



Beth Hamilton • 1st

VP | Compliance Officer | BSA Officer ECOA | Regulatory Compliance | HMDA |...
6d •



The Compliance Family Tree

(Every bank has one... whether they admit it or not 🤪)



Compliance Officer (a.k.a. Mom/Dad of the Operation)

Keeps everyone fed (with regs), on track (with checklists), and out of trouble (with citations).

Catches everything. Everything.



Legal Department – The Older Sibling

Smarter. Cooler. Speaks fluent Legalese.

Only shows up when it's serious—or when someone's about to break up with a vendor.



Internal Audit – The Nosy Cousin

Always asking questions.

Knows your processes better than you do.

Says, "Just looking around!" but shows up with a checklist and 19 follow-ups.



IT Security – The Paranoid Uncle

Won't click links. Ever.

MFA on everything.

Brings their own Wi-Fi to family reunions.



Risk Management – The Family Strategist

Builds charts for game night. Calculates the probability of dessert failing to meet expectations.

Always says, "Let's assess the likelihood..."



Frontline Staff – The Younger Siblings

Full of energy, a few questions, and occasional chaos.

Need constant guidance but bring all the charm and customer service magic.



Regulations – The Great-Great-Great Grandparents

They've been around forever.

Nobody fully understands them.

But you respect them... or else.

This family? Functional, fabulous, and surprisingly well-documented.

[#ComplianceChronicles](#) [#BankingCompliance](#) [#ComplianceFamilyTree](#)
[#RegFamVibes](#)



Yvonne Young, CAMS,CAFP-Vice President and 43 others

8 comments • 2 repos



BSA Risk & Regulation...

What Now?

September 2025

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Saltmarsh's FI
Consulting practice
received "World Class"
Net Promoter Scores
the last 5 years



Forbes



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Strange Times

- **Evolving threat landscape**

Increasingly complex methods of fraud & money laundering including multiple jurisdictions, AI-assisted crime and digital anonymity, including social media, fintech and digital currencies

