



Supervisory Update News Summary

AS OF JUNE 15, 2024

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Use of Digital User Accounts to Access Buy Now, Pay Later Loans	CFPB-2024-0017 May 22, 2024	The CFPB is issuing this interpretive rule to address the applicability of subpart B of Regulation Z to lenders that issue digital user accounts used to access credit, including to those lenders that market loans as “Buy Now, Pay Later” (BNPL). This interpretive rule describes how these lenders meet the criteria for being “card issuers” for purposes of Regulation Z. Such lenders that extend credit are also “creditors” subject to subpart B of Regulation Z, including those provisions governing periodic statements and billing disputes.	CFPB
FDIC Publishes 2024 Risk Review	PR-39-2024 May 22, 2024	<p>The FDIC today published its 2024 Risk Review, which summarizes conditions in the U.S. economy, financial markets, and the banking industry.</p> <p>The FDIC’s Risk Review is an annual publication and based on year-end banking data from the prior year. The 2024 Risk Review provides an overview of banking risks in 2023 in five broad categories: market risks that include funding and liquidity risks; credit risks in various portfolios including commercial real estate and consumer lending; operational risks; crypto-asset risks; and climate-related financial risks. Monitoring these risks is among the FDIC’s top priorities. The report pays particular attention to risks that may affect community banks, as the FDIC is the primary federal regulator for most community banks and has a unique perspective on these institutions.</p>	FDIC

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Revisions to the Consolidated Reports of Condition and Income (Call Reports) and the FFIEC 002 Report	FIL-26-2024 May 23, 2024	On May 22, 2024, the FDIC, the Board of Governors of the Federal Reserve System, and the OCC (collectively, the agencies), under the auspices of the FFIEC published the attached final regulatory reporting changes in the Federal Register. These reporting changes proposed by the agencies on September 28, 2023 (see FIL-53-2023) and December 27, 2023 (see FIL-68-2023), would apply to all three versions of the Call Report (FFIEC 031, FFIEC 041, and FFIEC 051) and to the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002), as applicable, and are subject to approval by the U.S. Office of Management and Budget.	FDIC
Guidance to Help Financial Institutions and Facilitate Recovery in Areas of Texas Affected by Severe Storms, Straight-line Winds, Tornadoes, and Flooding	FIL-27-2024 May 24, 2024	The FDIC has announced a series of steps intended to provide regulatory relief to financial institutions and facilitate recovery in areas of Texas affected by severe storms, straight-line winds, tornadoes, and flooding. The affected areas in Texas are Harris, Liberty, Montgomery, Polk, San Jacinto, Trinity, and Walker Counties.	FDIC
FDIC-Insured Institutions Reported Net Income of \$64.2 Billion	PR-41-2024 May 29, 2024	Reports from 4,568 commercial banks and savings institutions insured by the FDIC report aggregate net income of \$64.2 billion in first quarter 2024, an increase of \$28.4 billion (79.5 percent) from the prior quarter. A large decline in noninterest expense because of several substantial, non-recurring items recognized by large banks in the prior quarter, as well as higher noninterest income and lower provision expenses this quarter, contributed to the quarterly increase. These and other financial results for first quarter 2024 are included in the FDIC's latest Quarterly Banking Profile released today.	FDIC
FDIC Issues List of Banks Examined for CRA Compliance	PR-47-2024 June 4, 2024	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 March 2024. The Texas state-chartered banks evaluated during this period received Satisfactory ratings.	FDIC

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Federal Reserve Board Announces its Denial of Two Rulemaking Petitions Due to Legal and Policy Considerations	Press Release May 17, 2024	The FRB on announced its denial of two rulemaking petitions due to legal and policy considerations. The first petition asked the Board to develop a framework requiring Board-supervised firms to disclose promised financial commitments to certain corporate initiatives, and the second asked for revisions to the Uniform Financial Institution Rating System framework and adjustments to the framework for financial holding company eligibility. The first response can be viewed here . The second response can be viewed here .	FRB
Agencies Issue Host State Loan-to-Deposit Ratios	Press Release May 31, 2024	Federal bank regulatory agencies today jointly issued updated host state loan-to-deposit ratios that are used to evaluate compliance with the Riegle-Neal Interstate Banking and Branching Efficiency Act. Each respective host state loan-to-deposit ratio shows the ratio of total loans in a state to total deposits in the state for all banks that have that state as their home state. These ratios replace those issued in May 2023. The updated ratios, including additional information on how they are used to evaluate compliance with the requirements, are available here .	FRB
Federal Reserve Board Releases Results Of Survey Of Senior Financial Officers At Banks About Their Strategies And Practices For Managing Reserve Balances	Press Release May 31, 2024	The Federal Reserve Board on Friday released results of a survey of senior financial officers at banks about their strategies and practices for managing reserve balances. The Senior Financial Officer Survey is used by the Board to obtain information about banks' reserve balance management strategies and practices, their deposit pricing strategies, and their expectations for potential changes in both the size and composition of their balance sheets. The most recent survey was conducted in collaboration with the Federal Reserve Bank of New York between March 22, 2024, and April 5, 2024, and includes responses from banks that held more than three quarters of total banking system reserve balances at the time of the survey.	FRB

