



Supervisory Update News Summary

AS OF JUNE 15, 2022

| TITLE | TYPE/DATE | DESCRIPTION | SOURCE |
|---|---|--|--------|
| CFPB Releases Report on Mortgage Servicing Metrics | Press Release May 16, 2022 | The CFPB published a report examining mortgage servicers' responses to the COVID-19 pandemic. The data, collected across 16 large servicers from May through December 2021, reveal homeowners continue to face significant risks and challenges connected to working with their mortgage servicers. This problem is particularly acute for those borrowers struggling to make their mortgage payments after exiting COVID-19 hardship forbearances. | CFPB |
| CFPB Bolsters Enforcement Efforts by States | Press Release May 19, 2022 | The CFPB issued an interpretive rule that describes states' authorities to pursue lawbreaking companies and individuals that violate the provisions of federal consumer financial protection law. Because of the crucial role states play in protecting consumers, the Consumer Financial Protection Act grants their consumer protection enforcers the authority to protect their citizens and otherwise pursue lawbreakers. | CFPB |
| CFPB Acts to Protect the Public from Black-Box Credit Models Using Complex Algorithms | Press Release May 26, 2022 | The CFPB confirmed that federal anti-discrimination law requires companies to explain to applicants the specific reasons for denying an application for credit or taking other adverse actions, even if the creditor is relying on credit models using complex algorithms. The CFPB published a <i>Consumer Financial Protection Circular</i> to remind the public, including those responsible for enforcing federal consumer financial protection law, of creditors' adverse action notice requirements under the Equal Credit Opportunity Act (ECOA). | CFPB |
| CSBS Board of Directors Announces the Passing of John W. Ryan | Press Release May 17, 2022 | It is with great sadness that we announce that John W. Ryan, President and Chief Executive Officer of CSBS, died unexpectedly late yesterday in Washington, D.C. | CSBS |

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| State Regulators Seek Expansion of Cannabis Banking Safe Harbor | Press Release May 25, 2022 | In letters sent to both the House and Senate today, CSBS Acting President & CEO James M. Cooper urged Members of Congress to provide marijuana businesses with access to financial services by retaining the Secure and Fair Enforcement (SAFE) Banking Act in the final conference report of the America COMPETES Act. | CSBS |
| State Regulators Support Modernizing Regulatory Framework for Bank Mergers | Press Release June 3, 2022 | A modernized regulatory framework for bank merger transactions should reflect changes in financial services, the diversity of consumer and small business needs and the interests of community banks, CSBS said in a comment letter to the FDIC. | CSBS |
| FDIC Issues Final Rule Regarding False Advertising, Misrepresentations About Insured Status, and Misuse of the FDIC's Name or Logo | PR-41-2022 May 17, 2022 FIL-21-2022 May 17, 2022 | The FDIC approved a final rule implementing its statutory authority to prohibit any person or organization from making misrepresentations about FDIC deposit insurance or misusing the FDIC's name or logo. | FDIC |
| FDIC Publishes 2022 Risk Review | PR-44-2022 May 20, 2022 | The FDIC published its 2022 Risk Review , a comprehensive summary of emerging risks in the U.S. banking system as observed in 2021. The 2022 Risk Review expands coverage of risks from prior reports by examining operational risk to banks from cyber threats and illicit activity, and climate-related financial risks faced by banking organizations. Monitoring these risks is among the FDIC's top priorities. | FDIC |
| FDIC Issues List of Banks Examined for CRA Compliance | PR-48-2022 June 3, 2022 | 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 March 2022. Included in this list was one Texas state-chartered bank and it received a rating of Satisfactory. | FDIC |

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| Amendments to Guidelines for Appeals of Material Supervisory Determinations | FIL-22-2022 May 17, 2022 | The FDIC has adopted Guidelines for Appeals of Material Supervisory Determinations that restore the Supervision Appeals Review Committee (SARC) as the final level of review in the agency’s supervisory appeals process. The revised Guidelines take effect May 17, 2022. The FDIC is soliciting comment on the revised Guidelines with a comment period of 30 days. | FDIC |
| Small Entity Compliance Guide related to Simplification of Deposit Insurance Rules for Trust and Mortgage Servicing Accounts | FIL-23-2022 May 18, 2022 | On January 28, 2022, the FDIC published a final rule to amend the deposit insurance regulations for trust accounts and mortgage servicing accounts. The changes are intended to make the deposit insurance rules easier to understand for depositors and bankers, facilitate more timely insurance determinations for trust accounts in the event of a bank failure, and enhance consistency of insurance coverage for mortgage servicing account deposits. The final rule will take effect on April 1, 2024, providing depositors and banks more than two years to prepare for the changes in coverage. | FDIC |
| Minority Depository Institution (MDI) Designations | FIL-24-2022 May 19, 2022 | On June 15, 2021, the FDIC Board of Directors approved an updated Statement of Policy Regarding Minority Depository Institutions (Policy Statement), which details the framework by which the FDIC implements the goals set forth in Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The Policy Statement describes the FDIC’s framework and initiatives to fulfill its statutory goals with respect to MDIs. As noted in the Policy Statement, the FDIC will accept requests from entities for designation as an MDI. | FDIC |
| Summary of Deposits Survey and Filing for June 30, 2022 | FIL-25-2022 June 1, 2022 | The Summary of Deposits (SOD) is the annual survey of branch office deposits as of June 30 for all FDIC-insured institutions, including insured U.S. branches of foreign banks. All institutions with branch offices are required to submit the survey; institutions with only a main office are exempt. All survey responses are required by July 31, 2022. No filing extensions will be granted. | FDIC |

