



Supervisory Update News Summary

AS OF JUNE 15, 2023

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CFPB Action to Require Citizens Bank to Pay \$9 Million Penalty for Unlawful Credit Card Servicing	Press Release May 23, 2023	The CFPB reached a settlement to resolve allegations that Citizens Bank violated consumer financial protection laws and rules that protect individuals when they dispute credit card transactions. The CFPB alleges that Citizens Bank failed to properly manage and respond to customers' credit card disputes and fraud claims. If entered by the court, the order, among other things, would require Citizens Bank to pay a \$9 million civil money penalty.	CFPB
CFPB Finds that Billions of Dollars Stored on Popular Payment Apps May Lack Federal Insurance	Press Release June 1, 2023	The CFPB published an issue spotlight on digital payment apps heavily used by consumers and businesses. The analysis finds that funds stored on these apps may not be safe in the event of financial distress, since the funds may not be held in accounts with federal deposit insurance coverage. The CFPB also issued a consumer advisory for customers holding funds in these apps and how they can make sure their funds remain safe.	CFPB
CFPB Issue Spotlight Analyzes "Artificial Intelligence" Chatbots in Banking	Press Release June 6, 2023	The CFPB released a new issue spotlight on the expansive adoption and use of chatbots by financial institutions. Chatbots are intended to simulate human-like responses using computer programming and help institutions reduce the costs of customer service agents.	CFPB
Catherine Reyer, Banking Department General Counsel, to Retire	Press Release June 5, 2023	Catherine Reyer has announced her retirement from the Texas Department of Banking, effective July 31, 2023. Ms. Reyer has served as General Counsel for the Department since April 2014	TDB

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CONSUMER ALERT – Diligence Bank	Press Release June 6, 2023	The Texas Department of Banking has become aware of a fraudulent website purporting to offer online banking services. The website, https://diligence-bank-corp.ueniweb.com/ , claims to belong to a Diligence Bank of Snyder or Diligence Bank Corp. located in Snyder, Texas.	TDB
Banking Commissioner Issues Consent Order Prohibiting Further Participation and Imposing a Penalty Relating to Cynthia Michelle Renfro	Press Release June 9, 2023	On June 5, 2023, Commissioner Charles G. Cooper issued an Order Prohibiting Further Participation and Imposing a Penalty against Cynthia Michelle Renfro of Brownsboro, Texas, a former employee of First State Bank of Brownsboro.	TDB
Houston Regional Director Jacqueline Willardson to Retire	Press Release June 15, 2023	Jacqueline Willardson, Director of the Texas Department of Banking’s Houston Regional Office, is retiring after 29 years of service with the agency. Her retirement is effective August 31, 2023.	TDB
Agencies Issue Host State Loan-to-Deposit Ratios	PR-38-2023 May 19, 2023	Federal bank regulatory agencies issued the host state loan-to-deposit ratios that are used to evaluate compliance with section 109 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. These ratios replace those from June 2022.	FDIC FRB OCC
FDIC Issues List of Banks Examined for CRA Compliance	PR-46-2023 June 2, 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 March 2023.</p> <p>Included in this list were five Texas state-chartered banks, four of which received a rating of Satisfactory and one received a Needs Improvement.</p>	FDIC

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Agencies Issue Final Guidance on Third-Party Risk Management	PR-47-2023 June 6, 2023 FIL-29-2023 June 6, 2023	Federal bank regulatory agencies today issued final joint guidance designed to help banking organizations manage risks associated with third-party relationships, including relationships with financial technology companies.	FDIC FRB OCC
Summary of Deposits Survey and Filing for June 30, 2023	FIL-25-2023 June 1, 2023	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, 2023. No filing extensions will be granted.	FDIC
FDIC’s Office of the Ombudsman publishes 2022 Services and Activities Report	FIL-28-2023 June 2, 2023	The FDIC’s Office of the Ombudsman today published a report highlighting its activities and the services provided to stakeholders during 2022.	FDIC
Revisions to the Consolidated Reports of Condition and Income (Call Reports) and the FFIEC 002 Report	FIL-31-2023 June 13, 2023	On June 13, 2023, the FDIC, FRB, and OCC (collectively, the agencies), under the auspices of the FFIEC, published the attached final regulatory reporting changes in the <i>Federal Register</i> . These reporting changes proposed by the agencies on February 21, 2023 (see FIL-07-2023), would 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 subject to approval by the U.S. Office of Management and Budget.	FDIC FRB OCC
Federal Reserve Board Issues Economic Well-Being of U.S. Households in 2022 Report	Press Release May 22, 2023	The FRB issued its Economic Well-Being of U.S. Households in 2022 report, which examines the financial lives of U.S. adults and their families. Overall, the report shows that higher prices have negatively affected most households and overall financial well-being declined over the prior year, though workers continued to benefit from a strong labor market.	FRB