- **Qualified staffing shortages (still)**

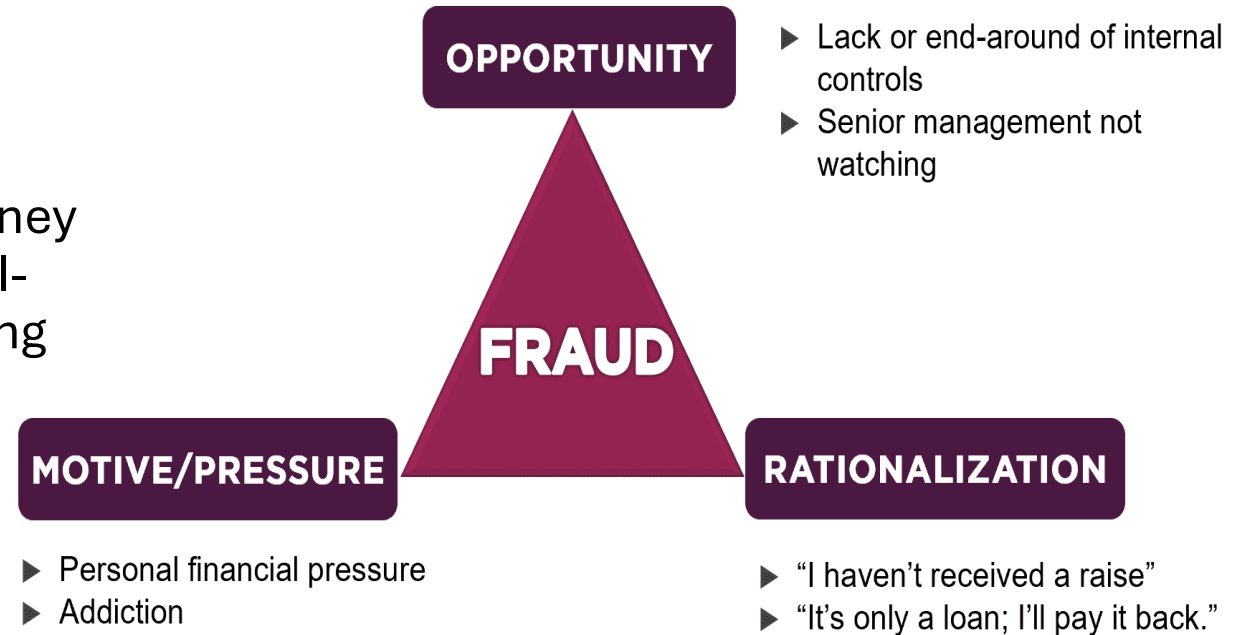
- **Internal control lapses (still)**

- **Geopolitical and Economic Factors**

Political & economic sanctions

- **Regulatory relief?**

Perhaps, but lack of clarity, change itself, add risk



Personal Prohibition Orders against Institution-Affiliated Parties Jan-June 2024

Date	State	Assets	Position	Actions
1/8/2024	WY	42m	CFO	Removal of confidential supervisory information
1/8/2024	IA	584m	EVP and 2 SVPs	Misappropriation of customer information
1/16/2024	AR	394m	9 loan-related individuals	UDAP-loan rates; VA affiliation; skip-a-pay
1/16/2024	KY	1.4b	Market President	Illegal EIDL loan for his sole proprietorship
1/31/2024	AL	664m	Loan Ops Specialist	Theft of customer funds via wire transfers
1/31/2024	MN	103m	Teller	Theft of customer funds via forged withdrawal slips
2/7/2024	MI	2.4b	General Counsel	Coverup of suspicious activity in residential loan product
2/9/2024	KY	189m	President	Approved overdrafts w/o source of repayment & over authority
3/6/2024	NY	9.1b	Operations Specialist	Theft of deceased customer funds
3/12/2024	RI	21m	EVP	Conflict of interest with referral source
4/18/2024	NC	512b	Branch banker	Theft of customer funds via counter checks
4/24/2024	IL	171m	EVP Commercial lending	Theft of customer funds via loan account withdrawals
4/29/2024	NC	512b	Branch banker	Theft of customer funds via unauthorized debit cards
5/23/2024	TX	695m	SVP Loan Officer	Approved construction loan advances w/o support & coverup
6/17/2024	NC	220b	Vault Teller	Theft of vault funds
6/17/2024	SC	45b	Financial Service Rep	Theft of funds via fictitious loans, using deposits accounts for loans
6/20/2024	DE	149b	Consumer lending	Straw applications for COVID unemployment assistance
6/25/2024	GA	378m	Loan Officer	Theft of customer funds via cash withdrawals and EFTs
6/25/2025	NC	512b	Branch banker	Theft of customer funds via recurring ACHs
6/25/2024	ND	290m	President/CEO/Director	Advanced funds w/o approval, issued money orders from GL, cover up

Personal Prohibition Orders against Institution-Affiliated Parties July-Sept 2024

Date	State	Assets	Position	Actions
7/17/2024	MT	297m	CEO/VP/CRA/Compliance	Theft of funds via unauthorized LOC (as treasurer of a customer)
7/15/2024	ND	290m	Loan Officer	Theft via unfunded cashier's check; made loans without proper docs
7/15/2024	NC	220b	Operations Svs Superv	Theft of cash from vault, theft of customer SS benefits
8/9/2024	RI	21m	CEO, Director	Failed to oversee and manage risk in SBA Small Loan Adv program
8/19/2024	NE	Failed in 2022	(1) President/Director, (2) Cashier/Director	Failed to report excessive overdrafts, loans over legal lending limit to related borrower, cover up
8/27/2024	CA	115m	CFO	Theft of funds via conflict of interest in purchase of life insurance for bank employee
9/13/2024	NY	1m	President/CEO/Director	Advanced funds w/o approval, issued unfunded money orders from GL, covered it up.
9/13/2024	KY	1.4b	Market President	Illegal EIDL loan for his sole proprietorship