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| Federal Reserve Board Finalizes Rule that Governs Funds Transfers Over the Federal Reserve Banks' FedNow Service | Press Release May 19, 2022 | The FRB finalized a rule that governs funds transfers over the FR Banks' FedNow SM Service. The final rule is substantially similar to the proposal from last year, with a few clarifications in response to comments. | FRB |
| Federal Reserve Board Issues Economic Well-Being of U.S. Households in 2021 report | Press Release May 23, 2022 | The FRB issued its <i>Economic Well-Being of U.S. Households in 2021</i> report, which examines the financial lives of U.S. adults and their families. The report draws from the Board's ninth annual Survey of Household Economics and Decisionmaking, or SHED, which was conducted in October and November of last year before the increase in COVID-19 cases from the Omicron variant and other changes to the economic landscape in recent months. The report, fact sheet, downloadable data, data visualizations, and a video summarizing the survey's findings may be found here . | FRB |
| Jerome H. Powell Sworn in for Second Term as Chair of the Board of Governors of the Federal Reserve System | Press Release May 23, 2022 | Jerome H. Powell took the oath of office for his second term as Chair of the Board of Governors of the FR System. Chair Powell's oath was administered by Vice Chair Lael Brainard in the press briefing room of the Board's Martin building. | FRB |
| Federal Reserve Announces it Will Soon Release Second Tool to Help Community Financial Institutions Implement the Current Expected Credit Losses (CECL) Accounting standard | Press Release June 7, 2022 | The FRB announced it will soon release a second tool to help community financial institutions implement the Current Expected Credit Losses, or CECL, accounting standard. | FRB |

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| Federal Reserve Issues FOMC Statement | Press Release June 15, 2022 | Overall economic activity appears to have picked up after edging down in the first quarter. Job gains have been robust in recent months, and the unemployment rate has remained low. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher energy prices, and broader price pressures. | FRB |
| FinCEN Issues Advance Notice of Proposed Rulemaking for No-Action Letter Process | Press Release Placeholder | The FinCEN issued an Advance Notice of Proposed Rulemaking (ANPRM) to solicit public comment on questions relating to the implementation of a no-action letter process at FinCEN. A no-action letter is generally understood to be a form of enforcement discretion where an agency states by letter that it will not take an enforcement action against the submitting party for the specific conduct presented to the agency. | FinCEN |
| FinCEN Acting Director’s Statement Regarding U.S., U.K. Collaboration on Prize Challenges to Accelerate Development and Adoption of Privacy-Enhancing Technologies | Press Release June 13, 2022 | The U.S. and U.K. governments announced the development of prize challenges focused on advancing the maturity of privacy-enhancing technologies (PETs) to combat financial crime. | FinCEN |
| Advisory on Elder Financial Exploitation | FIN-2022-A002 June 15, 2022 | The FinCEN is issuing this advisory to alert financial institutions to the rising trend of EFE targeting older adults and to highlight new EFE typologies and red flags since FinCEN issued the first EFE Advisory in 2011 | FinCEN |
| Acting Comptroller Discusses Vulnerabilities, Volatility with Cryptocurrency | NR 2022-60 May 24, 2022 | Acting Comptroller of the Currency Michael J. Hsu today discussed vulnerabilities in the cryptocurrency framework and recent volatility with stablecoins in remarks at the DC Blockchain Summit 2022. | OCC |

