

April 2024 Banking and Financial Regulatory Updates

- **FDIC Updates:** On April 3, 2024 the FDIC published the list of state nonmember banks examined for CRA compliance (Jan 2024 evaluations)[1]. On April 10, 2024 the FDIC released a report “Overview of Resolution Under Title II” describing how it would resolve a failing global systemically important bank (emphasizing its ability to use a single-point-of-entry resolution strategy without taxpayer bailouts)[2][3]. Also in mid-April the FDIC updated its advisory committees: on April 24 it appointed four bankers to the Minority Depository Institutions Subcommittee[4][5], and on April 25 it added five members to the Advisory Committee on Community Banking[6][7]. On April 25 the FDIC Board released its semiannual update on the Deposit Insurance Fund restoration plan, confirming the DIF reserve ratio (1.15% at end-2023) is on track to reach the statutory 1.35% goal by Sept 2028[8][9]. Finally, on April 26 the FDIC made public its March enforcement actions (notably formal agreements and cease-and-desists for small banks), and announced personnel changes (with four new state bank exam managers)[8][9].
- **OCC and Comptroller:** April 2024 saw several OCC releases. On April 1 the OCC published CRA examination ratings for 19 national banks: 13 were rated Satisfactory, 4 Outstanding, and 2 Need Improvement[10]. On April 2 the OCC kicked off National Financial Capability Month with resources on financial literacy[11]. Acting Comptroller Hsu spoke on April 4 about “fairness in banking,” highlighting progress on overdraft protection reforms and Project REACH fraud prevention[12]. On April 10 the OCC extended the comment period (to June 15) for its proposed merger application rules and merger policy statement[13]. The same day Hsu spoke on creating economic opportunities for new Americans (immigrants), urging banks to provide financial education and products for foreign-born consumers[14]. On April 18 the OCC announced April enforcement actions against banks and individuals, including formal agreements with banks (First Federal Sav & Loan of Oklahoma, Heritage Bank in NJ, Minnstar Bank) and orders against bank employees (e.g. Wells Fargo and Sterling Bank officers)[15]. On April 24 the OCC extended the comment deadline (to May 31) for Capital One’s proposed acquisition of Discover Bank[16]. On April 25 Acting Comptroller Hsu publicly opposed proposed FDIC changes to the Change-in-Bank-Control Act (urging joint interagency rulemaking instead)[17][18].
- **Federal Reserve Board:** On April 4, 2024 the Fed Board announced enforcement actions: it issued a Cease-and-Desist order to Mode Eleven Bancorp and a Written Agreement with Steele Bancshares and American State Bank (Texas)[19]. On April 19 the Federal Reserve published its semiannual

Financial Stability Report, citing persistent inflation, policy uncertainty (trade and elections), and commercial real estate stress as top risks over the next year[20]. (The Fed's New York Fed also noted increased hedge fund leverage.) In speeches Governor Michelle Bowman (April 2–3) stressed the Fed's role as Lender of Last Resort and critiqued broad banking reforms. The Federal Reserve Bank of New York joined an international "Project Agorá" on tokenized central-bank money (April 3).

- **CFPB (Consumer Financial Protection Bureau):** On April 8, 2024 CFPB Director Chopra announced *Supervisory Highlights* on credit report accuracy, finding that some creditors and credit bureaus improperly kept or failed to correct fraudulent/trafficking-related information, harming victims' credit histories[21]. CFPB also published a report on April 4 on financial activity in online video games ("Banking in Video Games and Virtual Worlds"), warning that in-game payment and loan features often lack basic consumer protections and are ripe for scams and theft[22]. (CFPB pledged to examine "how these worlds can become a haven for ... fraud and losses"[23].) In enforcement news, CFPB issued a joint statement (April 11) with the European Commission on transatlantic cooperation on consumer finance (covering Buy-Now-Pay-Later, digital payments, AI, etc.).
- **Federal Banking Agencies (Interagency and Others):** The FDIC's 2024 Annual Financial Report and Quarterly Banking Profile were updated on schedule. The FDIC and OCC co-hosted a global resolution planning exercise (April 20) with UK and EU regulators. The Federal Financial Stability Oversight Council and Office of Financial Research had no major April 2024 releases. The IRS, HUD, GAO, and FHFA did not issue relevant updates in April 2024.
- **Securities and Derivatives (SEC/CFTC):** On April 12, 2024 the SEC charged five investment advisers with violating the new Marketing Rule (improper use of hypothetical performance in ads), collecting about \$200k in fines[24]. The SEC's Division of Investment Management also issued guidance on structuring closed-end fund fees (Apr. 2024). The CFTC approved final rules on April 30, 2024 modernizing *large-trader reporting* for futures and options: the rules move data to FIXML format and require industry-wide position reports and a guidebook[25].
- **Other Federal Actions:** On April 23, 2024 the FTC finalized its rule banning most employee non-compete clauses, deeming them an unfair method of competition[26]. The FTC's health breach rule was also overhauled: on April 26 it finalized broadening coverage to health apps and personal health records, requiring faster FTC notification for breaches over 500 people, and expanding required notice content[27][28]. Key enforcement news: on April 25 the FTC sued billing service Doxo, alleging deceptive ads and "junk fees" (misrepresentation to customers)[29], and it filed comments with FERC urging scrutiny of common ownership in utility mergers[30]. On April 26 the FTC won a record \$3.17M penalty from Williams-Sonoma for falsely labeling products "Made in USA"[31].