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In Boston, Treasury Launches New Public-Private FinCEN Exchange Series to Fight Fentanyl Trafficking	Press Release May 20, 2024	As part of the Treasury Department’s Counter-Fentanyl Strike Force, the FinCEN, in partnership with IRS Criminal Investigation (CI), announced a new initiative to combat the illicit trafficking of fentanyl into the United States. The “Promoting Regional Outreach to Educate Communities on the Threat of Fentanyl” (or PROTECT) series of FinCEN Exchange sessions will be held through the remainder of 2024 in U.S. cities that are highly impacted by the opioid epidemic. The series is specifically designed to work with regional and local banks who are deeply connected to their communities and offer unique perspectives on the opioid crisis, and will focus on how law enforcement can best support their efforts to monitor activity that may be tied to the illicit trafficking of fentanyl.	FinCEN
FinCEN Reminds Financial Institutions to Remain Vigilant to Elder Financial Exploitation	Press Release June 14, 2024	<p>FinCEN reminds financial institutions to remain vigilant in identifying and reporting suspicious activity related to elder financial exploitation (EFE). EFE-related losses affect personal savings, checking accounts, retirement savings, and investments, and can severely impact victims’ well-being and financial security as they age. FinCEN has previously published resources to help stakeholders combat EFE.</p> <p>Earlier this year, FinCEN issued an analysis focusing on patterns and trends identified in Bank Secrecy Act (BSA) data linked to EFE, which indicated roughly \$27 billion in EFE-related suspicious activity. FinCEN examined BSA reports filed by financial institutions between June 15, 2022, and June 15, 2023, where filers 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 from financial institutions.</p>	FinCEN
Governor Abbott Appoints Four To Finance Commission of Texas	Press Release May 16, 2024	Governor Greg Abbott has appointed Kathleen Fields to the Finance Commission of Texas for a term set to expire on February 1, 2028. Additionally, the Governor appointed David Osborn, Troy Lambden, and Miguel Romano for terms set to expire on February 1, 2030. The Commission is the governing body of the state's banking, savings and loan, and consumer credit agencies.	FC

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Governor Abbott Provides Update On Texas' Severe Weather, Tornado Response Efforts In Valley View	Press Release May 26, 2024	Governor Greg Abbott today provided an update on the state's ongoing response to help Texans and North Texas communities devastated by severe weather and tornadoes at a press conference following a briefing with state and local officials in Valley View. Governor Abbott also signed the state's severe weather disaster declaration to add Denton, Montague, Cooke, and Collin counties, bringing the total number of counties under the disaster declaration to 106. On April 30, Abbott issued a disaster declaration for counties affected by recent storms and deploying additional state emergency response resources in anticipation of severe weather and flooding. The Governor first amended his disaster declaration on May 2, updated it further on May 7, amended it again on May 15, and added additional counties on May 20.	TXGOV
Governor Abbott Adds Two Counties To State Disaster Declaration For Severe Weather	Press Release June 14, 2024	Governor Greg Abbott today announced that he added Hopkins and Titus counties to the state's disaster declaration for Texas communities impacted by recent severe weather that began on April 26. Additionally, the Federal Emergency Management Agency (FEMA) approved adding Bell, Robertson, and Terrell counties to the Federal Disaster Declaration.	TXGOV
Governor Abbott Renews Drought Disaster Declaration In June 2024	Proclamation June 15, 2024	Governor Abbott amended and renewed the disaster proclamation on July 8, 2022, in Bandera, Bee, Bexar, Blanco, Burnet, Calhoun, Cameron, Colorado, Comal, Comanche, Culberson, Edwards, El Paso, Hays, Hidalgo, Hudspeth, Irion, Jeff Davis, Kendall, Kerr, Kinney, Lavaca, Llano, Lubbock, Matagorda, Maverick, Medina, Presidio, Real, Terrell, Tom Green, Travis, Uvalde, Val Verde, Victoria, Wharton, Willacy, Williamson, Wilson and Zavala Counties.	TXGOV

INDUSTRY PUBLICATIONS

SOURCE	PUBLICATION
FinCEN	FinCEN Year in Review for Fiscal Year 2023 (June 2024)
FRB	Beige Book (May 2024)
TDB	Agency Profile (June 2024)
TDB	Overall Texas Banking Activity (May 2024)
TDB	Top 100 Banks in Texas by Asset Size (May 2024)
OCC	Comptroller's Handbook: Retail Nondeposit Investment Products (June 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

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