



Supervisory Update News Summary

AS OF SEPTEMBER 15, 2024

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CSBS Establishes Artificial Intelligence Advisory Group	Press Release August 22, 2024	CSBS has established a new advisory group to provide counsel and perspective to CSBS and state financial supervisors on the development and use of artificial intelligence (AI) in the financial services sector. The CSBS Artificial Intelligence Advisory Group includes experts from academic institutions, the financial industry, and nonprofit organizations.	CSBS
2025 Annual Assessment Reduction	Press Release August 26, 2024	Texas Banking Commissioner Charles G. Cooper announced today that the 2025 annual assessment for the period of September through August will be reduced by at least 20% per quarter for all Texas state-chartered banks and foreign bank agencies and branches.	TDB
FFIEC Announces the Sunset of Cybersecurity Assessment Tool (CAT)	Industry Notice August 29, 2024	The FFIEC has announced that the CAT will be sunset effective August 31, 2025. While we recognize that the CAT may be an integral part of your cybersecurity risk management practices, weaknesses in the CAT have emerged with the passage of time, and other resources are now available to provide a more comprehensive and current evaluation of cybersecurity risks and preparedness posture for your institution. The Texas Department of Banking requires state-chartered banks annually assess their cybersecurity maturity and therefore, we encourage you to consider selecting an alternative tool for evaluating cybersecurity risks and preparedness posture as soon as possible.	TDB

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Texas Banking Commissioner Issues Consent Order Relating to CoinZoom, Inc.	Press Release September 11, 2024	Texas Banking Commissioner Charles G. Cooper issued a Consent Order relating to CoinZoom, Inc. (CoinZoom) of Salt Lake City, Utah. The Order is effective September 10, 2024, and is based on the Commissioner’s finding that CoinZoom failed to comply with certain provisions of Texas Finance Code, Chapter 152. The Order suspends CoinZoom’s license until it is reinstated by the Commissioner.	TDB
FinCEN Reminds Financial Institutions to Remain Vigilant to Suspicious Transactions Associated with Synthetic Opioids	News Release August 26, 2024	FinCEN reminds financial institutions to monitor for and report suspicious transactional activity related to the illicit fentanyl supply chain and the trafficking of illicit fentanyl and other synthetic opioids. FinCEN continues its efforts to marshal resources and expertise to combat the trafficking of illicit fentanyl through its participation in the Department of the Treasury’s Counter-Fentanyl Strike Force .	FinCEN
Anti-Money Laundering Regulations for Residential Real Estate Transfers	Final Rule August 28, 2024	FinCEN is issuing a final rule to require certain persons involved in real estate closings and settlements to submit reports and keep records on certain non-financed transfers of residential real property to specified legal entities and trusts on a nationwide basis. Transfers made directly to an individual are not covered by this rule. This rule describes the circumstances in which a report must be filed, who must file a report, what information must be provided, and when a report is due. These reports are expected to assist the U.S. Department of the Treasury, law enforcement, and national security agencies in addressing illicit finance vulnerabilities in the U.S. residential real estate sector, and to curtail the ability of illicit actors to anonymously launder illicit proceeds through transfers of residential real property, which threatens U.S. economic and national security. This rule is effective December 1, 2025.	FinCEN

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
<p>Anti-Money Laundering/Countering the Financing of Terrorism Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers and Exempt Reporting Advisers</p>	<p>Final Rule August 28, 2024</p>	<p>FinCEN, a bureau of the U.S. Department of the Treasury (Treasury), is issuing a final rule to include certain investment advisers in the definition of “financial institution” under the Bank Secrecy Act (BSA), prescribe minimum standards for anti-money laundering/countering the financing of terrorism (AML/CFT) programs to be established by certain investment advisers, require certain investment advisers to report suspicious activity to FinCEN pursuant to the BSA, and make several other related changes to FinCEN regulations. These regulations will apply to certain investment advisers who may be at risk for misuse by money launderers, terrorist financiers, or other actors who seek access to the U.S. financial system for illicit purposes and who threaten U.S. national security. This rule is effective January 1, 2026.</p>	<p>FinCEN</p>
<p>Updated FFIEC IT Examination Handbook – Development, Acquisition, and Maintenance Booklet</p>	<p>FIL-60-2024 August 29, 2024</p>	<p>The FFIEC issued the Development, Acquisition, and Maintenance (DA&M) booklet, which is part of the FFIEC Information Technology Examination Handbook. The booklet replaces the Development and Acquisition booklet issued in April 2004. The DA&M booklet outlines principles and practices for managing development, acquisition, and maintenance. This booklet describes principles and practices that examiners review to assess an entity’s DA&M functions. The booklet also helps examiners determine whether management adequately addresses risks related to DA&M and delivery of critical financial products and services.</p>	<p>FDIC</p>
<p>Federal Reserve Board Announces Final Individual Capital Requirements for All Large Banks, Effective on October 1</p>	<p>Press Release August 28, 2024</p>	<p>Following its stress test earlier this year, the Federal Reserve Board on Wednesday announced final individual capital requirements for all large banks, effective on October 1. Large bank capital requirements are informed by the Board's stress test results, which provide a risk-sensitive and forward-looking assessment of capital needs.</p>	<p>FRB</p>

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Federal Reserve Board Issues Enforcement Action with United Texas Bank	Press Release September 4, 2024	The Federal Reserve Board announced the execution of enforcement action on United Texas Bank, Dallas, Texas. The Cease and Desist Order was dated August 29, 2024 and can be reviewed here . Additional enforcement actions can be searched for here .	FRB
Federal Reserve Board Requests Comment Around Operational Practices of the Discount Window	Press Release September 5, 2024	The Federal Reserve Board on Thursday requested public input around the operational practices of the discount window, which provides short-term credit for banks and credit unions. Feedback gathered through this process will be used by the Board and the Reserve Banks, which administer the discount window, to further improve the efficiency and ease of access to discount window and intraday credit.	FRB
Agencies Extend Comment Period on Request for Information on Bank-Fintech Arrangements	Press Release September 13, 2024	The federal bank regulatory agencies announced that they will extend until October 30, 2024, the comment period on a request for information on bank-fintech arrangements involving banking products and services. The agencies are seeking input on the nature and implications of bank-fintech arrangements and effective risk management practices. Extending the comment period will allow the public more time to consider the request, prepare comments, and address the questions posed by the agencies.	FRB
Governor Abbott Renews Hurricane Beryl Disaster Proclamation in September 2024	Appointment September 3, 2024	Governor of Texas, Greg Abbott, renewed the disaster proclamation issued Friday, July 5, 2024. 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

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Texas Outpaces Nation in Annual Job Growth Rate	Press Release August 16, 2024	Governor Greg Abbott today celebrated Texas growing jobs at a faster rate than the nation over the last 12 months following the release of July employment data. Texas also again set new records for the number of Texans working and the size of the Texas labor force.	TXGOV

INDUSTRY PUBLICATIONS

SOURCE	PUBLICATION
FDIC-OIG	Former CEO of Failed Bank Sentenced to Prison (August 19, 2024)
FDIC-OIG	Audit of Security Controls for the FDIC's Cloud Computing Environment (September 5, 2024)
FRB	Federal Open Market Committee Meeting Minutes for July (August 21, 2024)
FRB	Federal Reserve Board's Discount Rate Meeting Minutes (August 27, 2024)
FRB-Dallas	Texas Employment Forecast (August 16, 2024)
FRB-Dallas	Eleventh District Beige Book (September 4, 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
TXGOV	Office of the Texas Governor
TSSB	Texas State Securities Board
Treasury	U.S. Department of Treasury

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