The Washington Report
for the week ended June 27, 2014

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Safety & Soundness

FFIEC Proposes Regulatory Capital Reporting Changes

The Federal Deposit Insurance Corporation (FDIC) released Financial Institution Letter 31-2014 on June 23, 2014, to announce that the FDIC, the Federal Reserve Board (Federal Reserve), and the Office of the Comptroller of the Currency (OCC) (collectively, the agencies), under the auspices of the Federal Financial Institutions Examination Council (FFIEC), are requesting comment on proposed revisions to the risk-weighted assets portion of Schedule RC-R, Regulatory Capital, in the Consolidated Reports of Condition and Income (Call Report). As proposed, the reporting changes would replace existing Part II, Risk-Weighted Assets, of Schedule RC-R with a revised version of Part II that would incorporate the standardized approach for calculating risk-weighted assets under the revised regulatory capital rules approved by the agencies in July 2013. The agencies also are proposing to revise the reporting of securities borrowed in Call Report Schedule RC-L, Derivatives and Off-Balance Sheet Items. These proposed changes would take effect as of the March 31, 2015, report date. Comments must be submitted to the agencies by August 22, 2014.

The guidance reminds institutions that the agencies are currently phasing in a revised version of the regulatory capital components and ratios portion of Schedule RC-R (see FIL-14-2014, dated April 7, 2014). Advanced approaches institutions began to complete this revised portion of Schedule RC-R — designated Part I.B, Regulatory Capital Components and Ratios — in March 2014. All other institutions will continue to complete the previously existing version of the regulatory capital components and ratios portion of Schedule RC-R — now designated Part I.A of the schedule — through December 2014. As of the March 31, 2015, report date:

- Part I.A will be removed from Schedule RC-R;
- Part I.B will be relabeled Part I, Regulatory Capital Components and Ratios; and
- All institutions will complete Part I of Schedule RC-R.

Further information about the proposed revisions to Call Report Schedules RC-R and RC-L is available on the FDIC, OCC, and Federal Reserve Web sites. In addition, the agencies have published an interagency Community Bank Guide to help small, non-complex community banking organizations understand the sections of the capital rule most relevant to their operations.

Basel Committee Publishes Consultative Paper on Pillar 3 Disclosure Requirements

The Bank for International Settlements' (BIS) Basel Committee on Banking Supervision (Basel Committee) published a consultative paper on a *Review of the Pillar 3 Disclosure Requirements* on June 24, 2014. The paper proposes a new standard that is intended to promote greater consistency in the way banks disclose information about risks, as well as their risk measurement and management. The Basel Committee states because the proposed standard is aimed at improving market discipline, it is particularly interested in comments from investors, analysts, rating agencies, and other market users of Pillar 3 data. Comments on the proposals are requested by September 26, 2014.

The proposed disclosures are intended to enable market participants to compare banks' disclosures of the capital ratio's denominator—risk-weighted assets (RWA) — and to assess more effectively a bank's overall capital adequacy. They are also a response to concerns about the opacity of internal model-based approaches to determining RWA and would require banks to disclose the drivers of changes in RWA and the actual versus forecast performance of certain modelling parameters. The Basel Committee stated that, in most cases, the revisions would not require banks to disclose additional information, but rather to present requirements in a more detailed and prescriptive way to facilitate comparability across banks.

The Basel Committee is reviewing its disclosure requirements in two phases. The present consultative document covers the first phase and focuses on overhauling the existing disclosure requirements related to RWA. Once finalized, these proposals will replace the existing Pillar 3 framework. The second phase will expand the scope of the review to include standards that are currently under development or being revised, together with additional disclosure requirements to "further improve the comparability of banks' risk profiles."

Federal Reserve Extends Deadline for Re-submission of Capital Plans for Four Institutions

The Federal Reserve Board (Federal Reserve) announced on June 24, 2014 that it had extended the June 26, 2014, deadline for capital plan resubmissions by four bank holding companies that had previously participated in the Federal Reserve's 2014 Comprehensive Capital Analysis and Review (CCAR). The Federal Reserve had objected to the capital plans of these firms during the 2014 CCAR based on identified weaknesses and has now given the four firms until January 5, 2015 to address those capital planning weaknesses. The firms will not be permitted to increase their capital distributions until a new capital plan is approved.

