



Supervisory Update News Summary

AS OF JULY 15, 2023

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CFPB Releases Reports on Banking Access and Consumer Finance in Southern States	Press Release June 21, 2023	The CFPB issued two new reports on the financial opportunities and challenges facing Southern communities. The Southern U.S. is home to diverse populations, including many rural areas. Many areas of the Southern region are considered “banking deserts” because of the absence of sufficient bank or credit union options for local communities.	CFPB
CFPB Takes Action Against ACI Worldwide for Illegally Processing \$2.3 Billion in Mortgage Payments that Homeowners Did Not Authorize	Press Release June 27, 2023	The CFPB issued an order against ACI Worldwide and one of its subsidiaries, ACI Payments, for improperly initiating approximately \$2.3 billion in unlawful mortgage payment transactions. ACI’s data handling practices negatively impacted nearly 500,000 homeowners with mortgages serviced by Mr. Cooper (formerly known as Nationstar). By unlawfully processing erroneous and unauthorized transactions, ACI opened homeowners to overdraft and insufficient funds fees from their financial institutions. Today’s order requires ACI, among other things, to pay a \$25 million civil money penalty.	CFPB
CFPB Takes Action Against Bank of America for Illegally Charging Junk Fees, Withholding Credit Card Rewards, and Opening Fake Accounts	Press Release July 11, 2023	The CFPB ordered Bank of America to pay more than \$100 million to customers for systematically double-dipping on fees imposed on customers with insufficient funds in their account, withholding reward bonuses explicitly promised to credit card customers, and misappropriating sensitive personal information to open accounts without customer knowledge or authorization. The OCC also found that the bank’s double-dipping on fees was illegal. Bank of America will pay a total of \$90 million in penalties to the CFPB and \$60 million in penalties to the OCC.	CFPB

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CSBS Opposes Vance Amendment #10	Press Release June 20, 2023	Statement from CSBS President and CEO James M. Cooper on Opposition to Vance Amendment #10: “The Conference of State Bank Supervisors strongly opposes Senator Vance’s amendment to the RECOUP Act, which would fundamentally undermine our nation’s dual banking system by automatically converting state-chartered banks of a certain size into national banks. If enacted, the provision would dramatically and immediately increase banking industry concentration within a single federal regulatory agency.”	CSBS
Community Bankers’ Economic Outlook Sinks to New Low	Press Release July 6, 2023	Community bankers’ outlook on economic conditions has dropped to a new low in the most recent Community Bank Sentiment Index, released today by the Conference of State Bank Supervisors. Concerns about regulatory burden, monetary policy, future business conditions and future profitability dropped the CBSI to 73, falling 10 points from the previous quarter and to the lowest recorded level since the survey began in 2019.	CSBS
Banking Commissioner Orders Bitcoin Bank America Corporation and John Corbin Corona to Cease and Desist Activity	Press Release June 21, 2023	On May 23, 2023, Commissioner Charles G. Cooper issued an Order to Cease and Desist Activity against Bitcoin Bank America Corporation and John Corbin Corona (Respondents).	TDB
Banking Commissioner Issues Order Prohibiting Further Participation Relating to Sallie Marie Perry aka Sallie Lazzaro	Press Release June 30, 2023	On May 23, 2023, Commissioner Charles G. Cooper issued an Order Prohibiting Further Participation against Sallie Marie Perry, aka Sallie Lazzaro of Arlington, Texas, a former employee of Comerica Bank, Dallas, Texas.	TDB
Agencies Release List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies	PR-50-2023 June 23, 2023	Federal bank regulatory agencies today made available the 2023 list of distressed or underserved nonmetropolitan middle-income geographies.	FDIC FRB OCC

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Agencies Finalize Policy Statement on Commercial Real Estate Loan Accommodations and Workouts	PR-51-2023 June 29, 2023 FIL-34-2023 June 29, 2023	Federal financial institution regulatory agencies today jointly issued a final policy statement on commercial real estate loan accommodations and workouts. The updates reinforce and build on existing supervisory guidance calling for financial institutions to work prudently and constructively with creditworthy borrowers during times of financial stress.	FDIC FRB OCC NCUA
FDIC Issues List of Banks Examined for CRA Compliance	PR-54-2023 July 3, 2023	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 April 2023. Included in this list were three Texas state-chartered banks and all three received a rating of Satisfactory.	FDIC
FDIC Clarifying Supervisory Approach Regarding Supervisory Guidance on Multiple Re-Presentation NSF Fees	FIL-32-2023 June 16, 2023	The FDIC has updated its Supervisory Guidance on Multiple Re-Presentation NSF Fees (FIL-40-2022) to clarify its supervisory approach for corrective action when a violation of law is identified.	FDIC
Consolidated Reports of Condition and Income for Second Quarter 2023	FIL-33-2023 June 23, 2023	The attached materials pertain to the Consolidated Reports of Condition and Income (Call Report) for the June 30, 2023, report date and provide guidance on certain reporting issues. This FIL and the attached Supplemental Instructions should be shared with the individual responsible for preparing the Call Report at your institution. Please plan to complete as early as possible the preparation, editing, and review of your institution's Call Report data and the submission of these data to the agencies' Central Data Repository (CDR). Starting your preparation early will help you identify and resolve any edit exceptions before the submission deadline. If you later find that certain information needs to be revised, please make the appropriate changes to your Call Report data and promptly submit the revised data file to the CDR.	FDIC