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Federal Reserve Board Announces Consent Order Against Silvergate Capital Corporation and Silvergate Bank to Facilitate the Voluntary Self-Liquidation That Silvergate Announced on March 8, 2023	Press Release June 1, 2023	The FRB announced a consent order against Silvergate Capital Corporation and Silvergate Bank, both of La Jolla, California, to facilitate the voluntary self-liquidation that Silvergate announced on March 8, 2023. The FR's order ensures Silvergate will implement its previously announced plan for winding down the bank's operations in a manner that protects the bank's depositors and the Deposit Insurance Fund. Silvergate is also prohibited from making capital distributions, dissipating cash assets, and engaging in certain other activities without regulatory approval.	FRB
FASB Issues New Chapter of its Conceptual Framework: The Reporting Entity	Press Release June 8, 2023	The FASB issued a new chapter of its Conceptual Framework that describes a reporting entity. The Conceptual Framework is a body of interrelated objectives and fundamentals that provides the FASB with a useful tool as it sets standards. A Statement of Financial Accounting Concepts is nonauthoritative and does not establish or change generally accepted accounting principles.	FASB
Supplemental Alert: FinCEN and the U.S. Department of Commerce's Bureau of Industry and Security Urge Continued Vigilance for Potential Russian Export Control Evasion Attempts	Press Release May 19, 2023	The FinCEN and the U.S. Department of Commerce's Bureau of Industry and Security (BIS) are issuing a supplemental joint alert urging continued vigilance on the part of U.S. financial institutions for potential attempts by Russia to evade U.S. export controls.	FinCEN

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
FinCEN and South African Financial Intelligence Center Host First Meeting of Task Force on Combating the Financing of Wildlife Trafficking and Terrorist Finance Dialogues	Press Release June 13, 2023	Following Secretary of the Treasury Janet L. Yellen’s commitment earlier this year to form a U.S.-South Africa Task Force on Combating the Financing of Wildlife Trafficking (Task Force), a delegation from the Treasury, led by the FinCEN, traveled to South Africa for the first meeting of the Task Force. The Task Force is a partnership between the Treasury and South Africa’s National Treasury dedicated to combatting illicit finance related to wildlife trafficking, and representatives from United Kingdom law enforcement also joined these discussions.	FinCEN
Acting Comptroller of the Currency Testifies on Prudential Regulation	NR 2023-44 May 16, 2023	Acting Comptroller of the Currency Michael J. Hsu today testified before the U.S. House of Representatives’ Committee on Financial Services on the agency’s actions and responses to recent market stress and how the agency is ensuring that national banks and federal savings associations operate in a safe, sound, and fair manner.	OCC
Acting Comptroller of the Currency Testifies on Bank Supervision	NR 2023-45 May 18, 2023	Acting Comptroller of the Currency Michael J. Hsu today testified on bank supervision before the Committee on Banking, Housing, and Urban Affairs of the U.S. Senate.	OCC
OCC Revises Bank Enforcement Manual to Address Actions Against Banks with Persistent Weaknesses	NR 2023-49 May 25, 2023 OCC Bulletin 2023-16 May 25, 2023	The OCC announced revisions to its policies and procedures manual on bank enforcement actions to reflect its consideration of actions against banks that exhibit or fail to correct persistent weaknesses.	OCC
Acting Comptroller Discusses Trust and Banking	NR 2023-57 June 8, 2023	Acting Comptroller of the Currency Michael J. Hsu today discussed the OCC’s efforts to promote and safeguard trust in banking at the Woodstock Institute’s 50th anniversary celebration in Chicago.	OCC