Personal Prohibition Orders against Institution-Affiliated Parties Jan-Mar 2025

Date	State	Assets\$	Position	Actions	AGENCY
1/7/2025	CA	1.5b	CSR	Deposited \$46k official checks to her account and took \$10k from a customer's loan account without authorization	FDIC
1/8/2025	OK	268m	CCO/CLO	Falsified cash collateral loan docs to violate legal lending limits	OCC
1/17/2025	TX	9.2b	Sales Rep	\$123,563 in unauthorized transfers from customer's accounts	FDIC
1/17/2025	OK	11.4b	SVP	Loan fraud, made loans to his friends for his gambling. >\$1m restitution	FDIC
1/17/2025	NE	176m	Operations Mgr	Unauthorized cash withdrawals and wire transfers; certified check fraud	FDIC
1/29/2025	RI	14.5b	Loan Officer	False statements and collaboration with mortgage broker	OCC
2/5/2025	NY	13.7b	Asst Branch Mgr	Closed CD; unauthorized cash withdrawals and debit card transactions	OCC
2/26/2025	TX	132m	VP Mortgage LO	Unauthorized construction draws for cashier's checks to his account	OCC
3/11/2025	OH	3.5t	Associate	Theft of vault funds and alteration of internal records to conceal	OCC
3/27/2025	PR	58.4b	Branch operations	Theft of bank funds	FRB
3/31/2025	OH	3.5t	Associate	Theft of vault funds	OCC

+39 more from 4/1

Lessons learned:

- Realize everyone has a price or vulnerability
- Maintain “blocking and tackling” internal controls, including mandatory vacations, segregation of duties, reconciliations
- Employees with access to sensitive data should be subject to behavioral analytics and anomaly detection
- Use role-based permissions, multi-factor authentication, and regular audits
- Keep eyes on elder accounts



Insider Bank Fraud Study

- 6/23/2025 Polk County Sheriff busted \$8.8 million elder fraud scheme, targeted 235 victims
- 2 long-time M&T bank employees in WV (65-year-old branch manager) and MD (57-year-old teller) with full access to customer data, and a 5-year employee “ringleader” in MD (mortgage loan officer)
 - Poor credential hygiene and unchecked access – sent their logins to ringleader via Snapchat
 - Used to take pictures of account information, sold on encrypted app Telegram, and used to:
 - Open fraudulent accounts
 - Steal and move funds from elderly customers
 - Across multiple states
 - Enrich themselves with lavish purchases, including new cars
 - Pyramid style operation; each recruit brought in more players, each transaction masked the last.
- Detected ---- Synchrony Bank flagged a \$250,000 deposit into a newly opened account by a 27-year-old in Lakeland, Florida.
 - New account with no transaction history
 - A sudden large transfer from another bank
 - Rapid dispersal of funds into 3 other bank accounts (2 in Lakeland and 1 in MD)

Insider Bank Fraud Study



Linda Thompson

Knowing both Barb and Cammie ... and seeing this from day one was shocking. How could these two women get mixed up and messed up in something so awful. What could one man say to you...that would break your morals all to hell? I feel for their families that have in the past gone through much pain from the death of a loved one. And now losing that one person in their life they could depend on. Sad! Very sad!

7w Like Reply

17   



Minda Fowler Ordway

Linda Thompson what is sad is someone like me whose life was turned upside down thanks to the actions of these three employees!

5w Like Reply

2 



Veonn Exline

Linda Thompson greed. ...

6w Like Reply



Helen Wickham

Linda Thompson just shocking ...

7w Like Reply



Pig Butchering scam takes down a Bank

- CEO of Heartland Tri-State Bank, KS (\$139 million) pled guilty to bank fraud 5/23/2024
- Willfully misapplied and embezzled \$47.1 million of bank funds to purchase cryptocurrency for personal benefit.
- Sent large wires from May-July 2023.
- Orchestrated schemes to cover his tracks.
- Bank failed on July 28, 2023.