Federal Reserve Governor Tarullo Says Federal Reserve to Integrate CCAR Qualitative Assessment Into Year-Round Supervision

At the Federal Reserve Third Annual Stress Test Modeling Symposium on June 25, 2014, Federal Reserve Board Governor Daniel K. Tarullo said the Federal Reserve Board (Federal Reserve) will "progressively" integrate the qualitative assessment portion of its Comprehensive Capital Analysis and Review (CCAR) processes into year-round supervision of CCAR firms (i.e., bank holding companies with total consolidated assets of $50 billion or more). "While some important features of capital planning are observable only during the formal CCAR process, most of the risk-management and capital planning standards incorporated in CCAR are operative and observable by supervisors throughout the year," Governor Tarullo said. "These [standards] should be an important focus of ongoing supervisory oversight and of discussions between firms and supervisors. Only in unusual circumstances should supervisors learn for the first time during CCAR of significant problems in the quality of the capital planning processes, and only in unusual circumstances should firms be surprised at the outcome of the qualitative assessment."

Governor Tarullo stated that the Federal Reserve has already taken steps to further the integration of CCAR and ongoing supervision by providing CCAR firms with a letter detailing the supervisory conclusions (including identified weaknesses or areas needing improvement) with regard to the qualitative assessment. The letters are intended to serve as a basis for "regular stocktaking" by the firms and supervisors and he noted that "the committee chaired by senior [Federal Reserve] Board staff that is responsible for the oversight of CCAR… will directly engage with firms during the course of the year to evaluate progress in remediating weaknesses or other issues identified in the post-CCAR letters." Governor Tarullo also expects the Federal Reserve will take additional steps to further the integration, stating that regular supervisory work on topics such as risk-identification and internal audit will focus increasingly on processes that are critical to risk management and capital planning at CCAR firms. "The aim of these and additional measures is to make CCAR more the culmination of year-round supervision of risk-management and capital planning processes than a discrete exercise that takes place at the same time as the supervisory stress tests."

In closing, Governor Tarullo said the supervisory stress test and CCAR will continue to be enhanced and refined in response to changes in the economy, financial system, and risk management capabilities in order to adapt to dynamic changes in financial firms and markets. He said they have "fundamentally changed the way we think of capital adequacy" and have "made important contributions to financial stability." In addition, Governor Tarullo noted that supervisory stress testing and the CCAR exercise have been the first significant form of supervision the Federal Reserve has conducted "in a horizontal, coordinated fashion, affording a single view of an entire portfolio of institutions, as well as more data-rich insight into each institution individually." He suggested these programs have opened the way for similar supervisory activities.

OCC Report Examines Risks Facing National Banks and Federal Savings Associations

Competitive pressures and strategic and operational risks lead the list of supervisory concerns in the Office of the Comptroller of Currency's (OCC) spring 2014 Semiannual Risk Perspective released on June 25, 2014. The report, which reflects data as of December 31, 2013, indicates that while overall conditions improved in the second half of 2013, credit risk is building in supervised national banks and federal savings associations following a period of improving credit quality and problem loan clean-up. The full report is available on the OCC Web site.

The report identified the following as key risk themes:

- Strategic risk remains high as management teams search for sustainable ways to generate target rates of return.
- Bank risk management continues to be challenged by competitive pressures, the need for revenue growth, the ongoing low interest rate environment, and compliance shortcomings.
- Operational risk remains high because of the volume and velocity of change to business models and operations as well as continuing cyber-threats.

According to the report, key risk issues facing large banks include:

- A high level of operational risk across a spectrum of activities;
- Increasing volume and sophistication of cyber-threats;
- Compliance and BSA/AML (Bank Secrecy Act and anti-money laundering) risks;
- Third-party arrangements that introduce concentration risk; and
- An erosion of underwriting standards owing to competitive pressures, particularly in indirect auto and leveraged lending.