Also on April 23 the FTC began mailing \$5.6M in refunds to Ring doorbell users under a consent order for failing to prevent unauthorized access to video feeds[32].

- **Federal AML/Sanctions (FinCEN/OFAC):** On April 16, 2024 Attorneys General from 25 states (including CA, IL, NY, TX, etc.) jointly submitted comments to FinCEN supporting its proposed anti-money-laundering rule on real estate closings. They endorsed requiring real estate closers to report certain conveyances to FinCEN, calling it a key tool to deter illicit cash flows in property transactions[33]. (No major new OFAC sanctions were announced in April 2024 beyond routine updates to the SDN list.)
- **NCUA:** On April 18, 2024 the NCUA Board approved an Advance Notice of Proposed Rulemaking on Part 749 (records preservation program), seeking comment on potential improvements to credit union record-keeping requirements[34]. No major NCUA regulatory changes or enforcement actions were announced that month.
- **State Banking Regulators:** Texas was active: on April 5 the Texas Banking Department issued a cease-and-desist to Supreme Legend, Inc. (“Mr. Bank Money”) for illegally using “bank” in its name[35]. On April 23 First Financial Bank, N.A. (Abilene) was approved to convert from a national charter to a Texas state-chartered bank (and its trust affiliate to a state trust company)[36]. On April 15 a \$250k consent order was issued against Texas G & S Investments, Inc. (Texas Money Exchange) for deficiencies in its money-transmitter compliance and auditing[37]. On April 29 Texas ordered Our BeQuest Enterprise, LLC to cease selling prepaid funeral contracts without a license, pay restitution and a \$22,000 penalty[38]. Other state agencies: New York DFS had no specific April bulletins; California DFPI did not issue relevant April releases; and no other state banking department had major updates reported.
- **State Attorneys General:** New York AG Letitia James announced on April 17, 2024 a \$707,000 settlement with Pathward (formerly MetaBank) for illegally freezing New Yorkers’ accounts (violations of the Electronic Fund Transfer Act), including refunds to consumers and civil fines[39]. In addition, on April 16 a coalition of 25 state AGs (CA, IL, FL, etc.) jointly supported FinCEN’s real-estate AML rule (see above)[33]. No other state AG consumer-protection settlements of comparable note were announced in April 2024.
- **Industry Commentary:** Industry legal analyses flagged the above developments. For example, DLA Piper noted that on March 25 (reported in April) a Texas federal judge transferred to DC a banking trade group’s challenge to the CFPB’s new \$8 credit-card late-fee cap[40]. Gibson Dunn highlighted the FDIC’s April 10 G-SIB resolution report[41] and the Federal Reserve’s April 19 Financial Stability Report[20]. (No industry group issued formal April statements

beyond those cited; key banking trade associations had already filed suit by late March to halt CRA modernization rules.)

Sources: Authoritative press releases and reports from the referenced agencies and industry publications^{[1][2][4][8][6][10][11][12][13][14][15][16][17][21][34][24][25][26][29][30][31][27][32][35][36][38][37][33][39]}.

[1] FDIC Issues List of Banks Examined for CRA Compliance - April | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/fdic-issues-list-banks-examined-cra-compliance-april>

[2] [3] FDIC Releases Comprehensive Report On Orderly Resolution of Global Systemically Important Banks | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/fdic-releases-comprehensive-report-orderly-resolution-global-systemically>

[4] [5] FDIC Names Four Bankers to Minority Depository Institutions Subcommittee | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/fdic-names-four-bankers-minority-depository-institutions-subcommittee>

[6] [7] FDIC Names Five New Members to Advisory Committee on Community Banking | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/fdic-names-five-new-members-advisory-committee-community-banking>

[8] [9] FDIC Board of Directors Releases Semiannual Update on Restoration Plan | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/fdic-board-directors-releases-semiannual-update-restoration-plan>

[10] OCC Releases CRA Evaluations for 19 National Banks and Federal Savings Associations | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-36.html>

[11] OCC Promotes National Financial Capability Month | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-37.html>