FinCEN alert 9/8/2023

- **Build Trust:** Scammers initiate contact via text messages, social media, or messaging apps – often through **unexpected contact**. They create rapport by discussing personal topics unrelated to investments, often pretending to be a widow, single parent, or military member living overseas. They might even share fake photos and life details to gain your trust.
 - Red Flags – they request financial information, refuse to participate in video chats, provide unsolicited investment advice or tips, sense of urgency, elevated emotions, commonly involving cryptocurrency.
- **Investment Pitch:** After establishing trust, the scammer shifts the conversation toward investments. They might claim to have insider information from a reputable financial institution or share screenshots of fake brokerage accounts showing impressive gains.
- **Manipulation:** The scammer will ask you to verify your brokerage account's ability to trade specific securities. Once you express interest, they provide instructions for investing in a fraudulent scheme. Victims often lose substantial amounts of money.
- Often from the far east, often using victims of human trafficking

Personal Civil Money Penalty and Order of Prohibition issued by FDIC 2024

- \$7k CMP and prohibition order to President of Citizens Bank, KY (\$189 million)...exceeded his lending authority by originating unsecured loans and approving overdrafts to a Bank customer. Respondent continued to approve additional overdrafts in violation of Bank policy and in excess of his lending authority despite the customer's cancellation of substantive payments intended to reduce the outstanding balance and general failure to repay existing overdrafts. Respondent failed to inform the Bank's Board of Directors of the full extent of the customer's overdrafts. The Bank incurred a loss of \$813k.

Personal Order of Prohibition issued by FDIC 2024

- (Respondent neither admits nor denies) Bank of Morton, MS - Respondent manipulated the Bank's general ledger accounts to cash and pay checks of her son's trucking company to avoid overdrawing his business checking account causing a loss to the institution of approximately \$255k.



Rhenae Risher · 3rd
Compliance Officer at Bank of Morton

Insider refresh:

- FDIC Bank Fraud and Insider Abuse, Section 9.1 Examination Manual (*April 1998*)
- OCC Comptroller Handbook, November 2013 (*minus references to reputation risk as of March 20, 2025*)
- Federal Reserve Regulation O and other instances of insider abuse referenced within the commercial bank examination manual



SAR Trigger #2

Known or Suspected Federal criminal violation(s)

- Committed or attempted against the FI
 - or involving transaction(s) through the FI
- and FI believes it was an actual or potential victim
 - or was used to facilitate the criminal transaction

Filing thresholds

Insider* = \$0 (any or no amount)

Suspect can be identified = \$5,000

No suspect can be identified = \$25,000

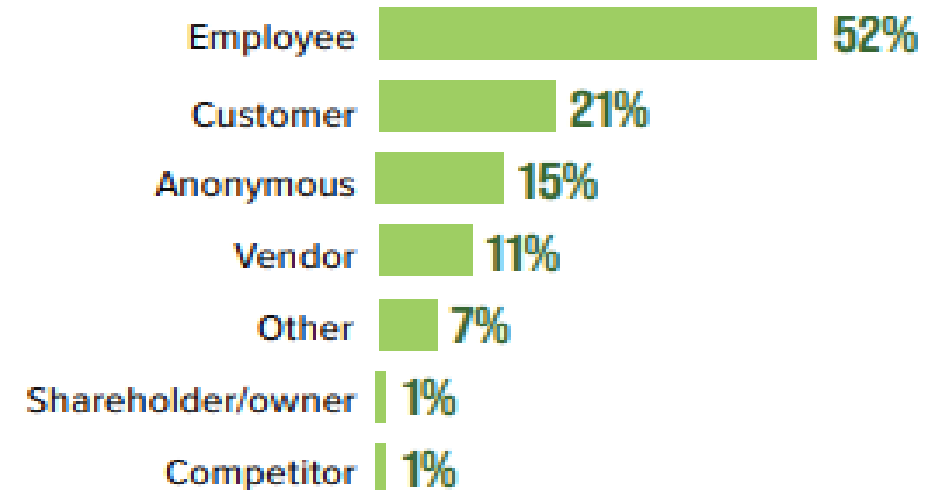
*Bank has a “substantial basis” for identifying one of its directors, officers, employees, agents, or other institution-affiliated parties as having committed or aided in the commission of a criminal act...” 12 CFR 353.3, 12 CFR 21.11, or 12 CFR 208.62

By the way...this is triggered by cyber and check frauds, and attempts

FIG. 13 HOW IS OCCUPATIONAL FRAUD INITIALLY DETECTED?

