



Supervisory Update News Summary

AS OF MARCH 15, 2023

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
New CFPB Issue Spotlight Examines High Fees that Chip Away at Public Benefits	Press Release March 1, 2023	The CFPB released a new issue spotlight examining how the financial products used to deliver public benefits, like Social Security and unemployment compensation, affect individuals' ability to fully access the assistance provided through those programs. The issue spotlight outlines how governments often choose to deliver public benefits through financial products, particularly prepaid cards, that may subject recipients to high fees and cut into the amount of funds the consumer receives.	CFPB
CFPB Publishes New Findings on Financial Profiles of Buy Now, Pay Later Borrowers	Press Release March 2, 2023	The CFPB published a new report analyzing the financial profiles of Buy Now, Pay Later borrowers. While many Buy Now, Pay Later borrowers use the product without noticeable indications of financial stress, the report finds that Buy Now, Pay Later borrowers are more likely to be active users of other types of credit products like credit cards, personal loans, and student loans.	CFPB
CFPB Uncovers Illegal Junk Fees on Bank Accounts, Mortgages, and Student and Auto Loans	Press Release March 8, 2023	The CFPB released a special edition of its Supervisory Highlights that reports on unlawful junk fees uncovered in deposit accounts and in multiple loan servicing markets, including in mortgage, student, and payday lending. These unlawful fees corrode family finances, force up families' banking and borrowing costs, and are not easily avoided – even by financially savvy consumers.	CFPB
CFPB Launches Inquiry Into the Business Practices of Data Brokers	Press Release March 15, 2023	The CFPB launched an inquiry into companies that track and collect information on people's personal lives. In issuing this new Request for Information, the CFPB wants to understand the full scope and breadth of data brokers and their business practices, their impact on the daily lives of consumers, and whether they are all playing by the same rules.	CFPB

SUPERVISORY UPDATE NEWS SUMMARY

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CONSUMER ALERT: First Heritage Bank	Press Release March 6, 2023	The Texas Department of Banking has become aware of a fraudulent website purporting to offer online banking services. The website, https:// www.fhaccess. com , claims to belong to a First Heritage Bank or Finca Sterling Bank located in Weston, Texas.	TDB
CONSUMER ALERT: Milestone Credence Bank	Press Release March 6, 2023	The Texas Department of Banking has become aware of a fraudulent website that purported to offer online banking services. The website, https:// www.milestonecredence.com/en/ , claimed to belong to Milestone Credence Bank.	TDB
Financial Education Webinar: Making a Streetwise Vehicle Purchase, Presented Jointly by the Office of Consumer Credit Commissioner and Texas Department of Banking	Industry Notice March 15, 2023	This 45-minute webinar will explain how to calculate the true cost of vehicle ownership, discuss the pros and cons of buying a new car versus a used one, and compare financing and lease/purchase options. Additionally, attendees will learn about state and federal laws regarding vehicle ownership and tips for avoiding vehicle-related scams. The webinar will be followed by a 15-minute Question and Answer session	TDB
Commissioner Provides Testimony Before the Pensions, Investments and Financial Services Committee	Testimony March 1, 2023	Banking Commissioner Charles G. Cooper provided testimony to the House Committee on Pensions, Investments, and Financial Services. Testimony furnished members with an overview of the Department, a profile of its regulated entities and its budget, and a brief examination of the condition of the banking industry.	TDB
Agencies Issue Joint Statement on Liquidity Risks Resulting from Crypto-Asset Market Vulnerabilities	PR-10-2023 Feb. 23, 2023 FIL-08-2023 Feb. 23, 2023	Federal bank regulatory agencies today issued a joint statement highlighting liquidity risks to banking organizations associated with certain sources of funding from crypto–asset–related entities and some effective practices to manage those risks.	FDIC FRB OCC

