



Supervisory Update News Summary

AS OF DECEMBER 15, 2021

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CFPB Research Shows Banks' Deep Dependence on Overdraft Fees	Press Release Dec. 1, 2021	Banks continue to rely heavily on overdraft and non-sufficient funds (NSF) revenue, which reached an estimated \$15.47 billion in 2019, according to research released by the CFPB. Three banks—JPMorgan Chase, Wells Fargo, and Bank of America—brought in 44% of the total.	CFPB
CFPB Issues Final Rule to Facilitate Transition from LIBOR	Press Release Dec. 7, 2021	The CFPB finalized a rule facilitating the transition away from the LIBOR interest rate index for consumer financial products. The rule establishes requirements for how creditors must select replacement indices for existing LIBOR-linked consumer loans after April 1, 2022. No new financial contracts may reference LIBOR as the relevant index after the end of 2021. Starting in June 2023, LIBOR can no longer be used for existing financial contracts.	CFPB
CFPB Report Highlights Supervisory Findings of Wide-Ranging Violations of Law in 2021	Press Release Dec. 8, 2021	The CFPB issued a Supervisory Highlights report, which shines a light on legal violations identified by the CFPB's examinations in the first half of 2021. The report also highlights prior CFPB supervisory findings that led to public enforcement actions in the first half of 2021.	CFPB
Agencies Approve Final Rule Requiring Computer-Security Incident Notification	PR-95-2021 Nov. 18, 2021 FIL-74-2021 Nov. 18, 2021	Federal bank regulatory agencies today announced the approval of a final rule to improve the sharing of information about cyber incidents that may affect the U.S. banking system. The final rule requires a banking organization to notify its primary federal regulator of any significant computer-security incident as soon as possible and no later than 36 hours after the banking organization determines that a cyber incident has occurred.	FDIC FRB OCC

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Agencies Issue Joint Statement on Crypto-Asset Policy Initiative and Next Steps	PR-96-2021 Nov. 23, 2021 FIL-75-2021 Nov. 23, 2021	Federal bank regulatory agencies issued a statement summarizing their interagency “policy sprints” focused on crypto-assets and providing a roadmap of future work related to crypto-assets.	FDIC FRB OCC
FDIC Makes Public October Enforcement Actions	PR-97-2021 Nov. 26, 2021	The FDIC released a list of orders of administrative enforcement actions taken against banks and individuals in October. There are no administrative hearings scheduled for December 2021. Included in this list was a Consent Order issued against Herring Bank, Amarillo, relating to, among other things, weaknesses in board and management oversight, capital, and liquidity	FDIC
FDIC Issues List of Banks Examined for CRA Compliance	PR-100-2021 Dec. 3, 2021	The FDIC issued its list of state nonmember banks recently evaluated for compliance with the CRA. The list covers evaluation ratings that the FDIC assigned to institutions in September 2021. Included in this list were four Texas state-chartered banks, three of which received a rating of Satisfactory and the fourth a rating of Outstanding.	FDIC
FDIC Statement on CFPB Statement	PR-101-2021 Dec. 9, 2021	Earlier today, the CFPB posted on its website a document, purportedly approved by the FDIC, requesting comment on bank mergers. No such document has been approved by the FDIC.	FDIC
FDIC Launches Office of Supervisory Appeals	FIL-77-2021 Dec. 6, 2021	On December 6, 2021, the FDIC’s new Office of Supervisory Appeals (Office) became fully operational and will begin to consider and decide appeals of material supervisory determinations. The new Office will enhance the independence of the FDIC’s supervisory appeals process and further the FDIC’s goal of ensuring consistency and accountability in the examination process.	FDIC

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Federal and State Regulators Release Updates to the BSA/AML Examination Manual	Press Release Dec. 1, 2021 FIL-76-2021 Dec. 1, 2021	The FFIEC released one new section and updates to three sections of the <i>BSA/AML Examination Manual</i> . Today’s updates affect the following sections: <ul style="list-style-type: none"> • Introduction - Customers (new) • Charities and Nonprofit Organizations • Independent Automated Teller Machine Owners or Operators • Politically Exposed Persons 	FFIEC
Enhancement to the Uniform Bank Performance Report	Press Release Dec. 8, 2021	The FFIEC’s member agencies are making an enhancement to the Uniform Bank Performance Report to allow users to create a custom “My UBPR page” as part of the overall UBPR report. This enhancement will provide users the ability to add UBPR line items of greatest interest on a single UBPR report page. This enhancement is effective Dec. 11, 2021. More information on the UBPR enhancement is available at December 2021 My UBPR Enhancement (PDF).	FFIEC
Federal Reserve Board Approves Fee Schedule for Federal Reserve Bank Priced Services	Press Release Dec. 1, 2021	The FRB announced the approval of fee schedules, effective January 3, 2022, for payment services the FR Banks provide to depository institutions, known as priced services.	FRB
Agencies Announce Threshold for Smaller Loan Exemption from Appraisal Requirements for Higher-Priced Mortgage Loans	Press Release Dec. 1, 2021	The CFPB, FRB, and OCC announced that the 2022 threshold for exempting loans from special appraisal requirements for higher-priced mortgage loans will increase from \$27,200 to \$28,500.	FRB OCC CFPB