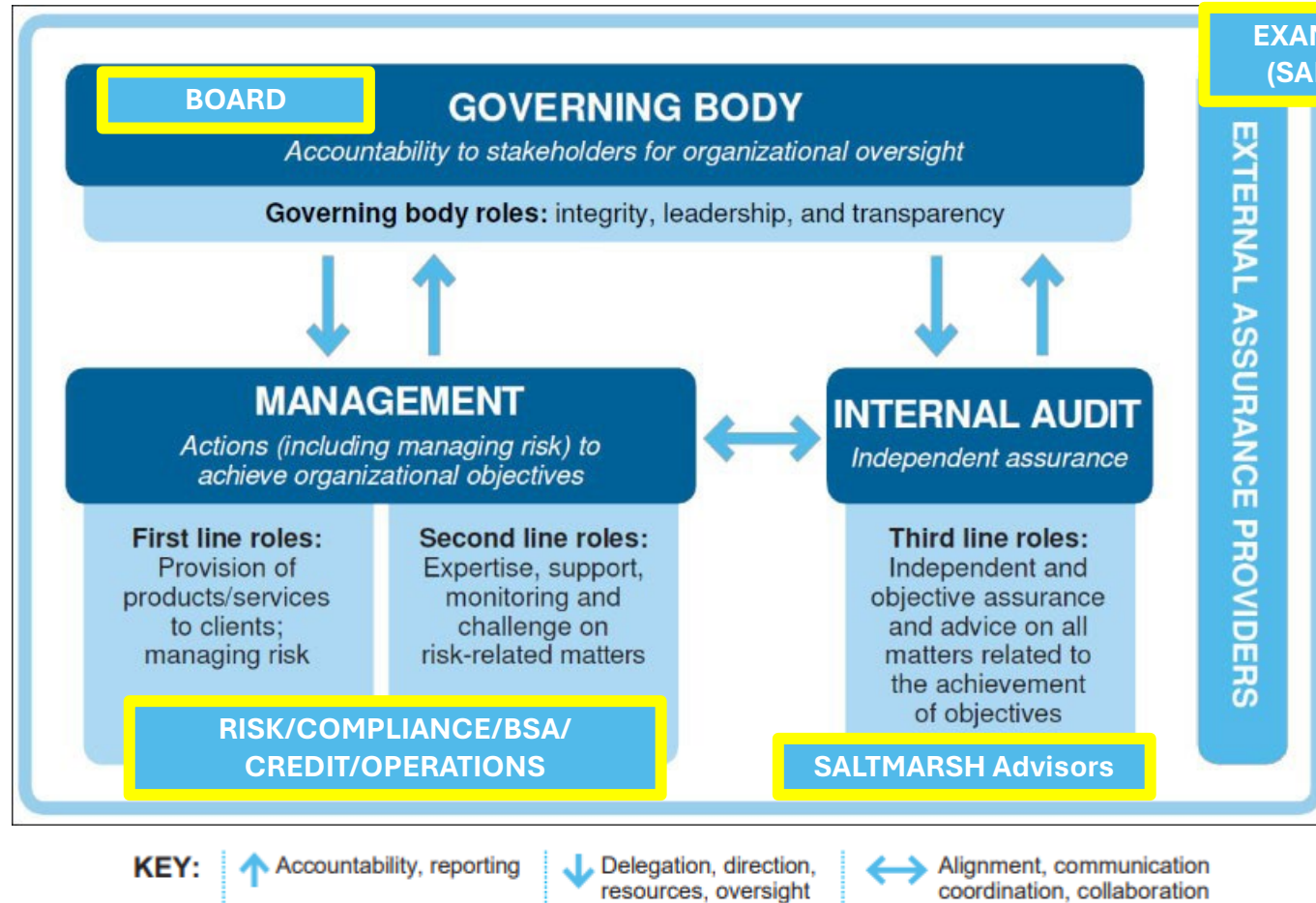


FIG. 14 WHO REPORTS OCCUPATIONAL FRAUD?



