

December 2024 Regulatory and Enforcement Updates

Federal Banking Regulators

- **Interagency Guidance on Elder Exploitation (Dec 4):** Five federal bank regulators (OCC, FDIC, Fed, NCUA, CFPB), FinCEN and state regulators issued a joint statement on elder financial exploitation risk management. It provides examples of sound practices (governance policies, staff training, customer transaction holds, “trusted contact” persons, SAR filings, law enforcement referrals, etc.) but imposes no new legal requirements[1].
- **CRA Asset Thresholds (Dec 19):** The FDIC and Federal Reserve announced the 2025 Community Reinvestment Act asset-size thresholds (reflecting a 2.91% CPI increase). Small banks are those with assets up to ~\$1.609 billion; intermediate small banks range from \$402 million to ~\$1.609 billion[2]. These thresholds will apply Jan 1–Dec 31, 2025.
- **CRA Examination Lists (Dec 3):** The FDIC published the December 2024 list of state nonmember banks evaluated for CRA compliance (based on exams in Sept. 2024)[3].
- **FFIEC Lending Data (Dec 16):** The Federal Reserve, OCC and FDIC (through the FFIEC) released 2023 aggregate data on small-business, small-farm, and community-development lending, as required under the CRA. Summary tables and metro-area disclosures were made public[4].
- **FDIC Budget (Dec 17):** The FDIC Board approved its 2025 operating budget of \$3.0 billion (a 2.2% increase over 2024). Operating expenses rose 6.3%, while receivership funding is budgeted 28.6% lower than 2024[5].
- **FDIC Quarterly Banking Profile (Dec 12):** The FDIC reported Q3 2024 results: insured banks’ aggregate net income was \$65.4 billion, down 8.6% from Q2 (mainly due to absence of one-time gains)[6]. Community banks saw net income rise modestly. Net interest income and margins widened, domestic deposits rose (driven by uninsured inflows), and the FDIC Fund reserve ratio edged up to 1.25%[7].
- **FDIC Enforcement Actions (Nov/Dec, announced Jan 2025):** FDIC announced it had taken 16 enforcement actions in Dec 2024, including six prohibition orders, four deposit-insurance terminations, consent orders, and other orders requiring corrective action[8]. (No FDIC hearings are pending in Feb 2025.)
- **OCC Risk Perspective (Dec 16):** The OCC released its Fall 2024 Semiannual Risk Perspective. It finds the federal banking system “sound” overall, but highlights pockets of credit risk (e.g. stressed office-CRE in some markets), rising delinquency trends on some retail loans, elevated operational risks (notably cyber/third-party risks), and ongoing compliance challenges (including

BSA/AML and fraud monitoring)[9][10]. The report notes banks' net interest margins have varied and that CRA-related compliance risks remain stable. A special section calls out the surge in external fraud targeting consumers and banks, urging strong fraud controls.

- **OCC Mortgage Metrics (Dec 17):** The OCC reported that 97.4% of first-lien mortgages at OCC-regulated institutions were current in Q3 2024 (up slightly from 97.3% a year earlier)[11]. The share of “seriously delinquent” loans rose from Q2 but fell year-over-year[12]. Servicers initiated 6,693 new foreclosures in Q3 2024 (↑Q/Q, ↓Y/Y) and completed 7,450 loan modifications (a 0.5% Q/Q drop); 92.4% of mods were “combination mods” (rate reductions plus term extensions)[13]. The report covers about 11.2 million loans (\$2.8 trillion).
- **OCC Enforcement (Dec 18–19):** The OCC issued a comprehensive cease-and-desist to USAA Federal Savings Bank (Phoenix) on Dec 18 for unsafe practices in management, IT, compliance and AML/SAR processes, and for failing to meet heightened supervision standards[14]. The order consolidates prior 2019/2022 orders and mandates corrective steps (e.g. improved risk governance, fraud controls, oversight of third-party vendors, and limits on new product expansions)[15]. On Dec 19, OCC announced two formal agreements (Fairfield National Bank, IL and First National Bank of Williamson, WV) for various unsafe practices (staffing, credit risk control, interest-rate risk, etc.)[16]. It also confirmed the USAA C&D (above)[17], and took action against individuals: notices of prohibition were filed against a TD Bank manager (for PPP loan fraud), a Wells Fargo officer (debit-card fraud), and an order of prohibition against a JPMorgan manager (taking a bribe to open a PPP bank account)[18][19]. Finally, the OCC terminated an old C&D order for Lake Shore Savings Bank (NY) dating from Feb 2023[20].
- **OCC Annual Report (Dec 20):** The OCC published its 2024 Annual Report, summarizing the condition of the federal banking system and OCC operations. It highlights Acting Comptroller Hsu’s strategic priorities – “guarding against complacency, elevating fairness, adapting to digitalization, and managing climate-related financial risks” – as guiding the agency’s supervision for 2024[21].