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Agencies Announce Dollar Thresholds in Regulations Z and M for Exempt Consumer Credit and Lease Transactions	Press Release Dec. 1, 2021	The FRB and the CFPB announced the dollar thresholds used to determine whether certain consumer credit and lease transactions in 2022 are exempt from Regulation Z (Truth in Lending) and Regulation M (Consumer Leasing).	FRB CFPB
Federal Reserve Board Reiterates its Supervisory Expectations for Large Banks' Risk Management with Investment Funds	Press Release Dec. 10, 2021 SR 21-19 Dec. 10, 2021	The FRB reiterated its supervisory expectations for large banks' risk management with investment funds. The supervisory message follows a review by the Board of the default and failure of Archegos Capital Management, a concentrated and leveraged fund.	FRB
FASB Improves Transparency Around Government Grants	Press Release Nov. 17, 2021	FASB issued an ASU expected to increase transparency in financial reporting by requiring business entities to disclose, in notes to their financial statements, information about certain types of government assistance they receive. Examples of such government assistance include cash grants and grants of other assets.	FASB
FASB Proposes Expanded Disclosures and Improved Accounting Related to the Credit Losses Standard	Press Release Nov. 23, 2021	The FASB issued a proposed ASU intended to improve the decision usefulness of information provided to investors about certain loan refinancing's, restructurings, and write-offs. Stakeholders are encouraged to review and provide feedback on the proposed ASU by December 23, 2021.	FASB
Notice: FinCEN Calls Attention to Environmental Crimes and Related Financial Activity	Notice FIN-2021-NTC4 Nov. 18, 2021	The FinCEN is issuing this Notice to call attention to an upward trend in environmental crimes and associated illicit financial activity.	FinCEN

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
OCC Clarifies Bank Authority to Engage in Certain Cryptocurrency Activities and Authority of OCC to Charter National Trust Banks	NR 2021-121 Nov. 23, 2021 OCC Bulletin 2021-57 Nov 23, 2021	The OCC published a letter confirming that national banks and federal savings associations must demonstrate that they have adequate controls in place before they can engage in certain cryptocurrency, distributed ledger, and stablecoin activities.	OCC
OCC Reports Improvement in Mortgage Performance	NR 2021-131 Dec. 10, 2021	The OCC reported that the performance of first-lien mortgages in the federal banking system improved during the third quarter of 2021. The <i>OCC Mortgage Metrics Report, Third Quarter 2021</i> showed that 95.6 percent of mortgages included in the report were current and performing at the end of the third quarter of 2021 compared to 92.5 percent at the end of the third quarter of 2020.	OCC
Community Reinvestment Act: Final Rule to Rescind and Replace Community Reinvestment Act Rule Issued in 2020	OCC Bulletin 2021-61 Dec. 15, 2021	On December 14, 2021, the OCC issued a final rule to rescind the June 2020 CRA rule and replace it with a rule based on the rules adopted jointly by the federal banking agencies in 1995, as amended. The final rule aligns the OCC’s CRA rules with the current FRB of Governors and FDIC rules and thereby facilitates the ongoing interagency work to modernize the CRA regulatory framework and create consistency for all insured depository institutions.	OCC
Unauthorized Banking: FNB	Alert 2021-6 Dec. 10, 2021	The OCC has been informed that an entity using the name “FNB” is misrepresenting itself as a national bank. While the entity may represent that they are affiliated with a legitimate financial institution, they are not. The fictitious entity has been robocalling and robotexting consumers to obtain information to likely perpetrate identity theft. FNB has purported to be a financial institution offering consumer banking services; however, this entity is not a licensed or chartered bank.	OCC