The “Three Lines” Model

(compliance / risk management)



From the Institute of Internal Auditors *Revised July 2020*

- Not being called “Lines of **Defense**” anymore
- Acknowledges Internal Audit’s role in achieving objectives (value add)
- Recognizes “blurred lines” of controls in the Management portion

If you want more, there are 13 pages of detail at <https://www.theiia.org/globalassets/site/about-us/advocacy/three-lines-model-updated.pdf>

**Global perspective:
Financial Action Task
Force (FATF)**

- innovation**
- collaboration**
- crypto resources**

**US perspective:
FinCEN Modernization
(AML ACT of 2020)**

- innovation**
- risk based**
- cost-benefit**
- effective**



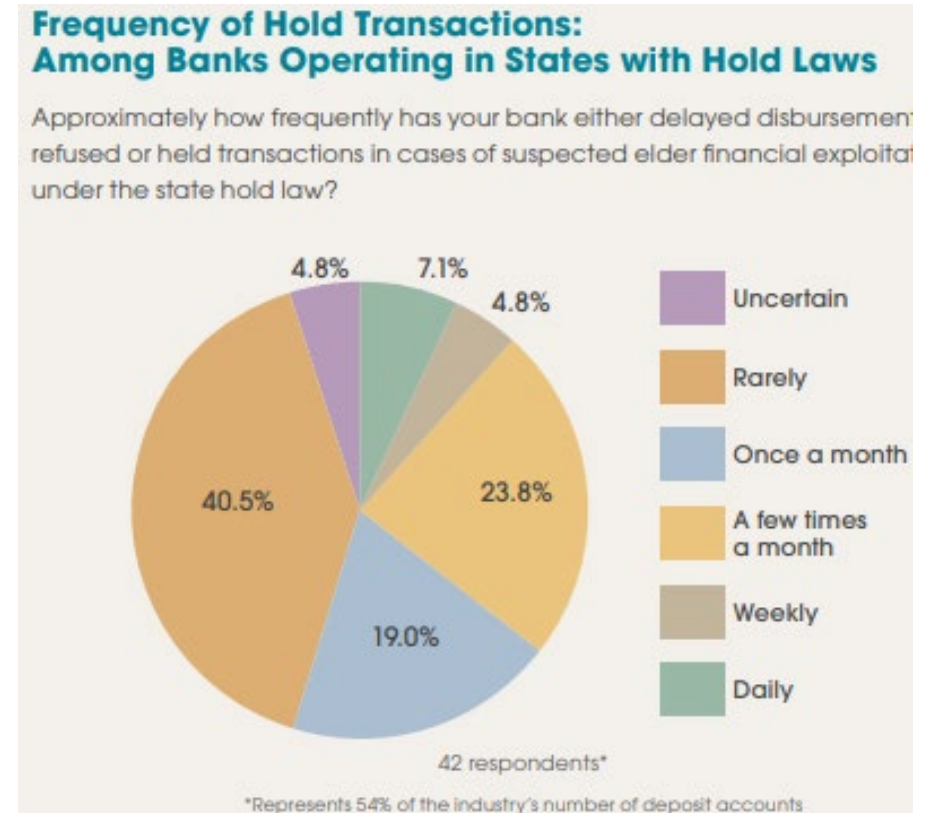
Education, Resources, Collaboration

Florida Statute §415.10341 – The ‘pause’ law

- Financial institution may delay transaction from an account upon suspicion of financial exploitation of a specified adult (EFE) if FI:
 1. Has developed EFE P&P or training programs
 2. Has provided EFE training, and documented attendance (within 1 year of hire)
 3. Has written and enforced procedures on the manner in which suspected EFE is reviewed and/or reported Promptly initiates an internal review of the transaction(s)
 4. Within 3 business days, provides written notice of the reason for the delay to all authorized parties and any “trusted contact” on the account (except for the suspect)
 5. Maintains for 5 years, the date of delay, name and address of the specified adult, FI address, name and title of person who suspected exploitation, and facts and circumstances that caused the suspicion
- Delay expires after 15 business days but may be extended up to 30 additional business days if FI continues to reasonably believe the exploitation has occurred, is occurring or has been attempted.
- Provides immunity against civil liability for delay if done in good faith and with reasonable care.

ABA survey of bankers on pause laws...

- 54.4% of respondent conduct business in states with hold laws
 - 6 states require training in their law
- 50% reported that they have used them
 - 52.4% want longer periods
 - 43% say they have been effective
 - 45% reported negative customer reactions
 - 17% reported positive customer reactions
 - 40% said they were concerned or uncertain about their immunity
- Patchwork of state laws presents challenges
- 90% of respondents in states without hold laws want them



<https://www.aba.com/-/media/documents/reference-and-guides/2025-sbfs-elder-law-survey-report.pdf?rev=a5327479843f4d4c9b1366c7ef43ddfa>

Check Fraud Lawsuit

- 1/10/2025 **Buckholts State Bank vs. Navy FCU**, Western District of Texas, Austin
- Seeks class action status
- Buckholts customer check payable to M&B Metal Products was stolen in the mail