The key risks identified for community and midsize banks are similar to those faced by large banks and include:

- Strategic risk to adapt business models to low-interest rates and competitive pressures;
- Planning for management succession and retention of key staff;

- Erosion of underwriting standards;
- Increasing volume and sophistication of cyber-threats;
- Oversight of third parties;
- Increasing BSA/AML risk;
- Expansion into loan products that require specialized risk management processes and skills; and
- Increased exposure to interest rate risk (IRR) at some banks related to concentrations of agency-issued mortgage-backed securities (MBS) and unsupported non-maturity deposit assumptions.

U.S Treasury Secretary Lew Testifies at Congressional Hearings Regarding FSOC's 2014 Annual Report

During the week ended June 27, 2014, U.S Treasury Secretary Jacob J. Lew testified at hearings conducted by the U.S. House of Representatives Committee on Financial Services and the U.S Senate Committee on Banking, Housing and Urban Affairs regarding the 2014 Annual Report of the Financial Stability Oversight Council (FSOC). At the hearings, which were held respectively on June 24 and June 25, 2014, he discussed FSOC's mission (i.e., to identify risks to the financial stability of the United States, promote market discipline, and respond to emerging threats to U.S. financial stability) and the actions taken to fulfill that responsibility.

The FSOC's Annual Report identifies nine areas that Secretary Lew said "warrant continued attention and possible further action" from the FSOC's Council members. The identified areas and the FSOC's recommendations include:

- Wholesale funding markets - Reduce vulnerabilities in wholesale funding markets, including tri-party repo and money market mutual funds that can lead to destabilizing fire sales.
- Housing finance reform - Implement the significant structural reforms that are needed to reduce the taxpayers' exposure to risk in the housing market.
- Operational risk - Continue to take steps to prevent operational failures and improve resiliency, especially with regard to cybersecurity threats, infrastructure vulnerabilities, and other operational risks.
- Financial innovation and migration of activity - Remain attentive to financial innovations and the migration of certain activities outside of traditional financial intermediaries that could create financial stability risks.
- Reference rates - Cooperate with foreign regulatory counterparts to address concerns about benchmark reference rates such as LIBOR.
- Resilience to interest rate volatility - Remain vigilant in monitoring and assessing risks related to interest rate volatility, particularly as investors seek higher yields in a low interest rate environment.
- Data quality and comprehensiveness - Continue to work with the Office of Financial Research (OFR) to fill financial data gaps and address related issues of data quality and comprehensiveness.
- Risk-taking incentives - Continue implementation of reforms to reduce risk-taking incentives of large, complex, interconnected financial institutions.
- Foreign market risks - Continue monitoring adverse financial developments abroad and their potential impact on the U.S. financial system.

Secretary Lew was questioned during the hearings about the FSOC's process for designating nonbank financial companies as systemically important financial institutions (SIFIs). (The FSOC made its first designations of nonbank financial companies during 2013.)

Earlier in June 2014, the House Committee on Financial Services approved two bills that would delay the FSOC from making SIFI designations for six months and allow for greater participation by banking agency officials and lawmakers at FSOC meetings.

Federal Reserve Publishes Data that Can Be Used to Evaluate Individual Systemic Footprint of BHCs

The Federal Reserve Board (Federal Reserve) has published data on the National Information Center Web site that can be used to evaluate the individual systemic footprint of 33 large U.S. bank holding companies. The data is intended to ensure comparability when evaluating the systemic risk profile of each banking organization. It covers five categories often used when considering the potential systemic risk of a banking organization: size; interconnectedness; complexity; substitutability, which is a measure of how easily a firm's activities can be replaced by another firm; and cross-jurisdictional activity, which includes foreign liabilities and claims.

The information will be published annually based on data from the previous calendar year. The National Information Center data resides on the Federal Financial Institutions Examination Council (FFIEC) Web site. For year-end 2013 data, users can search for an individual holding company, recall its regulatory reporting forms, and download the Banking Organization Systemic Risk Report (FR Y-15).