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Governor Abbott Encourages Texas High Schoolers To Participate In CyberStart America	Press Release Nov. 17, 2021	Governor Greg Abbott announced Texas high school students will have the opportunity to participate in CyberStart America, an innovative, online cybersecurity talent search and competition sponsored by the National Cyber Scholarship Foundation (NCSF) and the SANS Institute. CyberStart is open to all students in grades 9-12 to explore their aptitude for cybersecurity and computer science.	TxGov
Governor Abbott Renews COVID-19 Disaster Declaration In November 2021	Proclamation Nov. 27, 2021	Governor Greg Abbott renewed a proclamation extending his Disaster Declaration for all Texas counties in response to COVID-19. Originally issued on March 13th, the Disaster Declaration provides the state a number of resources to effectively serve Texans as the Lone Star State continues to mitigate the spread of COVID-19.	TxGov
Emergency Rental Assistance Program Surpasses 2.5 Million Payments to Renters and Landlords	Press Release Nov. 29, 2021	State and local governments provided assistance to more than 521,000 renters and landlords in October through the Treasury’s Emergency Rental Assistance (ERA) programs, bringing the total number of payments for the ERA programs to more than 2.5 million.	Treasury
Treasury and IRS Disburse Sixth Monthly Child Tax Credit to Families of 61 Million Children	Press Release Dec. 15, 2021	The Treasury and the Internal Revenue Service distributed more than \$16 billion in tax relief to the families of approximately 61 million eligible children as a part of the sixth monthly payment of the enhanced and advanceable Child Tax Credit (CTC) included in the American Rescue Plan. Since the first payments were disbursed in July, Treasury and the IRS have delivered almost \$93 billion to families. Eligible families received a payment of up to \$300 per month for each child under age 6 and up to \$250 per month for each child age 6 to 17.	Treasury
Report From SEC Small Business Advocate Details Capital Raising During Past Year	Press Release Dec. 9, 2021	The SEC’s Office of the Advocate for Small Business Capital Formation today issued its 2021 Annual Report that details how entrepreneurs and investors are building companies together from startups to small public companies.	SEC

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
SEC Proposes New Share Repurchase Disclosure Rules	Press Release Dec. 15, 2021	The SEC proposed amendments to its rules regarding disclosure about an issuer's repurchases of its equity securities, often referred to as buybacks.	SEC

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INDUSTRY PUBLICATIONS

Department of Banking - [Overall Texas Banking Activity](#) - Data as December 2, 2021

Department of Banking - [Agency Profile](#) - December 2021

Department of Banking - [Top 100 Banks in Texas](#) - Data as of September 2021

FDIC - [Quarterly Banking Profile](#) - Third Quarter 2021

FDIC - [State Profiles](#) – Third Quarter 2021 - Quarterly summary of banking and economic conditions in each state

FRB - [Beige Book](#) - Summary of Commentary on Current Economic Conditions - December 1, 2021

FRB - [Supervision and Regulation Report](#) - Summarizing banking conditions and the Federal Reserve’s supervisory and regulatory activities - November 2021

FRB Dallas - [Southwest Economy](#) – Fourth Quarter 2021 - Articles include: Largest Texas Metros Lure Big-City, Coastal Migrants During Pandemic; Texas Joblessness Persists Above U.S. Rate, Weighing on Black, Hispanic Workers; and Semiconductors Key to Global Growth; Geographic Supply Risks Loom.

FRB Dallas - [Your Texas Economy](#) - An overview of the Texas economy as of November 19, 2021, examining job growth, unemployment trends, and the performance of key industry sectors

FRB Kansas City - [Bank Profitability Rebounds despite Compressed Interest Margins](#) (National) - November 17, 2021

FRB Saint Louis - [Slow, Steady Decline in the Number of U.S. Banks Continues](#) (National) - December 9, 2021

OCC - [Revised Comptroller’s Licensing Manual Booklets](#) - Revised sections include “Background Investigations,” “Capital and Dividends,” “Charters,” “Conversions to Federal Charter,” and “National Bank Director Waivers” - December 10, 2021

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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)
Temporary Liquidity Guarantee Program
Texas Constitution and Statutes
The Texas Economy – Texas Comptroller
Texas and National Economy – Federal Reserve Bank of Dallas
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
CFR	Code of Federal Regulations
CRA	Community Reinvestment Act
CRE	Commercial Real Estate
CFPB	Consumer Financial Protection Bureau
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
FFIEC	Federal Financial Institutions Examination Council
FHA	Federal Housing Authority

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ACRONYM/ABBREVIATION	MEANING
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