- Deposited into fraudulently opened business account under M&B Metal's name at Navy FCU
 - Business was registered just 2 days before account opened
 - Check was deposited 6 days after account opened
 - Check date matched company formation date
 - Navy FCU did not verify the business address
 - Navy FCU did not place a check hold
 - Navy FCU identified the account was fraud before being notified by Buckholts
 - Navy FCU refused to repay Buckholts
- **Alleged that Navy FCU had lax Knot Your Customer policies**
- Only site-reviewed checks over \$25,000, although average fraud check is \$10,000
- Navy FCU had identified 19,200 fraudulent checks affecting 100 downstream banks
- Counts include Breach of Warranty, Money Had and Received, Unjust Enrichment, Aiding and Abetting, and Breach of Contract

Positive Pay Lawsuit

- 6/13/2025 **Jim Cogdill Co vs. Bank of America**, Eastern District of Tennessee, Knoxville
- Bank paid 9 counterfeit, altered, forged checks despite obvious red flags.
- Customer promptly reported, but Bank denied reimbursement on customer's non-enrollment in positive pay.
 - Customer's bookkeeper emailed bank "I guess we need to turn this function off"
 - Bank billed customer \$750 for analysis account; when check activity decreased and customer requested lower fees, Bank instructed customer to delete "all Treasury Services" without warning customer it would remove check-fraud protections
 - Counterfeit checks posted 11 days later
- Bank had "vague, boilerplate provision in its Deposit Agreement" conditioning Bank's "liability for forged checks on the customer's enrollment in unspecified, fee-based 'fraud protection' products"
 - Failed to clearly name, define or price in the Deposit Agreement
 - Buried in boilerplate, lacks conspicuousness, omits details on product names, costs or enrollment procedures
- **Cited case law that liability-shifting disclaimers with vague fee-based conditions are "manifestly unreasonable" and unenforceable.**

Interagency Initiative to Fight Payment Fraud

- Non-card payments fraud losses increased 271% between 2020-2024
- Suspicious Activity Reports for check, ACH, and wire fraud up 489% since 2014
- Check fraud alone has risen 385% since COVID-19
- Check fraud accounts for 27% of all fraud-related SARs filed YTD 2025
- June 20, 2025 - OCC, Federal Reserve, and FDIC published joint **Request for Information** (90 FR 26293) -- solicits public input on actions they can take to address payments fraud, particularly check fraud. **Comments are due by September 18, 2025.**
 - Collaboration amongst stakeholders?
 - Consumer, Business and Industry education?
 - Regulation and supervision?
 - Data collection and Information sharing?
 - Operator Tools and Services?