Federal Reserve and Monetary Policy

- **FOMC Statement (Dec 18):** At its Dec 17–18 meeting the FOMC cut the fed funds target by 25 bp to 4.25–4.50%[22]. The Committee noted solid economic growth, a cooling but still strong labor market, and continued progress toward 2% inflation[23]. Risks to the outlook were viewed as balanced. Officials will continue quantitative tightening (balance-sheet runoff) and remain data-dependent for any further rate moves[22]. (Governor Beth Hammack dissented, preferring to hold rates steady[24].)
- **Enforcement (Dec 19):** The Fed Board’s weekly H.2 report noted a written agreement (supervisory contract) between FRB Atlanta and Lineage Financial Network (TN) announced Dec 19[25]. Also on Dec 19, the Fed terminated a 2016

written agreement and a 2022 C&D order with National Bank of Pakistan (Karachi) and its New York branch[26].

Consumer Finance (CFPB)

- **Credit Repair Penalties (Dec 5):** The CFPB announced it will distribute \$1.8 billion to about 4.3 million consumers who paid illegal fees to credit-repair firms (Lexington Law, CreditRepair.com). This is the CFPB's largest victims fund payout to date[27]. It follows a federal court judgment (Aug 2023) that the firms violated the Telemarketing Sales Rule's advance-fee ban. The funds come from civil penalties in that enforcement case, providing relief where the companies went bankrupt[27].
- **Data Broker Rule Proposal (Dec 3):** The CFPB proposed a new rule to restrict data brokers from selling Americans' sensitive personal/financial data. The rule would classify brokers that sell data like SSNs, phone numbers or income profiles as "consumer reporting agencies" under the FCRA. That would impose accuracy, access and consent requirements on them[28][29]. The goal is to prevent sales of sensitive contact or financial data that could facilitate stalking, fraud or foreign surveillance.
- **Overdraft Final Rule (Dec 12):** The CFPB finalized a rule closing a loophole on overdraft fees at very large banks (assets ≥\$50 billion). Under the new rule, most overdraft programs at such banks will be treated as "credit" under Regulations E and Z, requiring lending disclosures and protections as with other loans (except for modest cost-recovery fees)[30]. The agency estimates this will save consumers up to \$5 billion annually in overdraft fees by improving transparency and competition.

Sources: Official releases and reports from FDIC, OCC, Federal Reserve, CFPB, and joint regulatory statements (see citations)[1][2][4][6][9][31][14][16][22][25][27][28][30], among others.

[1] Agencies Issue Statement on Elder Financial Exploitation | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/agencies-issue-statement-elder-financial-exploitation>

[2] Agencies Release Annual Asset-Size Thresholds Under Community Reinvestment Act Regulations | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/agencies-release-annual-asset-size-thresholds-under-community-reinvestment>

[3] FDIC Issues List of Banks Examined for CRA Compliance | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/fdic-issues-list-banks-examined-cra-compliance-6>

[4] Federal Bank Regulatory Agencies Release 2023 Small Business, Small Farm, and Community Development Lending Data | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/federal-bank-regulatory-agencies-release-2023-small-business-small-farm>

[5] FDIC Approves 2025 Operating Budget | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/fdic-approves-2025-operating-budget>

[6] [7] FDIC-Insured Institutions Reported Net Income of \$65.4 Billion in the Third Quarter | FDIC.gov

<https://www.fdic.gov/news/press-releases/2024/fdic-insured-institutions-reported-net-income-654-billion-third-quarter>

[8] FDIC Makes Public December Enforcement Actions | FDIC.gov

<https://www.fdic.gov/news/press-releases/2025/fdic-makes-public-december-enforcement-actions>

[9] [10] OCC Reports on Key Risks in Federal Banking System | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-135.html>

[11] [12] [13] [31] OCC Reports Mortgage Performance for Third Quarter of 2024 | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-136.html>

[14] [15] OCC Issues Comprehensive Cease and Desist Order Against USAA Federal Savings Bank | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-137.html>

[16] [17] [18] [19] [20] OCC Announces Enforcement Actions for December 2024 | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-138.html>

[21] OCC Issues Annual Report for 2024 | OCC

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-139.html>

[22] [23] [24] Federal Reserve Board - Federal Reserve issues FOMC statement

<https://www.federalreserve.gov/newsevents/pressreleases/monetary20241218a.htm>

[25] [26] Federal Reserve Board - H.2 Board Actions week ending December 21, 2024

<https://www.federalreserve.gov/releases/h2/20241221/>

[27] CFPB Announces Return of \$1.8 Billion in Illegal Junk Fees to 4.3 Million Americans Harmed in Massive Credit Repair Scheme | Consumer Financial Protection Bureau

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-announces-return-of-1-8-billion-in-illegal-junk-fees-to-4-3-million-americans-harmed-in-massive-credit-repair-scheme/>

[28] [29] CFPB Proposes Rule to Stop Data Brokers from Selling Sensitive Personal Data to Scammers, Stalkers, and Spies | Consumer Financial Protection Bureau

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rule-to-stop-data-brokers-from-selling-sensitive-personal-data-to-scammers-stalkers-and-spies/>

[30] Overdraft Lending: Very Large Financial Institutions Final Rule | Consumer Financial Protection Bureau

<https://www.consumerfinance.gov/rules-policy/final-rules/overdraft-lending-very-large-financial-institutions-final-rule/>