Enterprise & Consumer Compliance

GAO Report Recommends CFPB Participation in Interagency Efforts to Confront Challenges Posed by Virtual Currencies

On June 26, 2014, the Government Accountability Office (GAO) publicly released a May 29, 2014 report entitled, *Virtual Currencies: Emerging Regulatory, Law Enforcement, and Consumer Protection Challenges.* The report finds that federal regulatory and law enforcement agencies have begun to take a number of steps to address issues associated with virtual currencies, including money laundering and other illicit activities. The report also finds that as the use of virtual currencies becomes more widespread, the risk of consumer protection issues are emerging. The GAO recommends that the Consumer Financial Protection Bureau (CFPB or Bureau) join the interagency working groups to help the CFPB maintain awareness of emerging consumer protection issues related to virtual currencies and to ensure that consumer protection issues can be addressed in a timely and effective manner. The full report is available on the GAO Web site.

House Financial Services Committee Chair Responds to Supreme Court Ruling on NLRB Recess Appointments

On June 26, 2014, the U.S. Supreme Court ruled, 9-0, that President Obama exceeded his Constitutional authority when he made recess appointments to the National Labor Relations

Board (NLRB) in January 2012. The Supreme Court ruling invalidated those appointments.

At the same time the President appointed the three NLRB members, he also appointed Richard Cordray to serve as the Director of the Consumer Financial Protection Bureau (CFPB). The U.S. Senate subsequently confirmed Director Cordray's nomination to serve as CFPB Director in July 2013.

In response to the U.S. Supreme Court ruling, House Financial Services Committee Chairman Jeb Hensarling issued the following statement: "President Obama appointed Richard Cordray to head the CFPB at the same time and in the exact same manner as these unconstitutional NLRB appointees. Clearly and unquestionably, President Obama exceeded his authority when he appointed Director Cordray, just as he exceeded his authority when he made these NLRB appointments. Today's unanimous judgment from the highest court in the land reaffirms and validates our committee's decision not to hear testimony from Director Cordray on the CFPB's semi-annual report until he was validly and legally serving in his position. By the time the Senate confirmed Mr. Cordray in July 2013, he had served as Director for 18 months without legal authority. This fact calls into question the legality of the official actions he took during this time period and may represent a legal risk for the CFPB."

Treasury Secretary Lew Announces Efforts to Assist Homeowners

In remarks at the Making Home Affordable (MHA) Fifth Anniversary Summit on June 26, 2014, U.S. Treasury Secretary Jacob Lew announced new efforts to be undertaken by the Department of the Treasury to assist homeowners, including:

- Extending the Making Home Affordable program until December 31, 2016, to continue assisting homeowners facing foreclosure and those whose homes are underwater;
- Expanding access to credit for qualified prospective homeowners by boosting private label securities (PLS) market. The Treasury Department published a Request for Comment in the *Federal Register* and plans to host a series of upcoming meetings with investors and securitizers to further explore ways to increase private lending; and
- Partnering with the Department of Housing and Urban Development (HUD) to create affordable rental housing. The partnership is designed to support the Federal Housing Administration's (FHA) multifamily mortgage risk-sharing program. With the new Treasury-HUD partnership, the Federal Financing Bank (FFB) will use its authority to finance FHA-insured mortgages that support the construction and preservation of rental housing.

Secretary Lew also requested help from lawmakers, asking Congress to extend the *Mortgage Forgiveness Debt Relief Act* and to pass housing finance reform. "Passing legislation is the only way we can achieve meaningful and sustainable housing finance reform," he said.

FTC Charges Debt Collection Company with Use of Deceptive Tactics

The Federal Trade Commission (FTC) announced on June 25, 2014 that a debt collection company and its president had agreed to a federal court order prohibiting them from using deceptive tactics to bully consumers into paying debts and unnecessary fees. The order stems from the FTC's complaint that the defendants violated the *Federal Trade Commission Act* and the *Fair Debt Collection Practices Act* by using false and deceptive methods to collect more than $1.3 million in so-called "convenience fees" and "transaction fees" from consumers who authorized payments by telephone. In some instances, the fees were added to consumers' accounts without their knowledge or consent, the FTC charged. The FTC also alleged that the defendants' collectors falsely claimed to speak for attorneys, falsely threatening to sue consumers who did not pay or, and in some cases saying that legal action against the consumers had already begun. The federal court order imposes a penalty of $4 million, which will be partially suspended based on inability to pay once the company president surrenders assets totaling $100,000.

