



# Supervisory Update News Summary

AS OF AUGUST 15, 2024

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CFPB Warns Against Intimidation of Whistleblowers	<a href="#">News Release</a> July 24, 2024	The CFPB today issued a <a href="#">circular</a> to law enforcement agencies and regulators explaining how companies may be breaking the law by requiring employees to sign broad nondisclosure agreements that could deter whistleblowing. The circular explains how imposing sweeping nondisclosure agreements that do not clearly permit communication with law enforcement may intimidate employees from disclosing misconduct or cooperating with investigations. This could impede investigations and potentially violate federal whistleblower protections.	CFPB
CSBS Begins Multi-Year Effort to Enhance NMLS	<a href="#">Press Release</a> July 16, 2024	CSBS is set to release the first phase of large-scale enhancements for the Nationwide Multistate Licensing System & Registry (NMLS) on July 20. The system updates will resolve pain points for professionals across the mortgage, consumer finance, debt, and money services businesses industries who use NMLS to manage their state licensing or federal registration.	CSBS
FinCEN, OFAC, and FBI Joint Notice on Timeshare Fraud Associated with Mexico-Based Transnational Criminal Organizations	<a href="#">FIN-2024-NTC2</a> July 16, 2024	FinCEN is issuing this joint Notice with Treasury’s Office of Foreign Assets Control (OFAC) and the Federal Bureau of Investigation (FBI) to financial institutions, urging them to be vigilant in detecting, identifying, and reporting timeshare fraud perpetrated by Mexico-based transnational criminal organizations (TCOs). According to the FBI, since at least 2012, the Jalisco New Generation Cartel (CJNG) and other Mexico-based TCOs have increasingly targeted U.S. owners of timeshare properties in Mexico. Older adults, including retirees, are frequent victims in these schemes. The TCOs use proceeds from timeshare fraud to diversify their revenue streams and finance other criminal activities, including the manufacturing and trafficking of illicit fentanyl and other deadly synthetic drugs into the United States.	FinCEN

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<p>Interagency Statement on the Issuance of the AML/CFT Program Notices of Proposed Rulemaking</p>	<p><a href="#">Press Release</a> July 19, 2024</p>	<p>Today, FinCEN joined the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency (together, the “Agencies”) in issuing a joint statement on the notices of proposed rulemakings that would strengthen and modernize financial institutions’ anti-money laundering and countering the financing of terrorism programs (AML/CFT Program NPRMs). The proposed amendments are based on changes to the Bank Secrecy Act as enacted by the Anti-Money Laundering Act of 2020 (the “AML Act”) and are a key component of Treasury’s objective of building a more effective and risk-based AML/CFT regulatory and supervisory regime. With the AML/CFT Program NPRMs and this joint statement, FinCEN and the Agencies are communicating their commitment to the multi-step, multi-year implementation of the AML Act in order to achieve the AML Act’s purposes of modernizing the AML/CFT regime, encouraging innovation to more effectively counter money laundering and the financing of terrorism, improving law enforcement and national security objectives, and further safeguarding the financial system from illicit activity.</p>	<p>FinCEN</p>
<p>FinCEN Issues Notice to Financial Institution Customers on Beneficial Ownership Information Requirements</p>	<p><a href="#">Press Release</a> July 26, 2024</p>	<p>FinCEN issued a <a href="#">notice</a> to customers of financial institutions about reporting beneficial ownership information. The Corporate Transparency Act requires certain entities, including many small businesses, to report to FinCEN information about the individuals who ultimately own or control them. A separate regulatory requirement currently requires many financial institutions to also collect beneficial ownership information from certain customers that seek to open accounts as part of Federal customer due diligence requirements. Today’s notice provides answers to key questions about: (1) reporting beneficial ownership information to FinCEN under the Corporate Transparency Act (<a href="https://www.fincen.gov/boi">https://www.fincen.gov/boi</a>); and (2) providing beneficial ownership information to financial institutions in connection with Federal customer due diligence requirements. FinCEN encourages financial institutions to share this reference guide with customers that may be required to report beneficial ownership information.</p>	<p>FinCEN</p>

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Guidance to Help Financial Institutions and Facilitate Recovery in Areas of Texas Affected by Hurricane Beryl	<a href="#">FIL-40-2024</a> July 16, 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 Hurricane Beryl.	FDIC
Agencies Finalize Interagency Guidance on Reconsiderations of Value for Residential Real Estate Valuations	<a href="#">FIL-41-2024</a> July 18, 2024	The FDIC, the Board of Governors of the Federal Reserve System, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Consumer Financial Protection Bureau (collectively, the agencies), are issuing final Interagency Guidance on Reconsiderations of Value (ROV) of Residential Real Estate Valuations in the Federal Register. The final guidance highlights the risks associated with deficient residential real estate valuations, particularly those that contain inaccuracies due to errors, omissions, or discrimination that affect the value conclusion. Additionally, the final guidance describes how financial institutions may incorporate effective ROV processes into established appraisal and evaluation programs, consistent with safety and soundness standards and all applicable laws and regulations, including those designed to protect consumers. The guidance can be read <a href="#">here</a> .	FDIC
Final Rule on Real Estate Valuations: Quality Control Standards for Automated Valuation Models	<a href="#">FIL-43-2024</a> July 22, 2024	Six federal regulatory agencies today issued a final rule, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, designed to help ensure the credibility and integrity of models used in valuations for certain mortgages secured by a consumer’s principal dwelling. In particular, the rule will implement quality control standards for automated valuation models (AVMs) used by mortgage originators and secondary market issuers in valuing those homes. The final rule is substantially similar to the proposal issued in June 2023. The final rule can be read <a href="#">here</a> .	FDIC

