

# July 2024 Updates Across US Financial Regulatory Sources

## Scope and approach

This report compiles high impact updates that were published or issued during July 2024 across core federal banking and prudential regulators, consumer finance authorities, federal financial intelligence and sanctions functions, and the Federal Register notices that connected those actions. The month featured a concentration of coordinated interagency releases on bank and fintech distribution models for deposits, modernization of AML and CFT program expectations, residential valuation controls, CRA geographic designation lists, and resolution planning guidance for large banks. [1]

## Banking and prudential supervision

July 2024 included a coordinated interagency response to the expansion and complexity of bank relationships with third parties that distribute deposit products and services, including arrangements often described as bank and fintech partnerships. FDIC, Federal Reserve, and OCC issued a joint statement highlighting key risk areas and effective risk management practices, and released a request for information seeking public input on bank and fintech arrangements involving banking products and services distributed to consumers and businesses. [2]

The interagency request for information was published in the Federal Register on July 31, 2024, with comments due by September 30, 2024. Its framing emphasized responsible innovation alongside supervisory experience identifying potential risks and the possible value of enhancements to supervisory guidance. [3]

OCC advanced resilience planning expectations for larger institutions through a notice of proposed rulemaking to revise its recovery planning guidelines, expanding the guidelines to apply to insured national banks, federal savings associations, and federal branches with at least \$100 billion in assets, and adding elements such as a testing standard for recovery plans. [4]

FDIC elevated deposit structure and stability as a supervisory and policy topic through a July 30, 2024 request for information on deposit data, including uninsured deposit information, that is not currently reported in the Call Report or other regulatory reports. The FDIC Board press release framed the effort as a push for more granular characterization of uninsured deposits and their stability attributes, with the goal of improving offsite monitoring and informing analysis of deposit insurance and pricing questions. [5]

FDIC also approved a notice of proposed rulemaking to revise brokered deposit regulations, describing the proposal as strengthening prudential protections in the agency's safety and soundness rule on brokered deposits and improving consistency of

reporting based on experience since the 2020 final rule and the 2023 large bank failures. [6]

Industrial bank oversight also advanced in July with FDIC actions to amend Part 354, the framework governing parent companies of industrial banks and industrial loan companies. The proposal described clarifications and enhancements to the supervisory framework, including expanded scope mechanics and additional criteria for evaluating risks posed to shell or captive industrial banks. [7]

On the transaction governance side, FDIC approved a notice of proposed rulemaking to amend its Change in Bank Control Act regulations, focusing on advance notice requirements tied to acquisitions of voting securities at levels that trigger a presumption of control. The press release emphasized enabling FDIC review across direct and indirect control pathways, alongside continued work toward an interagency approach with Federal Reserve and OCC. [8]

Resolution planning in July included FDIC approval of final joint guidance, developed with the Federal Reserve, for a band of domestic and foreign banks above \$250 billion in total assets that sit below the largest and most complex category where separate guidance already exists. The guidance described expectations for resolution strategies, including single point of entry and multiple point of entry approaches, and organized supervisory expectations around areas of potential vulnerability such as capital, liquidity, and operational capabilities. [9]

Community Reinvestment Act administration also produced a recurring July deliverable. Federal bank regulatory agencies released the 2024 list of distressed or underserved nonmetropolitan middle income geographies where certain activities qualify for CRA consideration, with criteria and prior year lists available through FFIEC resources. [10]

## Consumer finance and mortgage market oversight

Residential valuation controls received coordinated attention in July through final interagency guidance on reconsiderations of value for residential real estate valuations. The joint release described ROVs as requests from a financial institution to an appraiser or other preparer to reassess value, and presented examples of policies and procedures that institutions may implement to address valuation deficiencies and mitigate discrimination risk, with the guidance largely finalized as proposed with clarifying edits. [11]

The Federal Register publication for the final interagency ROV guidance appeared on July 26, 2024, reflecting participation from OCC, Federal Reserve, FDIC, NCUA, and CFPB, and stating the guidance as final as of July 26, 2024. [12]

Automated valuation model governance advanced through a joint final rule issued in mid July. The agencies described the rule as implementing quality control standards for AVMs used in valuations for certain mortgages secured by a consumer's principal dwelling, with covered institutions expected to adopt policies, practices, procedures, and

control systems that address confidence in estimates, data manipulation, conflicts of interest, random sample testing, and compliance with nondiscrimination laws. The OCC bulletin summarized the requirements and emphasized the flexible approach to institution implementation. [13]