Capital Markets & Investment Management

SEC Adopts Cross-Border Security-Based Swap Rules

The Securities and Exchange Commission (SEC) on June 25, 2014, adopted the first in a series of rules and guidance on cross-border security-based swap activities for market participants. Among other things, the SEC's rules and guidance provide:

- An explanation of when a cross-border transaction needs to be counted toward the requirement to register as a security-based swap dealer or major security-based swap participant, including transactions guaranteed by a U.S. person and transactions by a "conduit affiliate" (a foreign affiliate of a U.S. person that could be used to evade the requirements of Title VII of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*).
- Procedures for foreign regulators or market participants to apply for "substituted compliance," which would permit market participants to comply with U.S. requirements by complying with foreign requirements.
- An anti-fraud rule that addresses the scope of the SEC's cross border anti-fraud enforcement authority, clarifying that the authority applies where the fraud occurs or is felt within the United States.
- The rules will become effective 60 days after their publication in the *Federal Register*. However, the rules addressing the application of the dealer and major participant definitions, and the procedures for submitting substituted compliance requests, will not impose requirements on market participants until after relevant substantive rulemakings have been completed.

The SEC indicates that in future rulemakings on specific security-based swap requirements it will address the cross-border application of the requirements and when "substituted compliance" may be available. The SEC also expects to clarify the domestic and cross-border aspects of these regulatory requirements before requiring market participants to comply with them.

The SEC also anticipates soliciting additional public comment on approaches by which the cross-border application of the security-based swap dealer definition appropriately can reflect policy concerns related to transactions involving two non-U.S. person counterparties where activity related to those transactions occurs at least in part within the United States. The SEC stated that the final resolution of this issue can benefit from further consideration and public comment, in light of the significant issues raised by commenters related to the proposed requirement.

SEC Chair White Speaks Before the Stanford University Stanford Directors' College

Securities and Exchange Commission (SEC) Chair Mary Jo White discussed corporate governance in a June 23, 2014, address before the Twentieth Annual Stanford Directors College. Her remarks were entitled *A Few Things Directors Should Know About the SEC* and included the following recommendations:

- Set the "tone at the top" for senior management to engender a strong corporate culture. Establish expectations and exercise appropriate oversight to ensure that those expectations are met by senior management and the company as a whole.
- Select the right CEO for your company and ensure that he or she understands the importance of tone at the top and a strong corporate culture.
- Understand your company's business model and the associated risks, its financial condition, its industry, and its competitors. Pay attention to what senior managers say, and listen for the things they are not saying.
- Consider the view of your regulators. Listen to their public comments about what is important. Talk to them.
- Ask the difficult questions, particularly if you see something suspicious or problematic, or when you do not understand. Insist on answers when questions arise.
- Have an open and constructive dialogue with shareholders because "many institutional shareholders have unique insights on industry dynamics, competitive challenges, and how macroeconomic events are shaping the environment for your company."
- Ask your management team about proposals submitted by shareholders. Look at the voting results at shareholder meetings.
- Establish a strong corporate compliance program focused on regular employee training, effective and accessible codes of conduct, and procedures that ensure complaints are thoroughly and fairly investigated. Everyone in the organization must understand that the board and senior management highly value and respect the company's legal and compliance functions.

When a company uncovers serious wrongdoing, Chair White said it must decide whether, how, and when to report the matter to the SEC. Material information must be self-reported to the SEC though a company needs to decide whether to self-report a non-material event and consider what that may mean for the company. She said self-reporting, cooperation, self-policing, and remediation factor into the SEC decisions when considering enforcement actions, noting that self-reporting is "especially important to both the SEC and the Department of Justice."

The decision to cooperate with SEC investigations should be made early in an investigation and be made decisively, White said. "The tone and substance of the early communications we have with a company are critical in establishing the tenor of our investigations and how the staff and the Commission will view your cooperation in the final stages of an investigation," she said. "Make it clear from the outset that the board's expectation is that any internal investigation will search for misconduct wherever and however high up it occurred; that the company will act promptly and report real-time to the enforcement staff on any misconduct uncovered; and that the company will hold its responsible employees to account."

