



# Supervisory Update News Summary

AS OF AUGUST 15, 2023

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CFPB Exams Find Unfair, Deceptive, and Abusive Practices Across a Wide Array of Consumer Financial Product Lines	<a href="#">Press Release</a> July 26, 2023	The CFPB released a new Supervisory Highlights report which found unfair, deceptive, and abusive acts or practices across many consumer financial products. For example, auto lenders have originated loan balances above the real value of the car being purchased and engaged in illegal collection practices while servicing these loans. The latest edition of the Supervisory Highlights report covers findings from CFPB supervisory examinations completed from July 2022 to March 2023.	CFPB
Assessment Reduction	<a href="#">Press Release</a> July 27, 2023	Commissioner Charles G. Cooper announced today that the entire 2023 quarterly assessment for the period of June – August is not needed and will not be assessed for all Texas state-chartered banks and foreign bank agencies and branches.	TDB
Sean P. Miller, Banking Department Chief Information Officer, to Retire	<a href="#">Press Release</a> Aug. 2, 2023	Sean P. Miller, Chief Information Officer (CIO) for the Banking Department, has announced he will retire effective September 30, 2023. Mr. Miller has served as CIO since January 2020.	TDB
Agencies Update Guidance on Liquidity Risks and Contingency Planning	<a href="#">PR-57-2023</a> July 28, 2023 <a href="#">FIL-39-2023</a> July 28, 2023	Federal financial institution regulatory agencies today updated their existing guidance on liquidity risks and contingency planning. The updated guidance highlights that depository institutions should regularly evaluate and update their contingency funding plans.	FDIC FRB OCC NCUA

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FDIC Issues List of Banks Examined for CRA Compliance	<a href="#">PR-59-2023</a> Aug. 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 May 2023.</p> <p>Included in this list was one Texas state-chartered bank which received a rating of Satisfactory.</p>	FDIC
FDIC Publishes 2023 Risk Review	<a href="#">PR-61-2023</a> Aug. 14, 2023	The FDIC published its <a href="#">2023 Risk Review</a> . The report summarizes conditions in the U.S. economy, financial markets, and banking industry.	FDIC
Estimated Uninsured Deposits Reporting Expectations	<a href="#">FIL-37-2023</a> July 24, 2023	The FDIC observed that some insured depository institutions (IDIs) are not reporting estimated uninsured deposits in accordance with the instructions to the Consolidated Reports of Condition and Income (Call Report). For example, some institutions incorrectly reduced the amount reported to the extent that the uninsured deposits are collateralized by pledged assets; this is incorrect because in and of itself, the existence of collateral has no bearing on the portion of a deposit that is covered by federal deposit insurance.	FDIC
Federal and State Regulators Release Updates to the BSA/AML Examination Manual	<a href="#">Press Release</a> Aug. 2, 2023	<p>The FFIEC, on behalf of its members, released updates to the following sections of the BSA/AML Examination Manual.</p> <p>The updates should not be interpreted as new instructions or increased focus on certain areas; instead, they offer further transparency into the examination process and support risk-focused examination work. Details are available at <a href="https://bsaaml.ffiec.gov">https://bsaaml.ffiec.gov</a>.</p>	FFIEC

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Federal Reserve Announces That its New System for Instant Payments, the FedNow® Service, is Now Live	<a href="#">Press Release</a> July 20, 2023	The FRB announced that its new system for instant payments, the FedNow® Service, is now live. Banks and credit unions of all sizes can sign up and use this tool to instantly transfer money for their customers, any time of the day, on any day of the year.	FRB
Federal Reserve Board Announces the Individual Capital Requirements for All Large Banks, Effective on October 1	<a href="#">Press Release</a> July 27, 2023	Following its stress test earlier this year, the FRB announced the individual capital requirements for all large banks, effective on October 1.	FRB
Federal Reserve Board Releases Results of Survey of Senior Financial Officers at Banks about their Strategies and Practices for Managing Reserve Balances	<a href="#">Press Release</a> Aug. 1, 2023	The FRB released results of a survey of senior financial officers at banks about their strategies and practices for managing reserve balances. <a href="#">The Senior Financial Officer Survey</a> is used by the Board to obtain information about banks' reserve balance management strategies and practices, their deposit pricing strategies, their expectations for potential changes in both the size and composition of their balance sheets, and their views regarding Federal Reserve facilities.	FRB
Federal Reserve Board Provides Additional Information on its Program to Supervise Novel Activities in the Banks it Oversees	<a href="#">Press Release</a> Aug. 8, 2023  <a href="#">SR 23-7</a> Aug. 8, 2023	The FRB provided additional information on its program to supervise novel activities in the banks it oversees. Novel activities include complex, technology-driven partnerships with non-banks to provide banking services to customers; and activities that involve crypto-assets and distributed ledger or "blockchain" technology.	FRB