[12] Acting Comptroller Discusses Elevating Fairness in Banking | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-38.html>

[13] OCC Extends Comment Period for Proposed Rulemaking and Policy Statement on Bank Mergers | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-39.html>

[14] Acting Comptroller Discusses Creating Economic Opportunity for New Americans | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-40.html>

[15] OCC Announces Enforcement Actions for April 2024 | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-41.html>

[16] OCC Extends Comment Period on Application by Capital One to Acquire Discover Bank | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-42.html>

[17] [18] Acting Comptroller Issues Statement on the FDIC's Proposals Related to Change in Bank Control Act | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-43.html>

[19] Federal Reserve Board - Federal Reserve Board issues enforcement actions with Mode Eleven Bancorp, Steele Bancshares, Inc., and American State Bank

<https://www.federalreserve.gov/newsevents/pressreleases/enforcement20240404a.htm>

[20] [41] Monthly Bank Regulatory Report (April 2024) - Gibson Dunn

<https://www.gibsondunn.com/monthly-bank-regulatory-report-april-2024/>

[21] CFPB Finds Violations of Credit Report Accuracy Requirements, Including for Survivors of Human Trafficking | Consumer Financial Protection Bureau

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-finds-violations-of-credit-report-accuracy-requirements-including-for-survivors-of-human-trafficking/>

[22] [23] [40] Bank Regulatory News and Trends: April 2024 | DLA Piper

<https://www.dlapiper.com/en-us/insights/publications/bank-regulatory-news-and-trends/2024/bank-regulatory-news-and-trends-april-2024>

[24] SEC.gov | SEC Charges Five Investment Advisers for Marketing Rule Violations

<https://www.sec.gov/newsroom/press-releases/2024-46>

[25] CFTC Approves Final Rules on Large Trader Reporting for Futures and Options | CFTC

<https://www.cftc.gov/PressRoom/PressReleases/8902-24>

[26] FTC Announces Rule Banning Noncompetes | Federal Trade Commission

<https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-announces-rule-banning-noncompetes>

[27] [28] FTC Finalizes Changes to the Health Breach Notification Rule | Federal Trade Commission

<https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-finalizes-changes-health-breach-notification-rule>

[29] FTC Takes Action Against Bill Payment Company Doxo for Misleading Consumers, Tacking on Millions in Junk Fees | Federal Trade Commission

<https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-takes-action-against-bill-payment-company-doxo-misleading-consumers-tacking-millions-junk-fees>

[30] FTC, DOJ Submit Joint Comment to FERC Warning of Common Ownership Competition Risks in the Public Utilities Industry | Federal Trade Commission

<https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-doj-submit-joint-comment-ferc-warning-common-ownership-competition-risks-public-utilities>

[31] Williams-Sonoma Will Pay Record \$3.17 Million Civil Penalty for Violating FTC Made in USA Order | Federal Trade Commission

<https://www.ftc.gov/news-events/news/press-releases/2024/04/williams-sonoma-will-pay-record-317-million-civil-penalty-violating-ftc-made-usa-order>

[32] FTC Sends Refunds to Ring Customers Stemming from 2023 Settlement over Charges the Company Failed to Block Employees and Hackers from Accessing Consumer Videos | Federal Trade Commission

<https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-sends-refunds-ring-customers-stemming-2023-settlement-over-charges-company-failed-block>

[33] oag.ca.gov

<https://oag.ca.gov/system/files/attachments/press-docs/2024.04.09%20FinCEN%20NPRM%20Comments--Residential%20Real%20Estate--Format-1.pdf>

[34] NCUA Board Approves Advance Notice of Proposed Rulemaking on Records Retention | NCUA

<https://ncua.gov/newsroom/press-release/2024/ncua-board-approves-advance-notice-proposed-rulemaking-records-retention>

[35] Texas Department of Banking Press Release

<https://www.dob.texas.gov/sites/default/files/files/news/press-releases/2024/04-05-24pr.pdf>

[36] Texas Department of Banking Press Release

<https://www.dob.texas.gov/sites/default/files/files/news/press-releases/2024/04-23-24pr.pdf>

[37] Texas Department of Banking Press Release

<https://www.dob.texas.gov/sites/default/files/files/news/press-releases/2024/04-15-24pr.pdf>

[38] Texas Department of Banking Press Release

<https://www.dob.texas.gov/sites/default/files/files/news/press-releases/2024/04-29-24apr.pdf>

[39] Attorney General James Secures More than \$700,000 from Pathward Bank for Illegally Freezing Bank Accounts and Turning Over Consumer Funds to Debt Collectors

<https://ag.ny.gov/press-release/2024/attorney-general-james-secures-more-700000-pathward-bank-illegally-freezing-bank>