SUPERVISORY UPDATE NEWS SUMMARY

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Agencies Issue 2022 Shared National Credit Program Review	PR-12-2023 Feb. 24, 2023	The federal bank regulatory agencies reported in the 2022 Shared National Credit (SNC) report that credit quality associated with large syndicated bank loans improved in 2022, but noted the results do not fully reflect increasing interest rates and softening economic conditions that began to impact borrowers in the second half of 2022.	FDIC FRB OCC
FDIC Issues List of Banks Examined for CRA Compliance	PR-15-2023 March 3, 2023	<p>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 December 2022.</p> <p>Included in this list were two Texas state-chartered banks, and both received a rating of Satisfactory.</p>	FDIC
FDIC Creates a Deposit Insurance National Bank of Santa Clara to Protect Insured Depositors of Silicon Valley Bank, Santa Clara, California	PR-16-2023 March 10, 2023	Silicon Valley Bank, Santa Clara, California, was closed today by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. To protect insured depositors, the FDIC created the Deposit Insurance National Bank of Santa Clara (DINB). At the time of closing, the FDIC as receiver immediately transferred to the DINB all insured deposits of Silicon Valley Bank.	FDIC
Joint Statement by the Department of the Treasury, Federal Reserve, and FDIC	PR-17-2023 March 12, 2023	<p>The following statement was released by Secretary of the Treasury Janet L. Yellen, FRB Chair Jerome H. Powell, and FDIC Chairman Martin J. Gruenberg:</p> <p>Today we are taking decisive actions to protect the U.S. economy by strengthening public confidence in our banking system. This step will ensure that the U.S. banking system continues to perform its vital roles of protecting deposits and providing access to credit to households and businesses in a manner that promotes strong and sustainable economic growth.</p>	FDIC FRB Treasury

SUPERVISORY UPDATE NEWS SUMMARY

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
FDIC Establishes Signature Bridge Bank, N.A., as Successor to Signature Bank, New York, NY	PR-18-2023 March 12, 2023	Signature Bank, New York, NY, was closed today by the New York State Department of Financial Services, which appointed the FDIC as receiver. To protect depositors, the FDIC transferred all the deposits and substantially all of the assets of Signature Bank to Signature Bridge Bank, N.A., a full-service bank that will be operated by the FDIC as it markets the institution to potential bidders.	FDIC
FDIC Acts to Protect All Depositors of the former Silicon Valley Bank, Santa Clara, California	PR-19-2023 March 13, 2023	The FDIC transferred all deposits—both insured and uninsured—and substantially all assets of the former Silicon Valley Bank of Santa Clara, California, to a newly created, full-service FDIC-operated ‘bridge bank’ in an action designed to protect all depositors of Silicon Valley Bank.	FDIC
Proposed Revisions to the Consolidated Reports of Condition and Income (Call Reports) and the FFIEC 002 Report	FIL-07-2023 Feb. 22, 2023	On February 21, 2023, the FDIC, FRB, and OCC (collectively, the agencies), under the auspices of the FFIEC, published proposed regulatory reporting changes in the <i>Federal Register</i> for public comment. These proposed changes 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 proposed to take effect as of the June 30, 2023, report date.	FDIC FRB OCC
Fair Hiring in Banking Act Amends Section 19 of the Federal Deposit Insurance Act	FIL-09-2023 March 9, 2023	On December 23, 2022, the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (NDAA), which contained the Fair Hiring in Banking Act (Act), was signed into law and became immediately effective. The Act provides significant amendments to Section 19 of the Federal Deposit Insurance Act (12 U.S.C. § 1829) (Section 19).	FDIC

SUPERVISORY UPDATE NEWS SUMMARY

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Financial Institutions are Required to Meet Contractual Obligations with Bridge Banks	FIL-10-2023 March 14, 2023	In recent days, the FDIC has established two bridge banks, Silicon Valley Bridge Bank, N.A. and Signature Bridge Bank, N.A., to assume the deposits and obligations of two failing banks. All contracts entered into with banks before they failed, and their counterparties were transferred into the bridge bank by the FDIC as receiver. Accordingly, vendors and counterparties with contracts with the bridge bank are legally obligated to continue to perform under the contracts, and the bridge is obligated to and has the full ability to make timely payments to vendors and counterparties and otherwise perform its obligations under the contract.	FDIC
Federal Reserve Board Issues Enforcement Action with Riverbend Financial Corporation	Press Release Feb. 16, 2023	<p>The FRB issued an enforcement action with Riverbend Financial Corporation, a registered bank holding company, which owns and controls Spectra Bank, Fort Worth, Texas, a state-chartered, nonmember bank, and a nonbank subsidiary.</p> <p>The FRB took this action to ensure that the Bank complies with the Consent Order entered into by the FDIC and TDB on December 3, 2020</p>	FRB
Federal Reserve Board Announces It Will Make Available Additional Funding to Eligible Depository Institutions to Help Assure Banks Have the Ability to Meet the Needs of All Their Depositors	Press Release March 12, 2023	To support American businesses and households, the FRB on Sunday announced it will make available additional funding to eligible depository institutions to help assure banks have the ability to meet the needs of all their depositors. This action will bolster the capacity of the banking system to safeguard deposits and ensure the ongoing provision of money and credit to the economy.	FRB

