



Supervisory Update News Summary

AS OF NOVEMBER 15, 2023

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Agencies Announce Dollar Thresholds for Applicability of Truth in Lending and Consumer Leasing Rules for Consumer Credit and Lease Transactions	Press Release Nov. 13, 2023	The Federal Reserve Board and the Consumer Financial Protection Bureau announced the dollar thresholds used to determine whether certain consumer credit and lease transactions in 2024 are subject to certain Regulation Z (Truth in Lending) and Regulation M (Consumer Leasing) requirements.	CFPB FRB
Agencies Announce Dollar Thresholds for Smaller Loan Exemption from Appraisal Requirements for Higher-priced Mortgage Loans	Press Release Nov. 13, 2023	The Consumer Financial Protection Bureau, the Federal Reserve Board, and the Office of the Comptroller of the Currency announced that the 2024 threshold for whether higher-priced mortgage loans are subject to special appraisal requirements will increase from \$31,000 to \$32,400.	CFPB FRB OCC

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Ransomware Self-Assessment Tool Version 2.0 for Mitigating the Risks of Ransomware	Industry Notice 2023-04 Oct. 25, 2023	<p>The CSBS has released an update to the Ransomware Self-Assessment Tool (R-SAT), Version 2.0 for financial institutions.</p> <p>The R-SAT, which was developed in collaboration with the Bankers Electronic Crimes Task Force, state bank regulators, and the U.S. Secret Service, was originally released in October 2020. It is proven to be a thought-provoking but easy-to-use and repeatable tool to help financial institutions periodically assess their own efforts to mitigate risks specifically associated with ransomware and to identify gaps for increasing security. The R-SAT also provides executive management and the board of directors with an overview of the institution’s preparedness towards identifying, protecting, detecting, responding to, and recovering from a ransomware attack.</p>	TDB
Supervisory Memorandum 1005 - Policy on Enforcement Actions for State-Chartered Banks	Policy and Guidance Oct. 25, 2023	Texas Banking Commissioner Charles G. Cooper issued Supervisory Memorandum 1005 which addresses the circumstances under which enforcement actions are used by the Department of Banking (Department) with regard to the banks and bank holding companies under its regulation, and to specify the general methodology which is followed. Recent revisions update the Cease and Desist and Order of Removal or Prohibition sections of the Memorandum to reflect changes in the Texas Finance Code enacted by the 88th Legislature.	TDB
Supervisory Memorandum 1030 - Policy on Enforcement Actions for Trust Companies	Guidance Oct. 25, 2023	Texas Banking Commissioner Charles G. Cooper issued Supervisory Memorandum 1030 which addresses the circumstances under which enforcement actions are used by the Department of Banking (Department) with regard to the trust companies under its regulation, and to specify the general methodology which is followed. Recent updates were not substantive.	TDB

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Banking Commissioner Names Robert K. Nichols, III as General Counsel	Press Release Nov. 6, 2023	<p>Texas Banking Commissioner Charles G. Cooper announced the selection of Robert K. Nichols, III as General Counsel.</p> <p>In his capacity as General Counsel, Nichols will be responsible for overseeing the Legal Division and providing advice and counsel to the Finance Commission, the Banking Commissioner, and other divisions across the agency. He will also be responsible for assisting in drafting rules that guide the Department’s operations, as well as tracking and analyzing bills filed by legislators which impact the financial services industry in Texas.</p>	TDB
Agencies Issue Final Rule to Strengthen and Modernize Community Reinvestment Act Regulations	Press Release Oct. 24, 2023	Federal bank regulatory agencies jointly issued a final rule to strengthen and modernize regulations implementing the Community Reinvestment Act (CRA) to better achieve the purposes of the law. The CRA is a landmark law enacted nearly 50 years ago to encourage banks to help meet the credit needs of their entire communities, especially in low- and moderate-income (LMI) neighborhoods, in a safe and sound manner.	FDIC FRB OCC
Principles for Climate-Related Financial Risk Management for Large Financial Institutions	FIL-56-2023 Oct. 24, 2023 SR 23-9 Oct. 24, 2023	The FDIC, FRB, and OCC (collectively, “agencies”) are jointly issuing principles that provide a high-level framework for the safe and sound management of exposures to climate-related financial risks (“principles”).	FDIC FRB OCC
FDIC Issues List of Banks Examined for CRA Compliance	PR-90-2023 Nov. 3, 2023	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 August 2023. The Texas state-chartered banks evaluated during this period received Satisfactory ratings.	FDIC