CFPB published a supervisory findings package early in the month. Supervisory Highlights Issue 34, dated July 2, 2024, described examination findings covering consumer harm and legal violations in auto and student loan servicing and debt collection, along with findings in deposits, prepaid accounts, and credit card account management with a focus on medical credit cards. CFPB's companion newsroom release highlighted specific categories of servicing failures and unlawful debt collection practices identified in examinations. [14]

CFPB enforcement in July included a major action against Fifth Third Bank, N.A. [15] for conduct involving both auto lending and deposit account practices. CFPB described orders and related court action that required penalties totaling \$20 million and redress to about 35,000 consumers, including enforcement elements tied to force placed insurance practices leading to repossessions and a resolution of litigation over unauthorized account openings, including restrictions on sales goals that incentivize fraudulent account openings. CFPB identified the bank's headquarters in Cincinnati [16] in its description of the respondent. [17]

Mortgage servicing rulemaking was also active. On July 10, 2024, CFPB proposed rules aimed at reducing avoidable foreclosures and improving borrower assistance, including streamlined paperwork requirements, enhanced communication, and language accessibility objectives for critical information. [18]

CFPB also proposed an interpretive rule dated July 18, 2024 addressing paycheck advance products often marketed as earned wage advances or earned wage access. The rules under development page described the proposal as clarifying when federal requirements are triggered and how certain expedited delivery fees and tip style costs relate to extensions of credit, with Federal Register publication shown as July 31, 2024 and comments closing August 30, 2024. [19]

Finally, CFPB issued Consumer Financial Protection Circular 2024-04 on July 24, 2024, addressing whistleblower protections under CFPA Section 1057 and describing risk that broad confidentiality agreements can create under the CFPA's whistleblower framework. [20]

## Financial crime, AML and CFT, and sanctions

July 2024 contained both Treasury led and banking agency led steps on AML and CFT program rules. A key anchor was FinCEN's Federal Register proposed rule published July 3, 2024 titled Anti-Money Laundering and Countering the Financing of Terrorism Programs. The proposal described strengthening and modernizing financial institutions' AML and CFT programs, including requiring institutions to establish and maintain

effective risk based and reasonably designed programs with certain minimum components, with written comments due by September 3, 2024. [21]

In parallel, the federal banking agencies advanced a proposed rule to update supervised institution program requirements, framed as aligning with changes concurrently proposed by FinCEN driven by the Anti Money Laundering Act of 2020. The FDIC press release and FDIC FIL described proposed amendments requiring institutions to identify, evaluate, and document illicit finance risks and consider FinCEN's published national AML and CFT priorities as appropriate, alongside incorporating customer due diligence elements and codifying longstanding supervisory expectations. The Federal Reserve issued SR 24-4 distributing the proposal to supervised entities. [22]

Sanctions and financial intelligence actions in July included a Treasury announcement that OFAC sanctioned members of the Cyber Army of Russia Reborn, describing the group's involvement in distributed denial of service activity targeting critical infrastructure and the Ukrainian financial services sector. [23]

## Federal Register and FFIEC outputs that structured July deliverables

Several of the month's cross agency actions connected directly to Federal Register publication and comment timelines.

The bank and fintech arrangements request for information appeared in the Federal Register on July 31, 2024, identifying OCC, Federal Reserve, and FDIC as issuing agencies, and setting a September 30, 2024 deadline for comments. [24]

Final interagency guidance on reconsiderations of value for residential real estate valuations was published in the Federal Register on July 26, 2024, spanning OCC, Federal Reserve, FDIC, NCUA, and CFPB, and describing the guidance as final as of July 26, 2024. [12]

FinCEN's AML and CFT program NPRM was published in the Federal Register on July 3, 2024, with a September 3, 2024 comment deadline. [21]

FFIEC served as a distribution and reference point for recurring banking supervision data products. The July 12, 2024 CRA distressed or underserved nonmetropolitan middle income geography list referenced FFIEC availability for prior year lists and designation criteria. [10]

FFIEC also updated its Uniform Bank Performance Report change log in July 2024, noting removal of inactive line items. [25]

For HMDA, an FFIEC related July 2024 milestone centered on publication of 2023 mortgage lending data, described in a co branded press release carried on an NCUA page. [26]

