



# Supervisory Update News Summary

AS OF SEPTEMBER 15, 2022

TITLE	TYPE/DATE	DESCRIPTION	SOURCE
CFPB Study Details the Rapid Growth of “Buy Now, Pay Later” Lending	<a href="#">Press Release</a> Sept. 15, 2022	The CFPB published a report offering key insights on the Buy Now, Pay Later industry. The report, <i>Buy Now, Pay Later: Market trends and consumer impacts</i> finds that industry grew rapidly during the pandemic, but borrowers may receive uneven disclosures and protections. The five firms surveyed in the report originated 180 million loans totaling over \$24 billion in 2021, a near tenfold increase from 2019.	CFPB
Community Bank Sentiment Index Joins FRED	<a href="#">Press Release</a> Sept. 6, 2022	The CSBS is pleased to share that its Community Bank Sentiment Index (CBSI) has been added to the Federal Reserve Economic Data, the online database maintained by the FRB of St. Louis informally known as the FRED.	CSBS
Texas Banking Commissioner Re-appointed to FSOC	<a href="#">Press Release</a> Sept. 15, 2022	State bank supervisors have re-appointed TDB Commissioner Charles G. Cooper to serve as the state banking representative on the Financial Stability Oversight Council (FSOC). This is Commissioner Cooper’s third consecutive term as the state banking representative.	CSBS
2023 Annual Assessment Reduction	<a href="#">Press Release</a> Sept. 1, 2022	Commissioner Charles G. Cooper announced today that the 2023 annual assessment for the period of September through August will be reduced by at least 20%, per quarter for all Texas state-chartered banks and foreign bank agencies and branches.	TDB
Banking Commissioner Names Thomas E. Susany Dallas Regional Director	<a href="#">Press Release</a> Sept. 12, 2022	Texas Banking Commissioner Charles G. Cooper announced the appointment of Thomas E. Susany as Dallas Regional Director of the Bank and Trust Supervision Division.	TDB

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Amendment to Rule Requiring Notification of a Computer Security Incident by a Texas State-Chartered Bank	<a href="#">Industry Notice</a> Aug. 22, 2022	Financial institutions are the target of a continuous barrage of attacks by cybercriminals. The Texas Department of Banking remains concerned about the potential for significant business disruptions, potential loss of confidential information, and the resultant financial impact of these attacks.	TDB
Financial Education Webinar: Understanding Your Credit	<a href="#">Industry Notice</a> Aug. 25, 2022	This 45-minute webinar will discuss the importance of establishing credit, what comprises your credit score and how it is calculated, how to protect your credit, the difference between good and bad credit, and how to repair poor credit.	TDB
Commissioner Provides Testimony to House Pensions, Investments & Financial Services Committee.	<a href="#">Testimony</a> Aug. 25, 2022	Texas Banking Commissioner Charles G. Cooper provided testimony to the House Committee on Pensions, Investments, and Financial Services. Testimony provided members an overview of the regulatory treatment of virtual currencies by the Department and that by other states and the federal government.	TDB
Amendments to 7 TAC §§3.1, 3.3, 3.4, 3.21, 3.22, 3.24, 3.37, 3.44, 3.53, 3.59, 3.62, 3.91, 3.93, 3.111 – State Bank Regulation	<a href="#">Rule Amendment</a> Sept. 8, 2022	The FC amended several rules affecting the way Texas state-chartered banks conduct various aspects of business, such as engaging in private placement transactions and securities activities, establishing branches in foreign countries, meeting certain financial reporting requirements, engaging in loan production activities at a site other than the home or a branch office, and handling confidential information, among others.	TDB
Amendments to 7 TAC §17.3 – Trust Company Regulation	<a href="#">Rule Amendment</a> Sept. 8, 2022	The FC amended rules governing Texas state-chartered trust companies, including but not limited to sale or lease agreements with an officer, director, principal shareholder, or affiliate of a trust company.	TDB