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2022 Financial Institution Diversity Self-Assessments: Voluntary Self-Assessments Accepted Now through September 30, 2023	FIL-35-2023 July 13, 2023	In accordance with Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, FDIC-supervised financial institutions are encouraged to voluntarily conduct and submit self-assessments of their diversity policies and practices by September 30, 2023.	FDIC
CFO, Controller, Corporate Officers Charged in \$53 Million Fraud Scheme Involving Pandemic Relief	Press Release June 28, 2023	Fourteen people who allegedly bilked the Paycheck Protection Program, a COVID-era financial program, and numerous financial institutions out of more than \$53 million in loan proceeds have been federally charged, announced U.S. Attorney for the Northern District of Texas Leigha Simonton. This case is the largest investigated by the Pandemic Response Accountability Committee (PRAC) Fraud Task Force to date.	FDIC OIG
FFIEC Announces Availability of 2022 Data on Mortgage Lending	Press Release June 29, 2023	The FFIEC announced the availability of data on 2022 mortgage lending transactions reported under the Home Mortgage Disclosure Act (HMDA) by 4,460 U.S. financial institutions, including banks, savings associations, credit unions, and mortgage companies.	FFIEC
Federal Reserve Board Publishes a Database of Financial Institutions with Access to, or Requests to Access, Federal Reserve Bank Master Accounts and Services	Press Release June 16, 2023	To promote transparency, the FRB published a database of financial institutions with access to, or requests to access, FR Bank master accounts and services. The database is consistent with the requirements set forth in legislation enacted last year and will be updated on a quarterly basis.	FRB

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Federal Reserve Board Releases Results of Annual Bank Stress Test, which Demonstrates that Large Banks are Well Positioned to Weather a Severe Recession and Continue to Lend to Households and Businesses Even During a Severe Recession	Press Release June 28, 2023	The FRB released the results of its annual bank stress test, which demonstrates that large banks are well positioned to weather a severe recession and continue to lend to households and businesses even during a severe recession.	FRB
Federal Reserve Names Organizations Certified as Ready for FedNow® Service	Press Release June 29, 2023	The FRB announced that 57 early adopter organizations, including financial institutions and service providers, have completed formal testing and certification in advance of the FedNow Service's launch planned for late July. Many of these organizations will be live when the FedNow Service launches or shortly after, with financial institutions ready to send and receive transactions and service providers ready to support transaction activity.	FRB
Federal Reserve Board Issues Enforcement Actions with Herring Bancorp, Inc., Quontic Bank Acquisition Corp., and Quontic Bank Holdings Corp.	Press Release July 6, 2023	<p>The FRB announced the execution of two enforcement actions, one of which included a Cease and Desist Order related to Herring Bancorp, Inc., of Amarillo, Texas.</p> <p>The Order was designed to improve the bank's board and management oversight, its policy on affiliate transactions, internal controls, information technology, and its asset and liability management.</p>	FRB

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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 June 29, 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/CPF, issued a public statement at the conclusion of its plenary meeting this month reiterating 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 Exchange in San Antonio Brings Together Public and Private Stakeholders to Combat Fentanyl Trafficking and Human Smuggling	Press Release July 12, 2023	The FinCEN convened a FinCEN Exchange today in San Antonio, Texas, focused on combating illicit financial transactions related to fentanyl trafficking and human smuggling. The session reinforced the Treasury’s use of public-private partnerships to combat the illicit trade in fentanyl and to deter the destructive effects of human smuggling.	FinCEN
Cybersecurity: Cybersecurity Supervision Work Program	OCC Bulletin 2023-22 June 26, 2023	The OCC recently developed and distributed the Cybersecurity Supervision Work Program for use by examiners. As cyberattacks evolve and as banks adopt various standardized tools and frameworks to assess cybersecurity preparedness, the OCC recognized the need to update its approach to cybersecurity assessment as part of the agency’s bank supervision.	OCC
Governor Abbott Issues Disaster Declaration For Perryton Tornado Response	Press Release June 16, 2023	Governor Greg Abbott issued a disaster declaration for Texas communities impacted by severe storms and tornadoes that caused significant damage to homes and businesses in Ochiltree and Cass counties. The disaster declaration will further support Texas’ recovery efforts in response to extensive damage in those counties. Additional counties may be added to the declaration as damage assessments are completed.	TxGov