NCUA's July 2024 board cycle provides a concrete example of how board agendas and board action memoranda supplemented press releases. The NCUA Board agenda for July 18, 2024 set the open meeting logistics for Alexandria[27], and NCUA board materials and the Board Action Bulletin described proposed rules on incentive based compensation and succession planning, plus continued use of an 18 percent loan interest rate ceiling authority for federal credit unions. [28]

## Enforcement actions and key compliance signals

A prominent July enforcement signal involved coordinated action against Citigroup Inc.[29] and its national bank. The Federal Reserve Board announced on July 10, 2024 a \$60.6 million fine tied to violation of its 2020 enforcement action, citing insufficient progress remediating data quality management and a failure to implement compensating controls, and stating the action was coordinated with OCC with combined penalties of about \$135.6 million. [30]

OCC's corresponding action on July 10, 2024 amended its October 2020 consent order against Citibank, N.A.[31], assessed a \$75 million civil money penalty, and described the amendment as driven by missed remediation milestones and sustainable progress concerns, with Acting Comptroller Michael J. Hsu[32] emphasizing continued focus on longstanding deficiencies, particularly data. [33]

OCC also issued a consolidated July 2024 enforcement actions release on July 18, 2024 summarizing actions taken against banks and institution affiliated parties, including cease and desist orders and prohibition orders, and included BSA and AML program related enforcement entries. [34]

FDIC's enforcement transparency cycle in July included a press release dated July 26, 2024 stating that FDIC released a list of administrative enforcement action orders taken in June 2024, and providing counts by type of order and notices. [35]

CFPB's July enforcement against Fifth Third Bank, N.A.[15] functioned as a multi topic compliance signal, linking deposit account controls, account authorization, and auto loan collateral insurance practices with remedial restrictions and financial penalties. [36]

Supervisory policy also progressed through formal supervisory letters. Federal Reserve SR 24-5, signed by Michael S. Gibson[37] and dated July 25, 2024, distributed the interagency joint statement on third party deposit product arrangements to supervised institutions and framed the statement as describing risks and effective practices grounded in existing requirements and guidance. [38]

Finally, monetary policy actions intersected with financial conditions monitoring in July. The Federal Open Market Committee[39] statement dated July 31, 2024 maintained the target range for the federal funds rate at 5.25 percent to 5.50 percent and stated continued reduction of holdings of Treasury and agency securities as described in its balance sheet normalization plans.

---

[1]

<https://www.fdic.gov/news/press-releases/2024/agencies-remind-banks-potential-risks-associated-third-party-deposit>

<https://www.fdic.gov/news/press-releases/2024/agencies-remind-banks-potential-risks-associated-third-party-deposit>

[2] [27]

<https://www.fdic.gov/news/financial-institution-letters/2024/agencies-issue-statement-bank-arrangements-third-parties>

<https://www.fdic.gov/news/financial-institution-letters/2024/agencies-issue-statement-bank-arrangements-third-parties>

[3] [24] <https://www.govinfo.gov/content/pkg/FR-2024-07-31/pdf/2024-16838.pdf>

<https://www.govinfo.gov/content/pkg/FR-2024-07-31/pdf/2024-16838.pdf>

[4] [32] <https://www.occ.gov/news-issuances/bulletins/2024/bulletin-2024-16.html>

<https://www.occ.gov/news-issuances/bulletins/2024/bulletin-2024-16.html>

[5]

<https://www.fdic.gov/news/press-releases/2024/fdic-board-approves-request-information-deposits>

<https://www.fdic.gov/news/press-releases/2024/fdic-board-approves-request-information-deposits>

[6]

<https://www.fdic.gov/news/press-releases/2024/fdic-board-approves-proposed-rule-revise-brokered-deposit-regulations>

<https://www.fdic.gov/news/press-releases/2024/fdic-board-approves-proposed-rule-revise-brokered-deposit-regulations>

[7]

<https://www.fdic.gov/news/press-releases/2024/fdic-board-approves-proposed-rule-amend-agencys-regulations-governing>

<https://www.fdic.gov/news/press-releases/2024/fdic-board-approves-proposed-rule-amend-agencys-regulations-governing>

[8]

<https://www.fdic.gov/news/press-releases/2024/fdic-board-approves-proposed-rule-amend-change-bank-control-act>

<https://www.fdic.gov/news/press-releases/2024/fdic-board-approves-proposed-rule-amend-change-bank-control-act>

[9]

<https://www.fdic.gov/news/press-releases/2024/fdic-approves-final-guidance-enhance-resolution-planning-large-banks>