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| Acting Comptroller Discusses Importance of CDFIs, MDIs | NR 2022-66 June 9, 2022 | Acting Comptroller of the Currency Michael J. Hsu today discussed the importance of community development financial institutions (CDFI) and minority depository institutions (MDI) at the 2022 Community Development Bankers Association Peer Forum. | OCC |
| Flood Disaster Protection Act: 2022 Interagency Questions and Answers Regarding Flood Insurance | OCC Bulletin 2022-16 May 31, 2022 | On May 11, 2022, OCC, FRB, FDIC, FCA, and NCUA (collectively, agencies) issued “Loans in Areas Having Special Flood Hazards; Interagency Questions and Answers Regarding Flood Insurance.” The interagency questions and answers issued replace the ones originally published in 2009 and 2011 and consolidate questions and answers proposed by the agencies in July 2020 and in March 2021. | OCC FRB FDIC FCA NCUA |
| Governor Abbott Announces Ongoing Coordinated Response To Wildfires Across West, Central Texas | Press Release May 19, 2022 | Governor Greg Abbott today announced ongoing coordinated response to wildfires burning across West and Central Texas. Multiple wildfires continue to burn across Texas, including the Mesquite Heat Fire in Taylor County, which has caused local officials to initiate evacuation orders for residents. | TxGov |
| Texas Leads The Nation As Home To The Most Fortune 500 Companies | Press Release May 24, 2022 | Governor Greg Abbott announced that Texas now leads the nation as home to the most Fortune 500 companies, overtaking states like New York and California in the 2022 Fortune 500 list. With 53 Fortune 500 corporate headquarters calling Texas home, the state’s business-friendly climate and skilled workforce surpassed New York’s 51 corporate headquarters and California’s 50. Additionally, Houston and Dallas are in the top five municipalities in the nation for Fortune 500 companies, with 21 and 11 respectively. | TxGov |
| Governor Abbott Provides Update On State’s Ongoing Wildfire Response Efforts In Abilene | Press Release May 24, 2022 | Governor Greg Abbott provided an update on the state's ongoing wildfire response efforts at a press conference following a briefing on wildfire activity from local and state officials in Abilene. Last Thursday, the Governor announced the ongoing coordinated response to wildfires burning across West and Central Texas, including the Mesquite Heat Fire in Taylor County. | TxGov |

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| Governor Abbott Renews Wildfire Disaster Declaration In May 2022 | Proclamation May 17, 2022 | <p>Governor Greg Abbott renewed a disaster proclamation originally issued on March 18, 2022, and amended on March 21 and March 27, 2022, in response to wildfires which pose an imminent threat of widespread or severe damage, injury, or loss of life or property</p> <p>Included in the proclamation were Andrews, Aransas, Archer, Bee, Bell, Blanco, Borden, Bosque, Brewster, Brooks, Brown, Cameron, Coke, Coleman, Comanche, Concho, Cooke, Crane, Crockett, Culberson, Dawson, Dimmit, Duval, Eastland, Ector, Edwards, Erath, Gaines, Garza, Grayson, Hemphill, Hidalgo, Hood, Howard, Hudspeth, Jeff Davis, Jim Hogg, Jim Wells, Kenedy, Kimble, Kleberg, Live Oak, Martin, Mason, Maverick, McCulloch, Medina, Menard, Midland, Nueces, Palo Pinto, Parker, Pecos, Potter, Presidio, Randall, Reagan, Real, Refugio, Roberts, Runnels, Starr, Terrell, Tom Green, Upton, Wichita, Willacy, Williamson, Winkler, Wise, Zapata, and Zavala counties</p> | TxGov |
| Governor Abbott Renews COVID-19 Disaster Declaration In May 2022 | Proclamation May 22, 2022 | Governor Greg Abbott renewed a proclamation extending his Disaster Declaration for all Texas counties in response to COVID-19. Originally issued in March 2020, 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 |
| Treasury Announces First State Small Business Credit Initiative Awards to Support Underserved Entrepreneurs and Small Business Growth in Key Industries | Press Release May 19, 2022 | The Treasury announced the first group of plans approved under the new round of the State Small Business Credit Initiative (SSBCI). The American Rescue Plan reauthorized and expanded SSBCI, which was originally established in 2010 and was highly successful in increasing access to capital for traditionally underserved small businesses and entrepreneurs. | Treasury |
| SEC Charges Wells Fargo Advisors With Anti-Money Laundering Related Violations | Press Release May 20, 2022 | The SEC announced charges against Wells Fargo Advisors for failing to file at least 34 Suspicious Activity Reports (SARs) in a timely manner between April 2017 and October 2021. Wells Fargo Advisors, the St. Louis-based broker-dealer, has agreed to pay \$7 million to settle the charges. | SEC |

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INDUSTRY PUBLICATIONS

Department of Banking - [Agency Profile](#) – June 2022

Department of Banking – [Strategic Plan - Fiscal Years 2023 to 2027](#) – June 2022

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

FDIC - [State Profiles](#) – First Quarter 2022 - Quarterly summary of banking and economic conditions in each state

FRB [Beige Book](#) - Summary of Commentary on Current Economic Conditions – June 1, 2022

FRB Dallas - [Your Texas Economy](#) - An overview of the Texas economy as of May 20, 2022, examining job growth, unemployment trends, and the performance of key industry sectors

FRB Saint Louis - [GDP Decline, Inflation Heighten Uncertainty in U.S. Economic Outlook](#) (National) - May 25, 2022

FRB Minneapolis - [Energy Prices Under Pressure from All Angles](#) (National) - May 27, 2022

Texas Comptroller of Public Accounts - [Fiscal Notes](#) - Periodic summary providing information, original research, and balanced analysis of the Texas economy, May 2022; this issue includes an explanation of inflation and its current impact on the Texas and U.S. economies.

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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 |

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 |

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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 |