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Supervisory Nonobjection Process for State Member Banks Seeking to Engage in Certain Activities Involving Dollar Tokens	<a href="#">SR 23-8</a> Aug. 8, 2023	This letter provides a description of the supervisory nonobjection process for state member banks seeking to engage in certain activities involving tokens denominated in national currencies and issued using distributed ledger technology or similar technologies to facilitate payments (dollar tokens).	FRB
Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 121 (SEC Update)	<a href="#">ASU 2023-04</a> Aug. 3, 2023	Standards update regarding the accounting for entities that have obligations to safeguard crypto-assets held for their platform users.	FASB
FinCEN Notice Highlights Concerning Increase in Payroll Tax Evasion, Workers' Compensation Fraud in the Construction Sector	<a href="#">Press Release</a> Aug. 15, 2023	The FinCEN, in coordination with IRS Criminal Investigation (CI), issued a <a href="#">Notice</a> to financial institutions calling attention to a concerning increase in state and federal payroll tax evasion and workers' compensation insurance fraud in the U.S. residential and commercial real estate construction industries. Every year, state and federal tax authorities lose hundreds of millions of dollars to these schemes, which are perpetrated by illicit actors primarily through banks and check cashers.	FinCEN
Senior Deputy Comptroller for Large Bank Supervision Testifies on Climate-Related Financial Risks	<a href="#">NR 2023-73</a> July 18, 2023	OCC Senior Deputy Comptroller for Large Bank Supervision Greg Coleman today testified before the U.S. House of Representatives' Committee on Financial Services' Subcommittee on Financial Institutions and Monetary Policy on the agency's supervision of climate-related financial risks.	OCC

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Acting Comptroller Issues Statement in Support of Notice of Proposed Rulemaking to Strengthen Capital Requirements for Large Banks	<a href="#">NR 2023-79</a> July 27, 2023	Acting Comptroller Michael J. Hsu today issued a <a href="#">statement</a> in support of the interagency notice of proposed rulemaking to increase the strength and resilience of the banking system. The proposal would implement the final components of the Basel III agreement and apply a broader set of capital requirements to banks with \$100 billion or more in total assets.	OCC
Loan Purchase Activities: Legal Lending Limit Guidance	<a href="#">OCC Bulletin 2023-27</a> Aug. 8, 2023	The OCC is issuing this bulletin to provide banks with guidance regarding the applicability of the legal lending limit (LLL) to purchased loans.	OCC
Accounting: Bank Accounting Advisory Series Updated	<a href="#">OCC Bulletin 2023-28</a> Aug. 15, 2023	The OCC released an update to the <a href="#">Bank Accounting Advisory Series</a> (BAAS). The BAAS contains staff responses to frequently asked questions from the banking industry and bank examiners on a variety of accounting topics and promotes consistent application of accounting standards and regulatory reporting among banks.	OCC
Governor Abbott Renews Drought Disaster Declaration In August 2023	<a href="#">Proclamation</a> July 29, 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>Among the counties included in the Declaration were the counties of Andrews, Bandera, Bell, Bexar, Blanco, Burnet, Cameron, Colorado, Comal, Comanche, Coryell, Eastland, Ector, Edwards, Erath, Gaines, Gillespie, Hamilton, Hays, Hidalgo, Jeff Davis, Kendall, Kerr, Kimble, Lampasas, Llano, Mason, Matagorda, Medina, Midland, Mills, Parker, Real, Travis, Waller, Wharton, and Williamson.</p>	TxGov
Governor Abbott Issues Wildfire Disaster Declaration In August 2023	<a href="#">Proclamation</a> Aug. 11, 2023	Governor Greg Abbott issued a Disaster Declaration for 191 counties due to wildfires that began on July 24, 2023, and which pose an imminent threat of widespread or severe damage, injury, or loss of life or property.	TxGov