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
OCC Report Identifies Key Risks Facing Federal Banking System	NR 2023-60 June 14, 2023	<p>The OCC reported the key issues facing the federal banking system in its Semiannual Risk Perspective for Spring 2023.</p> <p>The OCC reported that the overall strength of the federal banking system is sound. The OCC has closely monitored the condition of the institutions it supervises throughout the market stress this spring and has engaged directly with its banks to ensure they are appropriately managing their risks and restoring confidence in the banking system.</p>	OCC
Governor Abbott Issues Storm Damage Disaster Declaration For Cameron County	Press Release May 17, 2023	Governor Greg Abbott Governor Greg Abbott today announced that he has issued a disaster declaration for residents in Cameron County impacted by severe storms and tornadoes that began May 10, causing widespread property damage.	TxGov
Texas Again Breaks Three Jobs Records, Leads Nation In Job Creation	Press Release May 19, 2023	Governor Greg Abbott today celebrated the strength of the Texas economy following the release of April jobs data showing Texas again surpassing all previous records for total jobs, total Texans employed, and total Texas labor force.	TxGov
Governor Abbott Announces SBA Assistance For South Texas Storms	Press Release May 22, 2023	Governor Greg Abbott announced that the U.S. Small Business Administration (SBA) has approved his request for a disaster declaration for communities affected by severe thunderstorms, large hail, and damaging winds that occurred on April 28. Counties included in the declaration are Hidalgo County and its contiguous counties: Brooks, Cameron, Kenedy, Starr, and Willacy counties.	TxGov
Texas Again Leads Nation With Most Fortune 500 Headquarters	Press Release June 5, 2023	Governor Greg Abbott today celebrated Texas again leading the nation with the most Fortune 500 headquarters, growing to 55 and ranking ahead of all states on the just-released 2023 Fortune 500 list.	TxGov

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Governor Abbott Announces SBA Assistance For East Texas Storms	Press Release June 14, 2023	Governor Greg Abbott announced the request and approval by the U.S. Small Business Administration (SBA) for a disaster declaration for East Texas communities affected by severe storms and flooding that began on May 10. Nacogdoches County and neighboring Angelina, Cherokee, Rusk, San Augustine, Shelby counties are included in the disaster declaration.	TxGov
Governor Abbott Renews Drought Disaster Proclamation In May 2023	Proclamation May 30, 2023	<p>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.</p> <p>Deleted from this proclamation were Atascosa, Austin, Baylor, Bosque, Brown, Burnet, Callahan, Coke, Comanche, Coryell, Dimmit, Edwards, Erath, Falls, Fisher, Foard, Frio, Glasscock, Grimes, Hale, Henderson, Jones, Kinney, La Salle, Lamb, Lampasas, Llano, Mason, Maverick, McCulloch, McLennan, Menard, Montgomery, Moore, Potter, Randall, Runnels, San Saba, Shackelford, Sterling, Stonewall, Sutton, Swisher, Travis, Uvalde, Webb, and Zavala counties.</p>	TxGov
Governor Abbott Issues Disaster Declaration For Northwest Texas Flooding	Proclamation June 6, 2023	Governor Greg Abbott today issued a disaster declaration for the Texas Panhandle, High Plains, and South Plains regions impacted by severe storms and flooding that began on May 27, 2023. Included in the proclamation were the counties of Bailey, Briscoe, Castro, Deaf Smith, Garza, Hale, Lamb, Lynn, Potter, Randall, Parmer, and Roberts	TxGov
SEC Charges Coinbase for Operating as an Unregistered Securities Exchange, Broker, and Clearing Agency	Press Release June 6, 2023	The SEC charged Coinbase, Inc. with operating its crypto asset trading platform as an unregistered national securities exchange, broker, and clearing agency. The SEC also charged Coinbase for failing to register the offer and sale of its crypto asset staking-as-a-service program.	SEC

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INDUSTRY PUBLICATIONS

Department of Banking - [Overall Texas Banking Activity](#) - Data as of March 31, 2023

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

Department of Banking - [Top 100 Banks in Texas](#) - Data as of March 31, 2023

FDIC - [Quarterly Banking Profile](#) – First Quarter 2023

FDIC - [State Profiles – First Quarter 2023](#) - Quarterly summary of banking and economic conditions in each state

FRB [Beige Book](#) - Summary of Commentary on Current Economic Conditions – May 31, 2023

FRB Dallas - [District banks meet challenging times from position of strength](#) - June 1, 2023

FRB Dallas - [Your Texas Economy](#) - An overview of the Texas economy as of May 19, 2023, examining job growth, unemployment trends, and the performance of key industry sectors

FRB Kansas City - [Financial Stress May Do Relatively Little to Reduce Inflation](#) (National) - May 24, 2023

OCC - [Updated Comptroller’s Handbook Booklet and Rescissions: Liquidity](#) – Updated material replaces version 1.1 of the “Liquidity” booklet issued in August 2021 and OCC Bulletin 2021-38, “Liquidity: Updated Comptroller's Handbook Booklet and Rescissions,” issued on August 16, 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