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FDIC Issues Cease and Desist Letters to Five Companies For Making Crypto-Related False or Misleading Representations about Deposit Insurance	<a href="#">PR-60-2022</a> Aug. 19, 2022	The FDIC issued letters demanding five companies and their officers, directors, and employees cease and desist from making false and misleading statements about FDIC deposit insurance and take immediate corrective action to address these false or misleading statements.	FDIC
FDIC Makes Public July Enforcement Actions	<a href="#">PR-61-2022</a> Aug. 26, 2022	<p>FDIC released a list of orders of administrative enforcement actions taken against banks and individuals in July 2022. There are no administrative hearings scheduled for September 2022.</p> <p>Included on this list was Security State Bank, Farwell, Texas, for, among other factors, failure to obtain flood insurance or obtain an adequate amount of insurance coverage, at or before loan origination, for all structures in a flood zone, including multiple structures.</p>	FDIC
FDIC Issues List of Banks Examined for CRA Compliance	<a href="#">PR-63-2022</a> Sept. 2, 2022	<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 June 2022.</p> <p>Included on this list were six Texas state-chartered banks, with five receiving a rating of Satisfactory and one a rating of Outstanding.</p>	FDIC
Agencies Reaffirm Commitment to Basel III Standards	<a href="#">PR-65-2022</a> Sept. 9, 2022	Federal bank regulatory agencies today reaffirmed their commitment to implementing enhanced regulatory capital requirements that align with the final set of “Basel III” standards issued by the Basel Committee on Banking Supervision in December 2017. The implementation of these standards for large banking organizations would strengthen the resilience of the domestic banking system and is a priority for the agencies.	FDIC FRB OCC

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Supervisory Guidance on Multiple Re-Presentment NSF Fees	<a href="#">FIL-40-2022</a> Aug. 18, 2022	The FDIC is issuing <a href="#">guidance</a> to FDIC-supervised institutions to address certain consumer compliance risks associated with assessing multiple non-sufficient funds (NSF) fees arising from the re-presentment of the same unpaid transaction. Additionally, the FDIC is sharing its supervisory approach when a violation of law is identified, as well as expectations for full corrective action.	FDIC
Federal Reserve Board Provides Additional Information for Banking Organizations Engaging or Seeking to Engage in Crypto-Asset-Related Activities	<a href="#">Press Release</a> Aug. 16, 2022  <a href="#">SR 22-6</a> Aug. 16, 2022	The FRB provided additional information for banking organizations engaging or seeking to engage in crypto-asset-related activities.	FRB
Federal Reserve Updates FedNow Service Timing to Mid-2023, Marks Beginning of Full-Scale Pilot Testing	<a href="#">Press Release</a> Aug. 29, 2022	The FR Banks have narrowed the timing of the FedNow Service launch to mid-year 2023, specifically targeting a production rollout of the service in the May to July timeframe. This further defines the previously communicated 2023 launch window for the anticipated instant payments service and comes as the FedNow Pilot Program prepares to enter technical testing for the service starting in September.	FRB
Federal Reserve Board Announces Approval of Application by CBTX, Inc.	<a href="#">Press Release</a> Sept. 14, 2022	The FRB announced its approval of the application by CBTX, Inc., of Beaumont, Texas, to acquire Allegiance Bancshares, Inc., and its subsidiary bank, Allegiance Bank, both of Houston, Texas.	FRB
Engagement in Crypto-Asset-Related Activities by Federal Reserve-Supervised Banking Organizations	<a href="#">SR 22-6</a> Aug. 16, 2022	This letter provides that a FR-supervised banking organization engaging or seeking to engage in crypto-asset-related activities should notify its lead supervisory point of contact at the FR. As explained below, prior to engaging in any crypto-asset-related activity, a supervised banking organization must ensure such activity is legally permissible and determine whether any filings are required under applicable federal or state laws.	FRB

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Policy Statement on Whistleblower Claims	<a href="#">SR 22-7</a> Sept. 8, 2022	The FRB is issuing this policy statement to promote the submission of whistleblower claims regarding misconduct, unsafe or unsound practices, or violations of law or regulation occurring at any banking organization supervised by the FR.	FRB
Acting Comptroller Discusses Importance of Community Banks; Announces Reduction in Assessment Fees	<a href="#">NR 2022-104</a> Sept. 1, 2022	Acting Comptroller Michael J. Hsu discussed the importance of community banks, and the challenges and opportunities of digitalization, in a meeting with the Texas Bankers Association in Dallas.	OCC
OCC Announces Chief Climate Risk Officer	<a href="#">NR 2022-110</a> Sept. 12, 2022	<p>The OCC announced the appointment of Dr. Yue (Nina) Chen as Chief Climate Risk Officer.</p> <p>Dr. Chen will lead the agency’s climate risk efforts related to supervision, policy, and external engagement. She will oversee the activities of the OCC’s Office of Climate Risk and report directly to the Acting Comptroller of the Currency.</p>	OCC
OCC Reports Second Quarter 2022 Bank Trading Revenue	<a href="#">NR 2022-112</a> Sept. 13, 2022	The OCC reported cumulative trading revenue of U.S. commercial banks and savings associations of \$10.3 billion in the second quarter of 2022. The second quarter trading revenue was \$273.0 million, or 2.6 percent, less than in the previous quarter and \$2.2 billion, or 26.8 percent, more than in the second quarter of 2021.	OCC
OCC Reports Improvement in Overall Mortgage Performance	<a href="#">NR 2022-114</a> Sept. 15, 2022	The OCC reported that the performance of first-lien mortgages in the federal banking system improved during the second quarter of 2022.	OCC