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Treasury Announces New Climate Counselor	<a href="#">Press Release</a> July 27, 2023	Today, Secretary of the Treasury Janet L. Yellen announced the appointment of Ethan Zindler to serve as the Treasury Department’s new Climate Counselor. Mr. Zindler will lead the Treasury Climate Hub, report directly to and advise the Secretary on a broad range of climate matters, and be charged with leading Treasury’s efforts to facilitate and unlock the financing needed for investments to achieve a net-zero economy at home and abroad.	Treasury
FSOC Staff Committee Releases Progress Report on Interagency Efforts on Climate-related Financial Risk	<a href="#">Press Release</a> July 28, 2023	The Financial Stability Oversight Council ‘s (FSOC) Climate-related Financial Risk Committee (CFRC) today issued a staff progress report on a range of actions underway to support capacity building and disclosure, address data gaps, and assess climate-related financial risks. The CFRC brings together staff from the FSOC’s member agencies. The FSOC committed to forming the CFRC in the FSOC Climate Report	Treasury
Crypto Asset Trading Platform Bittrex and Former CEO to Settle SEC Charges for Operating an Unregistered Exchange, Broker, and Clearing Agency	<a href="#">Press Release</a> Aug. 10, 2023	The SEC announced that crypto asset trading platform Bittrex Inc. and its co-founder and former CEO, William Shihara, agreed to settle charges that they operated an unregistered national securities exchange, broker, and clearing agency. Bittrex Inc.’s foreign affiliate, Bittrex Global GmbH, also agreed to settle charges that it failed to register as a national securities exchange.	SEC

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### INDUSTRY PUBLICATIONS

FRB - [Senior Loan Officer Opinion Survey on Bank Lending Practices](#) - July 31, 2023

FRB Dallas - [Location, location, location: Mortgage rate impact varies by metro](#) - August 15, 2023

FRB Dallas - [Your Texas Economy](#) - An overview of the Texas economy as of July 21, 2023, examining job growth, unemployment trends, and the performance of key industry sectors

FRB Kansas City - [Highlight: CECL adoption's impact on community bank allowance levels](#) (National) - August 4, 2023

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OTHER RESOURCES
<a href="#">Bloomberg Business and Financial News</a>
<a href="#">Consumer Financial Protection Bureau (CFPB)</a>
<a href="#">The Financial Forecast Center - Discount Rate Information</a>
<a href="#">FFIEC Information Technology Handbook InfoBase</a>
<a href="#">FFIEC BSA/AML Examination Manual InfoBase</a>
<a href="#">Financial Accounting Standards Board (FASB)</a>
<a href="#">Financial Action Task Force (FATF)</a>
<a href="#">Financial Crimes Enforcement Network (FinCEN)</a>
<a href="#">Office of Foreign Assets Control, U.S. Treasury (OFAC)</a>
<a href="#">Real Estate Market Reports (Texas A&amp;M RE Center)</a>
<a href="#">Simply Stated (CSBS podcast)</a>
<a href="#">Temporary Liquidity Guarantee Program</a>
<a href="#">Texas Constitution and Statutes</a>
<a href="#">The Texas Economy – Texas Comptroller</a>
<a href="#">Texas and National Economy – Federal Reserve Bank of Dallas</a>
<a href="#">Troubled Asset Relief Program (TARP)</a>
<a href="#">Uniform Bank Performance Reports (UBPR) and Users Guide</a>



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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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<b>ACRONYM/ABBREVIATION</b>	<b>MEANING</b>
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