<https://www.fdic.gov/news/press-releases/2024/fdic-approves-final-guidance-enhance-resolution-planning-large-banks>

[10] [15] [16]

<https://www.fdic.gov/news/press-releases/2024/agencies-release-list-distressed-or-underserved-nonmetropolitan-middle>

<https://www.fdic.gov/news/press-releases/2024/agencies-release-list-distressed-or-underserved-nonmetropolitan-middle>

[11]

<https://www.fdic.gov/news/press-releases/2024/agencies-finalize-interagency-guidance-reconsiderations-value-residential>

<https://www.fdic.gov/news/press-releases/2024/agencies-finalize-interagency-guidance-reconsiderations-value-residential>

[12] <https://www.govinfo.gov/content/pkg/FR-2024-07-26/pdf/2024-16200.pdf>

<https://www.govinfo.gov/content/pkg/FR-2024-07-26/pdf/2024-16200.pdf>

[13] <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20240717a.htm>

<https://www.federalreserve.gov/newsevents/pressreleases/bcreg20240717a.htm>

[14]

<https://www.consumerfinance.gov/data-research/research-reports/supervisory-highlights-issue-34-summer-2024/>

<https://www.consumerfinance.gov/data-research/research-reports/supervisory-highlights-issue-34-summer-2024/>

[17] [36]

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-fifth-third-for-wrongfully-triggering-auto-repossessions-and-opening-fake-bank-accounts/>

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-fifth-third-for-wrongfully-triggering-auto-repossessions-and-opening-fake-bank-accounts/>

[18] [29]

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rules-to-help-homeowners-avoid-foreclosure/>

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rules-to-help-homeowners-avoid-foreclosure/>

[19]

<https://www.consumerfinance.gov/rules-policy/rules-under-development/consumer-credit-offered-to-borrowers-in-advance-of-expected-receipt-of-compensation-for-work/>

<https://www.consumerfinance.gov/rules-policy/rules-under-development/consumer-credit-offered-to-borrowers-in-advance-of-expected-receipt-of-compensation-for-work/>

[20]

<https://www.consumerfinance.gov/compliance/circulars/consumer-financial-protection-circular-2024-04/>

<https://www.consumerfinance.gov/compliance/circulars/consumer-financial-protection-circular-2024-04/>

[21] [37] <https://www.govinfo.gov/content/pkg/FR-2024-07-03/pdf/2024-14414.pdf>

<https://www.govinfo.gov/content/pkg/FR-2024-07-03/pdf/2024-14414.pdf>

[22]

<https://www.fdic.gov/news/press-releases/2024/agencies-request-comment-anti-money-laundering-counter-finance/>

<https://www.fdic.gov/news/press-releases/2024/agencies-request-comment-anti-money-laundering-counter-finance/>

[23] <https://home.treasury.gov/news/press-releases/jy2473>

<https://home.treasury.gov/news/press-releases/jy2473>

[25] <https://www.ffiec.gov/data/ubpr/latest-updates>

<https://www.ffiec.gov/data/ubpr/latest-updates>

[26]

<https://ncua.gov/newsroom/press-release/2024/ffiec-publishes-2023-data-mortgage-lending>

<https://ncua.gov/newsroom/press-release/2024/ffiec-publishes-2023-data-mortgage-lending>

[28] [31]

<https://ncua.gov/news/board-meetings-agendas-results/board-agenda-july-18-2024-meeting>

<https://ncua.gov/news/board-meetings-agendas-results/board-agenda-july-18-2024-meeting>

[30]

<https://www.federalreserve.gov/newsevents/pressreleases/enforcement20240710a.htm>

<https://www.federalreserve.gov/newsevents/pressreleases/enforcement20240710a.htm>

[33] <https://www.occ.gov/news-issuances/news-releases/2024/nr-occ-2024-76.html>

<https://www.occ.gov/news-issuances/news-releases/2024/nr-occ-2024-76.html>

[34] [39]

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-80.html>

<https://www.occ.treas.gov/news-issuances/news-releases/2024/nr-occ-2024-80.html>

[35]

<https://www.fdic.gov/news/press-releases/2024/fdic-makes-public-june-enforcement-actions>

<https://www.fdic.gov/news/press-releases/2024/fdic-makes-public-june-enforcement-actions>

[38] <https://www.federalreserve.gov/supervisionreg/srletters/SR2405.htm>

<https://www.federalreserve.gov/supervisionreg/srletters/SR2405.htm>