press Release April 24, 2024	The CFPB published an edition of Supervisory Highlights describing the agency's actions to combat junk fees charged by mortgage servicers, as well as other illegal practices. CFPB examinations found servicers charging illegal junk fees, such as prohibited property inspection fees; sending deceptive notices to homeowners; and violating loss mitigation rules that help struggling borrowers stay in their homes. In response to the CFPB's findings, financial institutions refunded junk fees to borrowers and stopped their illegal practices.	CFPB
Supervisory Memorandum 1003 - Revised	Policy and Guidance April 11, 2024	The Department of Banking has revised Supervisory Memorandum 1003 related to Examination Frequency for State-Chartered Banks. This Supervisory Memorandum communicates the Department's on-site examination timing requirements for state banks and trust departments of state banks. The policy was modified to remove references to the Level I Full Scope and Level II Full Scope examinations. These are now referred to as Full Scope examinations.	TDB
Supervisory Memorandum 1004 - Revised	Policy and Guidance April 11, 2024	The Department of Banking has revised Supervisory Memorandum 1004 related to Examination Frequency for State-Chartered Trust Companies. This Supervisory Memorandum specifically outlines the Department's examination priorities for trust companies and the types of examination scopes utilized. The applicability of this policy to exempt trust companies is specifically addressed in the Examination Scope and Frequency Schedule. The policy was modified to remove references to the Level I Full Scope and Level II Full Scope examinations. These are now referred to as Full Scope examinations. The policy was also revised to update the Department's points of contact information.	TDB

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Supervisory Memorandum 1020 - Revised	Policy and Guidance April 11, 2024	The Department of Banking has revised Supervisory Memorandum 1020 related to Examination Frequency for All State-Chartered Banks, Trust Companies, and Technology Service Providers. This Supervisory Memorandum sets forth the Information Technology (IT) examination ratings and frequency guidelines for banks, trust companies, and technology service providers. The policy was revised to update the Department's points of contact information.	TDB
First Financial Bank, National Association, Abilene, Texas, Converts to a State-Chartered Bank	Press Release April 23, 2024	Texas Banking Commissioner Charles G. Cooper announced that First Financial Bank, National Association, headquartered in Abilene, Texas, completed its conversion to a Texas state-chartered bank from a national banking association. The bank began operating under its new charter as First Financial Bank on April 23, 2024.	TDB
Cooper Re-Elected as State Liaison Committee Chairman	Press Release May 2, 2024	FFIEC State Liaison Committee (SLC) today announced the re-election of Charles G. Cooper as SLC Chairman. The SLC Chairman's one-year term runs from May 1 until April 30 of the following year. The SLC can re-elect the Chairman for additional terms. Cooper has been a member of the SLC and served as its Chairman since 2023.	FFIEC
FinCEN Renews Real Estate Geographic Targeting Orders	Press Release April 17, 2024	<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 non-financed purchases of residential real estate.</p> <p>The terms of the GTOs are effective beginning April 19, 2024, and ending on October 15, 2024. The GTOs continue to provide valuable data on the purchase of residential real estate by persons possibly involved in various illicit enterprises. Renewing the GTOs will further assist in tracking illicit funds and other criminal or illicit activity, as well as continuing to inform FinCEN's regulatory efforts in this sector. FinCEN renewed the GTOs that cover certain counties and major U.S. metropolitan areas in California, Colorado, Connecticut, Florida, Hawaii, Illinois, Maryland, Massachusetts, Nevada, New York, Texas, Washington, Virginia, and the District of Columbia. A copy of the GTO is available here.</p>	FinCEN