SUPERVISORY UPDATE NEWS SUMMARY

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Federal Reserve Board Announces that Vice Chair for Supervision Michael S. Barr is Leading a Review of the Supervision and Regulation of Silicon Valley Bank, in Light of its Failure	Press Release March 13, 2023	The FRB announced that Vice Chair for Supervision Michael S. Barr is leading a review of the supervision and regulation of Silicon Valley Bank, in light of its failure. The review will be publicly released by May 1.	FRB
Federal Reserve Announces July Launch for the FedNow Service	Press Release March 15, 2023	The FRB announced that the FedNow Service will start operating in July and provided details on preparations for launch.	FRB
FinCEN Alert on Nationwide Surge in Mail Theft-Related Check Fraud Schemes Targeting the U.S. Mail	Press Release Feb. 27, 2023 FIN-2023-Alert003 Feb. 27, 2023	The FinCEN is issuing an alert to financial institutions on the nationwide surge in check fraud schemes targeting the U.S. Mail. Fraud, including check fraud, is the largest source of illicit proceeds in the United States and is one of the AML/CFT National Priorities. In coordination with the United States Postal Inspection Service (USPIS), FinCEN has identified red flags to help financial institutions detect, prevent, and report suspicious activity connected to mail theft-related check fraud.	FinCEN

SUPERVISORY UPDATE NEWS SUMMARY

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Financial Action Task Force Suspends the Membership of the Russian Federation, and Identifies Jurisdictions with Anti-Money Laundering and Combating the Financing of Terrorism and Counter-Proliferation Deficiencies	Press Release March 9, 2023	The FinCEN is informing U.S. financial institutions that the Financial Action Task Force (FATF), an intergovernmental body that establishes international standards for AML, CFT, and countering the financing of proliferation of weapons of mass destruction, issued a public statement on February 24 at the conclusion of its plenary meeting announcing its suspension of the Russian Federation’s membership from FATF. The statement notes that “the Russian Federation’s actions unacceptably run counter to the FATF core principles aiming to promote security, safety, and the integrity of the global financial system.”	FinCEN
Acting Comptroller Discusses Trust in Global Banking, Lessons for Crypto	NR 2023-23 March 6, 2023	Acting Comptroller of the Currency Michael J. Hsu today discussed building and maintaining trust in global banking in remarks at the Institute for International Bankers.	OCC
Governor Abbott Announces Ending COVID Restrictions Forever As Emergency Item	Press Release Feb. 16, 2023	Governor Greg Abbott tonight announced ending COVID restrictions forever as an emergency item for the 88th Legislative Session during his State of the State address in San Marcos.	TxGov
Governor Abbott Requests Presidential Disaster Declaration Following Severe Winter Storm	Press Release Feb. 21, 2023	Governor Greg Abbott today sent a letter to President Joe Biden requesting a Presidential Disaster Declaration for Texas communities impacted by the severe winter storm earlier this month. The Governor’s request includes Bastrop, Blanco, Burleson, Burnet, Caldwell, Delta, Denton, Falls, Hays, Henderson, Hopkins, Hunt, Kendall, Lamar, Lee, Leon, Milam, Red River, Robertson, Shelby, Smith, Travis, and Williamson counties.	TxGov
Governor Abbott Mobilizes State Wildfire Resources Across Texas	Press Release Feb. 28, 2023	Governor Greg Abbott directed the Texas Division of Emergency Management (TDEM) to mobilize state firefighting resources to support local officials in their response to wildfires impacting the Panhandle, the South Plains, West, and Northwest Texas.	TxGov