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FinCEN Renews and Expands Real Estate Geographic Targeting Orders	Press Release Oct. 20, 2023	<p>FinCEN announced the renewal and expansion of its Geographic Targeting Orders (GTOs) that require U.S. title insurance companies to identify the natural persons behind companies used in non-financed purchases of residential real estate.</p> <p>FinCEN renewed the GTOs that cover certain counties within major U.S. metropolitan areas which includes San Antonio. FinCEN expanded the geographic coverage of the GTOs to include several counties, including Travis county in Texas.</p>	FinCEN
FinCEN Alert to Financial Institutions to Counter Financing to Hamas and Its Terrorist Activities	Press Release Oct. 20, 2023	<p>FinCEN issued an alert to assist financial institutions in identifying funding streams for the terrorist organization Hamas in response to Hamas’s horrific terrorist attack on the people of Israel, which left more than 1,000 innocent civilians, including citizens of the United States and dozens of other countries, wounded, killed, or taken hostage. FinCEN is urging financial institutions to be vigilant in identifying suspicious activity relating to financing Hamas and reporting it to FinCEN. The alert contains red flags that FinCEN has identified to help detect, prevent, and report potential suspicious activity related to Hamas’ terrorist financing activity. As part of a whole-of-government response, the U.S. Department of the Treasury is taking all steps necessary, including issuing this Alert and engaging with foreign counterparts, to deny Hamas the ability to raise and use funds worldwide for its terrorist activities.</p>	FinCEN

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Financial Action Task Force Identifies Jurisdictions with Anti-Money Laundering and Combating the Financing of Terrorism and Counter-Proliferation Deficiencies	Press Release Nov. 3, 2023	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 a public statement at the conclusion of its plenary meeting last month, and, among other issues, adopted a report on how terrorist groups like Hamas use crowdfunding techniques to raise money for their attacks. Additionally, the FATF continues to reiterate that all jurisdictions should be vigilant to current and emerging risks from the circumvention of measures taken against the Russian Federation in order to protect the international financial system. The FATF noted that 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.	FinCEN
FinCEN Finalizes Rule on Use of FinCEN Identifiers in Beneficial Ownership Information Reporting	Press Release Nov. 7, 2023	<p>FinCEN is issuing a final rule that specifies the circumstances in which a reporting company may report an entity’s FinCEN identifier in lieu of information about an individual beneficial owner.</p> <p>The final rule will be effective January 1, 2024, to align with the effective date of the BOI Reporting Rule. Learn more at www.fincen.gov/boi.</p>	FinCEN

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
SEC Charges SolarWinds and Chief Information Security Officer with Fraud, Internal Control Failures	Press Release Oct. 30, 2023	The SEC announced charges against Austin, Texas-based software company SolarWinds Corporation and its chief information security officer, Timothy G. Brown, for fraud and internal control failures relating to allegedly known cybersecurity risks and vulnerabilities. The complaint alleges that, from at least its October 2018 initial public offering through at least its December 2020 announcement that it was the target of a massive, nearly two-year long cyberattack, dubbed “SUNBURST,” SolarWinds and Brown defrauded investors by overstating SolarWinds' cybersecurity practices and understating or failing to disclose known risks. In its filings with the SEC during this period, SolarWinds allegedly misled investors by disclosing only generic and hypothetical risks at a time when the company and Brown knew of specific deficiencies in SolarWinds’ cybersecurity practices as well as the increasingly elevated risks the company faced at the same time.	SEC
Governor Abbott Issues Wildfire Disaster Declaration In October 2023	Proclamation Oct. 23, 2023	Governor Abbott amended and renewed a disaster proclamation issued on August 11, 2023, certifying that wildfires that began on July 24, 2023, posed an imminent threat of widespread or severe damage, injury, or loss of life or property in several counties. The Texas Division of Emergency Management has confirmed that those same wildfire conditions continue to exist.	TxGov

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INDUSTRY PUBLICATIONS
FDIC – Banking Issues in Focus: “Banking Sector Performance During Two Periods of Sharply Higher Interest Rates: 2022 and 2004 to 2006” (October 2023)
FRB - Financial Stability Report (October 2023)
FRB – Senior Loan Officer Opinion survey on Bank Lending Practices (October 2023)
FRB – Supervision and Regulation Report (November 2023)
FRB Dallas – Beige Book (October 2023)
OCC – Interest Rate Risk: Interest Rate Risk Statistics Report (October 2023)

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OTHER RESOURCES

[Bloomberg Business and Financial News](#)

[Consumer Financial Protection Bureau \(CFPB\)](#)

[The Financial Forecast Center - Discount Rate Information](#)

[FFIEC Information Technology Handbook InfoBase](#)

[FFIEC BSA/AML Examination Manual InfoBase](#)

[Financial Accounting Standards Board \(FASB\)](#)

[Financial Action Task Force \(FATF\)](#)

[Financial Crimes Enforcement Network \(FinCEN\)](#)

[Office of Foreign Assets Control, U.S. Treasury \(OFAC\)](#)

[Real Estate Market Reports \(Texas A&M RE Center\)](#)

[Simply Stated \(CSBS podcast\)](#)

[Texas Constitution and Statutes](#)

[The Texas Economy – Texas Comptroller](#)

[Texas and National Economy – Federal Reserve Bank of Dallas](#)

[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