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Notice of Proposed Rulemaking on Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions	<a href="#">FIL-47-2024</a> July 30, 2024	The FDIC is publishing a Notice of Proposed Rulemaking (NPR) seeking comments on proposed amendments that would strengthen the important prudential protections of the safety and soundness rules on brokered deposits ( <a href="#">12 CFR 337.6</a> and <a href="#">12 CFR 303.243</a> ) that implement section 29 of the Federal Deposit Insurance Act (FDI Act). Based on the FDIC’s experience since the adoption of the 2020 final rule and the large bank failures in 2023, the proposed revisions seek to strengthen the safety and soundness of the banking system, help ensure uniform and consistent reporting of brokered deposits, and reduce operational challenges and reporting burdens on insured depository institutions (IDIs).	FDIC
Request for Information on Deposits	<a href="#">FIL-48-2024</a> July 30, 2024	<p>The Federal Deposit Insurance Corporation is soliciting comments through a Request for Information (RFI) on deposit data that is not currently reported in the Federal Financial Institutions Examination Council’s (FFIEC) Consolidated Reports of Condition and Income (Call Report) or other regulatory reports, including for uninsured deposits.</p> <p>A copy of the Request for Information (PDF) can be found <a href="#">here</a>.</p>	FDIC
FDIC Establishes Initial Submission Dates for Resolution Plans and Informational Filings for Covered Institutions	<a href="#">FIL-52-2024</a> August 8, 2024	This FIL supplements <a href="#">FIL 34-2024</a> regarding Final Rulemaking on Resolution Plans Required for Insured Depository Institutions with \$100 Billion or More in Total Assets; Informational Filings Required for Insured Depository Institutions with At Least \$50 Billion but Less Than \$100 Billion in Total Assets (final rule) issued on June 20, 2024. This final rule was published in the Federal Register (PDF) on July 9, 2024. The effective date of the rule is October 1, 2024, and initial submission dates have been communicated to covered insured depository institutions (CIDIs).	FDIC

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<p>Proposed Joint Rule Establishing Data Standards under the Financial Data Transparency Act of 2022</p>	<p><a href="#">FIL-54-2024</a> August 9, 2024</p>	<p>The FDIC is issuing a joint <a href="#">Notice of Proposed Rulemaking (“NPR”) as required by the Financial Data Transparency Act of 2022</a> (“FDTA”) (PDF). Joining the FDIC in issuing the NPR are the Department of the Treasury; Board of Governors of the Federal Reserve System; Office of the Comptroller of the Currency; Consumer Financial Protection Bureau; Securities and Exchange Commission; Federal Housing Finance Agency; National Credit Union Administration; and Commodity Futures Trading Commission (collectively with the FDIC, the “Agencies”). The joint NPR would establish data standards for the collections of information reported to each Agency by financial entities under the jurisdiction of such Agency and data collected from Agencies on behalf of the Financial Stability Oversight Council. For the FDIC, the joint rule would add a Subpart D to 12 C.F.R. Part 304, the FDIC’s regulation for forms, instructions, and reports.</p>	<p>FDIC</p>
<p>Classification of Interactive Teller Machines as Domestic Branches or Remote Service Units</p>	<p><a href="#">FIL-53-2024</a> August 9, 2024</p>	<p>Section 18(d) of the Federal Deposit Insurance Act (FDI Act) (12 U.S.C. § 1828(d)) requires a state nonmember bank to obtain the FDIC’s consent before establishing a domestic branch. Section 3(o) of the FDI Act (12 U.S.C. § 1813(o)) specifically excludes automated teller machines (ATMs) and remote service units (RSUs) from the definition of domestic branch.</p> <p>Interactive Teller Machine (ITM) technology has become increasingly sophisticated in recent years. State nonmember banks have sought guidance from the FDIC regarding whether the proposed use of an ITM at a location other than an established branch facility would require the filing of a domestic branch application, or would qualify for the RSU exclusion to the definition of domestic branch (meaning no branch application would be necessary). ITMs generally resemble automated teller machines but allow customers to interact with live tellers to complete a variety of banking transactions.</p>	<p>FDIC</p>