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Information Security: Expectations for Protecting Non-public OCC Information on Institution- or Other Non-OCC-Owned or Managed Video Conferencing Services	<a href="#">OCC Bulletin 2022-21</a> Sept. 7, 2022	The OCC is issuing this bulletin to explain the OCC’s expectations for protecting non-public OCC information, as defined in 12 CFR 4.32(b)(1), shared on video teleconferencing services that are operated or managed by an institution1 or any other party.	OCC
Governor Abbott Requests Federal Assistance After North Texas Flooding	<a href="#">Press Release</a> Sept. 13, 2022	Governor Greg Abbott requested a disaster declaration from the U.S. Small Business Administration (SBA) for Texas communities affected by last month's major flooding in North Texas. An SBA designation would make federal disaster assistance available for those impacted in Dallas County and its contiguous counties: Collin, Denton, Ellis, Kaufman, Rockwall, and Tarrant.	TxGov
Governor Abbott Announces Approval Of Federal Assistance After North Texas Flooding	<a href="#">Press Release</a> Sept. 15, 2022	Governor Greg Abbott announced that the U.S. Small Business Administration (SBA) has approved his request for a disaster declaration in communities affected by the recent flooding in North Texas.	TxGov
Governor Abbott Renews COVID-19 Disaster Declaration In August 2022	<a href="#">Proclamation</a> Aug. 20, 2022	Governor Greg Abbott renewed his March 13, 2020, proclamation extending his Disaster Declaration for all 254 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

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TITLE	TYPE/DATE	DESCRIPTION	SOURCE
Governor Abbott Issues Flooding Disaster Declaration In August 2022	<a href="#">Proclamation</a> Aug. 23, 2022	Governor Greg Abbott issued a disaster declaration for 23 counties impacted by flooding and provided an update on the state's ongoing response to severe weather and flash flooding across Texas.  Included in the declaration were Camp, Culberson, Dallas, Duval, Ellis, El Paso, Henderson, Hopkins, Hudspeth, Kaufman, Kerr, Live Oak, Marion, Montague, Navarro, Pecos, Rains, Smith, Tarrant, Upshur, Van Zandt, Webb, and Wood counties.	TxGov
Governor Abbott Renews Drought Disaster Declaration In August 2022	<a href="#">Proclamation</a> Aug. 30, 2022	Texas Governor Greg Abbott renewed a July 8, 2022, Disaster Declaration originally covering 164 counties due to exceptional drought conditions that posed a threat of imminent disaster. Orange County was deleted in a previously renewed declaration.	TxGov
Governor Abbott Renews Wildfire Disaster Proclamation In September 2022	<a href="#">Proclamation</a> Sept. 14, 2022	Governor Greg Abbott renewed a March 18, 2022, proclamation in response to wildfire activity throughout 82 counties.	TxGov

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### INDUSTRY PUBLICATIONS

Department of Banking - [Overall Texas Banking Activity](#) - Data as of June 30, 2022

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

Department of Banking - [Top 100 Banks in Texas](#) - Data as of June 30, 2022

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

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

FRB [Beige Book](#) - Summary of Commentary on Current Economic Conditions – September 7, 2022

FRB - [Risk Management Manual of Examination Policies](#) - Updates include a new capital planning section and revised instructions to accommodate financial institutions that have adopted the Current Expected Credit Losses (CECL) methodology or the Community Bank Leverage Ratio (CBLR) capital framework - August 2022

Texas Comptroller of Public Accounts - [Fiscal Notes](#) - Periodic summary providing information, original research, and balanced analysis of the Texas economy, August 2022; this issue includes articles examining cryptocurrency mining in Texas, as well as a cryptocurrency primer.



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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