SEC Pilot Plan to Assess Impact of Tick Size on Market Quality for Small Cap Companies

The Securities and Exchange Commission (SEC or Commission) has ordered the national securities exchanges and the Financial Industry Regulatory Authority (FINRA) to jointly develop and file with the SEC a national market system plan to implement a targeted 12-month pilot program intended to widen minimum quoting and trading increments (tick sizes) for certain small capitalization stocks. The pilot program is intended to facilitate studies of the effect of tick size on liquidity, execution quality for investors, volatility, market maker profitability, competition, transparency, and institutional ownership. The SEC indicates that it plans to use the program to assess whether these changes would enhance market quality to the benefit of U.S. investors, issuers, and other market participants.

The order requires the exchanges and FINRA to submit a national market system plan detailing the pilot program by Aug. 25, 2014. The Commission will then publish the plan in the *Federal Register* for public comment, and then determine whether to approve it.

The SEC's order outlines the basic terms of the pilot to be established by the exchanges and FINRA, including:

- A term of one year;
- Creation of a control group and three test groups where each group is subject to different quote and trade requirements;
- Each test group must hold 300 securities selected by stratified sampling; and
- Securities held by the test groups must have:
  - A market capitalization of $5 billion or less;
  - An average daily trading volume of one million shares or less; and
  - A share price of $2 or more.

The SEC's order directs the exchanges and FINRA to collect and transmit data to the SEC and make the data available to the public in an agreed-upon format. After the end of the pilot period, the exchanges and FINRA will complete an assessment of the impact of the pilot and submit their assessment to the SEC.

SEC Division of Trading and Markets Director Testifies Before House Subcommittee

Stephen Luparello, Director of the Securities and Exchange Commission (SEC) Division of Trading and Markets (Division), highlighted five key areas within his Division's responsibilities and its efforts in each of those areas in his June 26, 2014, testimony before the House Subcommittee on Capital Markets and Government Sponsored Enterprises. The hearing was scheduled as an oversight hearing for the Division and Mr. Luparello was the sole witness.

The five key areas highlighted included:

- Equity market structure and related initiatives involving market infrastructure.
- The Division's work to implement rules for OTC (over-the-counter) derivatives as required under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act);
- Rulemaking to enhance standards for certain registered clearing agencies;
- The Division's consideration of rulemaking under Section 913 of the Dodd-Frank Act relating to the standards of care and other obligations for broker-dealers and investment advisers; and,
- Initiatives in the fixed income markets.

Enforcement Actions

The Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA) recently announced the following enforcement actions:

- A FINRA hearing panel expelled a Washington, D.C.-based online broker/dealer from membership and barred its CEO and president for fraudulent and unregistered sales of promissory notes and for creating a Ponzi scheme. In addition, the firm and the CEO are ordered to pay approximately $13.7 million in restitution to 59 investors.
- The SEC charged an Illinois city and its comptroller with fraud for diverting at least $1.7 million of bond proceeds intended for the development and construction of a building project to improper, undisclosed uses. The SEC also obtained an emergency court order against the city and its comptroller to stop another bond offering that the city has been marketing to potential investors. The SEC is seeking a permanent injunction, disgorgement, and civil penalties.
- The SEC charged two brokers with illegally trading on nonpublic information about a $1.2 billion acquisition. Two other brokers and a research analyst settled charges with the SEC last year in the same insider trading case. The SEC seeks a permanent injunction, disgorgement, and civil money penalties. In a parallel action, the U.S. Attorney's Office for the Southern District of New York announced criminal charges against the brokers.
- The SEC charged three former senior managers of an Alabama-based bank with intentionally misclassifying loans resulting in the bank's publicly-traded holding company overstating its income and earnings per share. The SEC also entered into a deferred prosecution agreement with the bank, which substantially cooperated with the agency's investigation and undertook extensive remedial actions. The bank will pay a total of $51 million to resolve parallel actions by the SEC, the Federal Reserve Board, and the Alabama Department of Banking. Two of the former senior managers settled the SEC's charges by paying $70,000 each and consenting to bars from serving as officers or directors of public companies. The case of the third senior manager is still in litigation.