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Qualified Professional Asset Manager (QPAM) Exemption Amendment	<a href="#">FIL-55-2024</a> August 13, 2024	This issuance is intended to notify FDIC-supervised institutions of an amendment of the U.S. Department of Labor’s (DOL) Prohibited Transaction Class Exemption rule (PTE 84-14) for Qualified Professional Asset Manager (QPAM) exemptions. The QPAM Exemption (hereafter, PTE 84-14) provides broad relief for employee benefit plan and individual retirement account transactions that would otherwise be prohibited by Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and Title II of ERISA, as codified in the Internal Revenue Code of 1986, as amended, as long as the transactions involve a QPAM. Under the prior rule, QPAMs did not need to notify the DOL that they were relying on the Exemption. However, under the newly amended rule, a one-time notice is now required in order to continue to rely on the Exemption, provided certain conditions are met.	FDIC
Agencies Remind Banks of Potential Risks Associated with Third-Party Deposit Arrangements and Request Additional Information on Bank-Fintech Arrangements	<a href="#">PR-61-2024</a> July 25, 2024	The federal bank regulatory agencies today issued a statement reminding banks of potential risks associated with third-party arrangements to deliver bank deposit products and services. The agencies support responsible innovation and banks engaging in these arrangements in a safe and sound manner and in compliance with applicable law. While these arrangements can provide benefits, supervisory experience has identified a range of safety and soundness, compliance, and consumer-related concerns with the management of these arrangements. The statement details the potential risks and provides examples of effective risk management practices for these arrangements. In addition, the statement reminds banks of relevant existing legal requirements, guidance, and related resources, and provides insights that the agencies have gained through their supervision. The statement does not establish new supervisory expectations. The statement can be read <a href="#">here</a> .	FDIC

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
FDIC Board Approves Proposed Rule to Amend Change in Bank Control Act Regulations	<a href="#">PR-63-2024</a> July 30, 2024	The FDIC Board of Directors today approved a Notice of Proposed Rulemaking to amend the agency’s regulations under the <i>Change in Bank Control Act</i> . The proposed rule would require the provision of advance notice to the FDIC for certain acquisitions of voting securities of FDIC-supervised institutions, at a level sufficient to trigger a presumption of control under the regulations, whether such investments are made directly in the institution or indirectly through a holding company. The notice can be read <a href="#">here</a> .	FDIC
CONSUMER ALERT – All Finance Bank of Texas	<a href="#">Press Release</a> August 14, 2024	The Texas Department of Banking has become aware of a fraudulent website purporting to offer online and in-person banking services. The following website, <a href="http://allfinanbnktxus.com">allfinanbnktxus.com</a> , appears to belong to a fake bank referring to itself as “All Finance Bank of Texas” located in Houston, Texas.	TDOB
Governor Abbott Renews Hurricane Beryl Disaster Proclamation in August 2024	<a href="#">Press Release</a> August 5, 2024	A disaster proclamation was issued on Friday, July 5, 2024, as amended later the same day and again on Saturday, July 6, 2024, certifying that Hurricane Beryl posed a threat of imminent disaster, including widespread and severe property damage, injury, and loss of life due to widespread flooding, life-threatening storm surge, damaging wind, and heavy rainfall in several counties. Governor Abbott renewed the aforementioned proclamation, which can be read <a href="#">here</a> .	TXGOV
Governor Abbott Announces SBA Assistance for Severe Storms, Flooding	<a href="#">Press Release</a> August 9, 2024	Governor Greg Abbott today announced that the U.S. Small Business Administration (SBA) has approved his request for a rural area disaster declaration for the severe storms and flooding that took place from April 26-June 5.	TXGOV

## INDUSTRY PUBLICATIONS

SOURCE	PUBLICATION
FRB	<a href="#">Federal Reserve issues FOMC statement</a> (July 31, 2024)
OCC	<a href="#">Bank Accounting Advisory Series Updated</a> (August 15, 2024)



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<b>OTHER RESOURCES</b>
<a href="#">Bloomberg Business and Financial News</a>
<a href="#">Consumer Financial Protection Bureau (CFPB)</a>
<a href="#">FFIEC BSA/AML InfoBase</a>
<a href="#">FFIEC Information Technology Handbook InfoBase</a>
<a href="#">Financial Accounting Standards Board (FASB)</a>
<a href="#">Financial Action Task Force (FATF)</a>
<a href="#">Financial Crimes Enforcement Network (FinCEN)</a>
<a href="#">The Financial Forecast Center - Discount Rate Information</a>
<a href="#">Office of Foreign Assets Control, U.S. Treasury (OFAC)</a>
<a href="#">Real Estate Research Center, Texas A&amp;M University (Market Reports)</a>
<a href="#">Temporary Liquidity Guarantee Program</a>
<a href="#">Texas Constitution and Statutes</a>
<a href="#">Texas and National Economy – Federal Reserve Bank of Dallas</a>
<a href="#">The Texas Economy – Texas Comptroller</a>
<a href="#">Troubled Asset Relief Program (TARP)</a>
<a href="#">Uniform Bank Performance Reports (UBPR) and Users Guide</a>

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### ACRONYMS AND ABBREVIATIONS

<b>ACRONYM / ABBREVIATION</b>	<b>MEANING</b>
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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<b>ACRONYM / ABBREVIATION</b>	<b>MEANING</b>
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