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Governor Abbott Announces SBA Assistance For Northwest Texas Flooding	Press Release July 5, 2023	Governor Greg Abbott announced that the U.S. Small Business Administration (SBA) approved his request for a disaster declaration for Northwest Texas communities affected by severe flooding caused by heavy rainfall that began on May 27. Potter County and neighboring Armstrong, Carson, Deaf Smith, Moore, Oldham, and Randall counties are included in the disaster declaration	TxGov
Governor Abbott Updates Severe Weather Disaster Declaration In June 2023	Proclamation June 23, 2023	<p>Governor Greg Abbott updated a June 16, 2023, disaster declaration for Texas communities impacted by severe storms and tornadoes that caused significant damage to homes and businesses in Ochiltree and Cass counties, and subsequently amended to include. Camp, Fisher, Kent, Gregg, Hopkins, Morris, Motley, Jones, Panola, Shelby Smith, Stonewall, and Titus counties.</p> <p>The newly amended proclamation now includes Montgomery and Leon counties.</p>	TxGov
Governor Abbott Renews Drought Disaster Proclamation In June 2023	Proclamation June 30, 2023	<p>Governor Greg Abbott renewed and amended a July 8, 2022, Disaster Declaration certifying that exceptional drought conditions posed a threat of imminent disaster in several counties.</p> <p>The amended list included Andrews, Bandera, Bexar, Blanco, Burnet, Cameron, Colorado, Comal, Comanche, Eastland, Ector, Erath, Gaines, Gillespie, Hamilton, Hays, Hidalgo, Kendall, Kerr, Kimble, Medina, Midland, Real, and Wharton counties.</p>	TxGov
Governor Abbott Renews, Adds Counties To Disaster Proclamation In June 2023	Proclamation June 30, 2023	<p>Governor Greg Abbott renewed and amended a June 6, 2023, Disaster Declaration certifying that the severe storms and flooding event that began on May 27, 2023, that caused widespread and severe property damage, injury, or loss of life in Bailey, Briscoe, Castro, Deaf Smith, Garza, Hale, Lamb, Lynn, Parmer, Potter, Randall, and Roberts counties.</p> <p>The amended list included Bailey, Briscoe, Castro, Deaf Smith, Garza, Hale, Lamb, Lynn, Parmer, Potter, Randall, and Roberts counties.</p>	TxGov

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
New Treasury Department Data Shows American Rescue Plan Funding Drove Key Investments in Economic Development in Communities Across the Country	Press Release July 14, 2023	The Treasury released State and Local Fiscal Recovery Funds (SLFRF) data through March 31, 2023, which demonstrates that governments have used this American Rescue Plan funding not only to prevent cuts in government services and respond to the immediate health and economic consequences of the pandemic, but also to make much-needed investments to strengthen their economies and their communities over the long-run.	Treasury
SEC Secures Emergency Relief to Protect Binance.US Customers' Assets	Press Release June 17, 2023	The SEC secured emergency relief in which the all the defendants in its litigation against Binance Holdings Limited, BAM Management US Holdings Inc., BAM Trading Services Inc., and Changpeng Zhao agreed to repatriate to the United States assets held for the benefit of customers of the Binance.US crypto trading platform.	SEC
SEC Charges Merrill Lynch and Parent Company for Failing to File Suspicious Activity Reports	Press Release July 11, 2023	The SEC announced charges against Merrill Lynch, Pierce, Fenner & Smith Incorporated and its parent company BAC North America Holding Co. (BACNAH) for failing to file hundreds of Suspicious Activity Reports (SARs) from 2009 to late 2019. Merrill Lynch agreed to pay a \$6 million penalty to settle the SEC charges and, in a parallel action, Merrill Lynch agreed to pay a separate \$6 million fine to settle charges brought by the Financial Industry Regulatory Authority (FINRA).	SEC

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INDUSTRY PUBLICATIONS

Department of Banking - [Banker Economic and Business Survey](#) - Second Quarter 2023 Results

FRB [Beige Book](#) - Summary of Commentary on Current Economic Conditions – July 12, 2023

FRB - [Annual Report](#) - Containing information on FRB leadership, policy actions, and other supporting activities - July 13, 2023

FRB - [Monetary Policy Report](#) - June 16, 2023

FRB - [Community Banking Connections](#) – First Issue, 2023 - Articles include: Big Data in Small Banks — Maintaining Effective Data Management in Community Banks and Commercial Real Estate: Key Trends and Risk Management in a New Era.

FRB Dallas - [Your Texas Economy](#) - An overview of the Texas economy as of June 16, 2023, examining job growth, unemployment trends, and the performance of key industry sectors

FRB Kansas City - [Credit Standards Tighten as Small Business C&I Lending Declines](#) (National) - June 30, 2023

OCC - [Updated Comptroller’s Handbook Booklet and Rescissions: Asset Management](#) - Updated booklet replaces the booklet of the same title issued December 2000 - June 22, 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)
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