SUPERVISORY UPDATE NEWS SUMMARY

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Texas Leads For Jobs Added Over Last Year, Growing Faster Than U.S.	Press Release March 13, 2023	Governor Greg Abbott today congratulated Texans and Texas employers on helping our state lead the nation in job growth, following the news showing Texas led all states with 654,100 jobs added January 2022 to January 2023. Over those 12 months, Texas grew jobs at 5.0 percent, outpacing the national rate of 3.3 percent.	TxGov
Governor Abbott Expands Ice Storm Disaster Declaration	Proclamation Feb. 20, 2023	Governor Greg Abbott expanded a February 4, 2023, disaster declaration for Texas counties impacted by ice storms that caused widespread property damage, hazardous travel disruptions, and localized power outages. The original disaster declaration included Denton, Hays, Henderson, Milam, Smith, Travis, and Williamson counties. Added to this proclamation were the counties of Anderson, Bastrop, Blanco, Burleson, Burnet, Caldwell, Delta, Falls, Hopkins, Hunt, Kendall, Lamar, Lee, Leon, Red River, Robertson, and Shelby.	TxGov
Governor Abbott Renews Drought Disaster Declaration In March 2023	Proclamation March 1, 2023	Governor Greg Abbott renewed and amended a July 8, 2022, Disaster Declaration originally covering 164 counties due to exceptional drought conditions that posed a threat of imminent disaster. Deleted from the list was Polk County.	TxGov
Treasury Releases Financial Report of the U.S. Government	Press Release Feb. 16, 2023	The Treasury Department, in consultation with the Office of Management and Budget, released the fiscal year 2022 (FY 2022) Financial Report of the U.S. Government today. The report presents the government’s current financial position and condition and discusses key financial topics and trends.	Treasury
U.S. Treasury Announces New Funding and Financial Services Headed to Underserved Communities	Press Release Feb. 28, 2023	The Treasury Department’s Community Development Financial Institutions (CDFI Fund) awarded \$194.1 million in financial assistance awards to 252 Community Development Financial Institutions (CDFIs) through the Community Development Financial Institutions (CDFI Program) and Native American CDFI Assistance (NACA) Program. These awards will allow CDFIs to build on their capacity and substantively expand lending and investment activity in underserved communities.	Treasury

SUPERVISORY UPDATE NEWS SUMMARY

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On American Rescue Plan's Second Anniversary, Treasury Releases New Data on Act's Historic Investments in Economic Growth	Press Release March 14, 2023	To mark the second anniversary of the American Rescue Plan (ARP), the U.S Department of the Treasury released a report with new data illustrating the extent to which this funding supported both immediate pandemic recovery and long-term economic growth.	Treasury
SEC Charges Terraform and CEO Do Kwon with Defrauding Investors in Crypto Schemes	Press Release Feb. 16, 2023	The SEC charged Singapore-based Terraform Labs PTE Ltd and Do Hyeong Kwon with orchestrating a multi-billion dollar crypto asset securities fraud involving an algorithmic stablecoin and other crypto asset securities.	SEC
SEC Charges Nishad Singh with Defrauding Investors in Crypto Asset Trading Platform FTX	Press Release Feb. 28, 2023	The SEC charged Nishad Singh, the former Co-Lead Engineer of FTX Trading Ltd. (FTX), for his role in a multiyear scheme to defraud equity investors in FTX, the crypto trading platform started by Singh along with Samuel Bankman-Fried and Gary Wang. Investigations into other securities law violations and into other entities and persons relating to the alleged misconduct are ongoing.	SEC
SEC Files Emergency Action Against Miami Investment Adviser BKCoin and Principal Kevin Kang for Orchestrating \$100 Million Crypto Fraud Scheme	Press Release March 6, 2023	The SEC announced that it filed an emergency action in which it successfully obtained an asset freeze, appointment of a receiver, and other emergency relief against Miami-based investment adviser BKCoin Management LLC and one of its principals, Kevin Kang, in connection with a crypto asset fraud scheme. From at least October 2018 through September 2022, BKCoin raised approximately \$100 million from at least 55 investors to invest in crypto assets, but BKCoin and Kang instead used some of the money to make Ponzi-like payments and for personal use.	SEC

SUPERVISORY UPDATE NEWS SUMMARY

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
SEC Charges Software Company Blackbaud Inc. for Misleading Disclosures About Ransomware Attack That Impacted Charitable Donors	Press Release March 9, 2023	The SEC announced that Blackbaud Inc., a South Carolina-based public company that provides donor data management software to non-profit organizations, agreed to pay \$3 million to settle charges for making misleading disclosures about a 2020 ransomware attack that impacted more than 13,000 customers.	SEC

SUPERVISORY UPDATE NEWS SUMMARY

INDUSTRY PUBLICATIONS

Department of Banking - [Overall Texas Banking Activity](#) - Data as of December 31, 2022

Department of Banking - [Agency Profile](#) – March 2023

FDIC - [Quarterly Banking Profile](#) - Fourth Quarter 2022

FRB [Beige Book](#) - Summary of Commentary on Current Economic Conditions – March 8, 2023

FRB Dallas - [Your Texas Economy](#) - An overview of the Texas economy as of March 10, 2023, examining job growth, unemployment trends, and the performance of key industry sectors

OCC – Revised Comptroller’s Licensing Manual Booklet: [Change in Bank Control](#) - The revised booklet replaces the booklet of the same title issued September 2017, makes corrections where necessary, and contains updated guidance– February 16, 2023

SUPERVISORY UPDATE NEWS SUMMARY

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

SUPERVISORY UPDATE NEWS SUMMARY

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

SUPERVISORY UPDATE NEWS SUMMARY

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