Recent Supervisory Actions against Financial Institutions

Last Updated: June 27, 2014

Agency	Institution Type	Action	Date	Synopsis of Action
CFPB	Federal Savings Bank	Administrative Action	06/19	The Consumer Financial Protection Bureau and the Department of Justice initiated an enforcement action against federal savings bank to address findings of deceptive marketing and discriminatory practices related to the bank's credit card business. The bank is required to pay $56 million in refunds, $169 million in relief, and $3.5 million penalty.
CFPB, DOJ, HUD, State Attorneys General	Mortgage Lender and Servicer	Consent Order	06/17	The Consumer Financial Protection Bureau, Department of Justice, Department of Housing and Urban Development, and 49 state attorneys general proposed a consent agreement with mortgage lender and servicer to address their findings of unfair, deceptive, and abusive acts and practices engaged in by the company. The proposed agreement would require nearly $1 billion in total payment of relief, refunds, and penalties.
Federal Reserve Board	State Member Bank	Civil Money Penalty	06/17	The Federal Reserve Board entered into an Order of Assessment of Civil Money Penalty with a Florida-based state member bank to address violations of the National Flood Insurance Act.
Federal Reserve Board	Bank Holding Company	Written Agreement	06/03	The Federal Reserve Board entered into a Written Agreement with an Arizona-based bank holding company to ensure that it serves as source of strength for its state nonmember bank and nonbank subsidiaries. The agreement addressed dividends and distributions, and debt and stock redemptions.
Federal Reserve Board	State Member Bank	Written Agreement	05/29	The Federal Reserve Board entered into a Written Agreement with an Iowa-based state member bank to address deficiencies impacting it safety and soundness including: board oversight, management review, credit risk management, lending and credit administration, loan review, asset improvement, allowance for loan and lease losses, capital, and dividends and distributions,.
Consumer Financial Protection Bureau	Nonbank - Real Estate Company	Consent Order	05/28	The Consumer Financial Protection Bureau entered into a Consent Order with a nonbank financial services company – a real estate brokerage and settlement services company – to address violations of the Real Estate Settlement Procedures Act related to disclosures regarding a consumer's use of the companies affiliated service providers.
Federal Deposit Insurance Corporation	State nonmember bank	Consent Order; Order for Restitution; Civil Money Penalty	05/13	The Federal Deposit Insurance Corporation entered into Consent Order, Order for Restitution, and Civil Money Penalty with an insured state member bank and its institution-affiliated party to address unfair and deceptive acts and practices provisions of the Federal Trade Commission Act and violations of the Servicemembers Civil Relief Act. Total payments of $96.6 million will be required.
Federal Reserve Board	State member bank	Civil Money Penalty	04/15	The Federal Reserve Board issued an Order of Assessment of Civil Money Penalty against a Wyoming-based state member bank to address violations of the National Flood Insurance Act.

Contact Us

This is a publication of KPMG's Financial Services Regulatory Practice

John Ivanoski, Partner, National Leader, Regulatory Risk — jivanoski@kpmg.com

Hugh Kelly, Principal, Bank Regulatory Safety & Soundness — hckelly@kpmg.com

Amy Matsuo, Principal, Enterprise & Consumer Compliance — amatsuo@kpmg.com

John Schneider, Partner, Investment Management Regulatory — jjschneider@kpmg.com

Tracy Whille, Principal, Capital Markets Regulatory — twhille@kpmg.com

Pamela Martin, Managing Director, Americas' FS Regulatory Center of Excellence — pamelamartin@kpmg.com

Please direct subscription inquiries to the Americas' FS Regulatory Center of Excellence:
us-cssfsregulareform@kpmg.com

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Additional Contacts

Asset Management, Trust, and Fiduciary
Bill Canellis — wcanellis@kpmg.com

Bank Regulatory Reporting
Brett Wright — bawright@kpmg.com

Capital Markets Regulation
Stefan Cooper — stefancooper@kpmg.com

Capital/Basel II and III
Paul Cardon — pcardon@kpmg.com

Commodities and Futures Regulation
Dan McIsaac — dmcisaac@kpmg.com

Consumer & Enterprise Compliance
Kari Greathouse — cgreathouse@kpmg.com

Cross-Border Regulation & Foreign Banking Organizations
Philip Aquilino — paquilino@kpmg.com

Safety & Soundness, Corporate Licensing & Governance, and ERM Regulation
Greg Matthews — gmatthews1@kpmg.com