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
FinCEN Issues Analysis on Elder Financial Exploitation	Press Release April 18, 2024	FinCEN issued a Financial Trend Analysis focusing on patterns and trends identified in Bank Secrecy Act (BSA) data linked to Elder Financial Exploitation (EFE), or the illegal or improper use of an older adult’s funds, property, or assets. FinCEN examined BSA reports filed between June 15, 2022 and June 15, 2023 that either used the key term referenced in FinCEN’s June 2022 EFE Advisory or checked “Elder Financial Exploitation” as a suspicious activity type. This amounted to 155,415 filings over this period indicating roughly \$27 billion in EFE-related suspicious activity.	FinCEN
FinCEN Updates Frequently Asked Questions on Beneficial Ownership Information	Update April 18, 2024	FinCEN has updated its Beneficial Ownership Information Frequently Asked Questions to include new questions and updated information about reporting companies, beneficial ownership through trusts, and access to beneficial ownership information, among other topics.	FinCEN
FinCEN Reminds Financial Institutions to Remain Vigilant to Environmental Crimes	Press Release April 22, 2024	FinCEN reminds financial institutions to remain vigilant in identifying and reporting suspicious activity related to environmental crimes. Environmental crimes frequently involve transnational criminal activity related to several of FinCEN’s Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) National Priorities, including corruption, fraud, human trafficking, and drug trafficking.	FinCEN
FinCEN Issues Advisory on Iran-Backed Terrorist Organizations	Press Release May 8, 2024	In light of intensified terrorist activity in the Middle East, FinCEN issued an Advisory to assist financial institutions in detecting potentially illicit transactions related to Islamic Republic of Iran-backed terrorist organizations. The Advisory highlights the means by which certain terrorist organizations receive support from Iran and describes several typologies these terrorist organizations use to illicitly access or circumvent the international financial system to raise, move, and spend funds. It also provides red flags that may assist financial institutions in identifying related suspicious activity.	FinCEN

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Agencies Issue Guide to Assist Community Banks to Develop and Implement Third-Party Risk Management Practices	Press Release May 3, 2024	Federal bank regulatory agencies released a guide to support community banks in managing risks presented by third-party relationships. Community banks engage with third parties to help compete in and respond to an evolving financial services landscape. Third-party relationships present varied risks that community banks are expected to appropriately identify, assess, monitor, and control to ensure that their activities are performed in a safe and sound manner and in compliance with applicable laws and regulations. These laws and regulations include, but are not limited to, those designed to protect consumers and those addressing financial crimes.	FRB, FDIC, OCC
Governor Abbott Amends Severe Weather Disaster Declaration In May 2024	Proclamation May 7, 2024	Governor Abbott amended a disaster declaration originally issued on April 30, 2024 for Texas counties impacted by severe storms and flooding that began in April and continued to affect homes, businesses, and the agricultural industry throughout the state. The counties in the Governor’s declaration include: Anderson, Angelina, Austin, Bandera, Bastrop, Baylor, Bell, Bexar, Blanco, Bosque, Brazos, Burleson, Burnet, Caldwell, Chambers, Cherokee, Colorado, Comal, Coryell, DeWitt, Dickens, Ellis, Falls, Fayette, Freestone, Galveston, Gillespie, Gonzales, Gregg, Grimes, Guadalupe, Hamilton, Hardin, Harris, Haskell, Hays, Henderson, Hill, Hood, Houston, Hunt, Jasper, Jefferson, Johnson, Karnes, Kaufman, Kendall, Kerr, Kimble, Knox, Lampasas, Lavaca, Lee, Leon, Liberty, Limestone, Llano, Madison, Mason, McLennan, Medina, Milam, Montgomery, Nacogdoches, Navarro, Newton, Orange, Panola, Polk, Robertson, Rusk, Sabine, San Augustine, San Jacinto, Shelby, Smith, Somervell, Tarrant, Travis, Trinity, Tyler, Van Zandt, Walker, Waller, Washington, Wichita, Williamson, and Wilson Counties.	TXGOV

INDUSTRY PUBLICATIONS

SOURCE	PUBLICATION
CFPB	Price Complexity in Laboratory Markets (May 2024)
CSBS	2023 Annual Report (April 2024)
FDIC	Risk Management Manual of Examination Policies (April 2024) The following sections saw updates: Loans, Liquidity and Funds Management, Report of Examination Instructions, Examination Documentation Modules for Automated Clearing House and Wires.
FRB	Beige Book (April 2024)
FRB	Banks' Commercial Real Estate Risks Are Uneven (April 2024)
FRB	Financial Stability Report (April 2024)
FRB	The April 2024 Senior Loan Officer Opinion Survey on Bank Lending Practices (April 2024)
FRB	A Deposit Deep Dive: Liquidity Risk Management for Uninsured and Nontraditional Deposits (May 2024)
FRB	Risk Is Our Business: A Supervisory Perspective on the Dynamics of Risk and Risk Management (May 2024)
FRB	Thoughtful Strategic Planning in Periods of Economic Uncertainty (May 2024)
FRB	Federal Reserve Supervision and Regulation Report (May 2024)
OCC	Interest Rate Risk: Interest Rate Risk Statistics Report (April 2024)

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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

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

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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
TSSB	Texas State Securities Board
Treasury	U.S. Department of Treasury