FinCEN Advisories & Notices

- 9/8/2025 – Notice on Financially Motivated Sextortion
- 8/28/2025 - Advisory on the Use of Chinese Money Laundering Networks by Mexico-Based Transnational Criminal Organizations to Launder Illicit Proceeds
- 8/4/2025 - Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity
- 6/25/2025 - Treasury Issues Unprecedented Orders under Powerful New Authority to Counter Fentanyl (FEND Off Fentanyl Act) – targets 3 Mexico-based financial institutions (*extended until 10/20/2025*)
- 6/6/2025 - Advisory on the Iranian Regime’s Illicit Oil Smuggling Activities, Shadow Banking Networks, and Weapons Procurement Efforts
- 5/1/2025 - Alert on Oil Smuggling Schemes on the U.S. Southwest Border Associated with Mexico-Based Cartels
- 4/1/2025 - Advisory on the Financing of the Islamic State of Iraq and Syria (ISIS) and its Global Affiliates
- 3/31/2025 - Alert on Bulk Cash Smuggling and Repatriation by Mexico-Based Transnational Criminal Organizations
- 2/18/2025 - Extends Beneficial Ownership Information Reporting Deadline by 30 Days; Announces Intention to Revise Reporting Rule

FinCEN Fiscal Year 2024 in Review

6/18/2025

- 4.7M SARs and 20.5M CTRs
- FBI benefits from SARs & CTRs
 - 16% International Terrorism
 - 21% Transnational Organized Crime
 - 25% Public Corruption
 - 32% Complex Financial Crime
- IRS-Criminal Investigations benefits from data
 - 13% of all investigations opened originated from BSA data
 - 87% of investigations recommended for prosecution have a primary subject with a related SAR filing
- Homeland Security benefits from data
 - Financial analysis benefitted 27,000+ new criminal investigations
 - Achieved \$1.2 billion seized
 - 29k arrests and 9k convictions

GUARANTEEING FAIR BANKING FOR ALL AMERICANS



8/7/2025 Executive Order 4331

- regards “politicized or unlawful debanking” based on political or religious beliefs or lawful business activities that the provider disagrees with or disfavors for political reasons.
- banking decisions must instead be made on the basis of individualized, objective, and risk-based analyses.
- directs regulators to remove “reputational risk” and other concepts that support debanking from their guidance, examination manuals and other materials.
- requires Federal banking regulators to review supervisory and complaint data for instances of unlawful debanking based on religion and refer such cases to the Attorney General.
- directs the Secretary of the Treasury to develop a comprehensive strategy to further combat debanking activities, including potential legislative or regulatory solutions.
- requires SBA and Federal banking regulators to review financial institutions for past or current policies encouraging debanking and take remedial actions, including fines or consent decrees.

SBA orders lenders to stop debanking

8/25/2025 letter, by 12/5/2025:

- **Identify Debanking Practices:** Lenders must identify any past or current formal or informal policies or practices that require, encourage, or influence their institution to engage in politicized or unlawful debanking.
- **Reinstate Wrongfully Denied Clients:** Lenders are instructed to make reasonable efforts to identify and reinstate previous clients denied service through politicized or unlawful debanking actions in violation of statutory or regulatory requirements.
- **Notify Affected Potential Clients:** Lenders must provide notice to potential clients who were denied access to financial services or payment processing services, advising them of the renewed option to engage in services previously denied.
- **Report Compliance:** Lenders must submit a report to the SBA by January 5, 2026, evidencing their compliance with these directives to remain in good standing with the agency and avoid punitive measures.

EDD: Enhanced Due Diligence

FFIEC manual &/or consent orders as potentially higher risk areas.

- Privately Owned ATMs
- Cash-Intensive Businesses
- Cannabis Related Businesses
- Cash, negotiable instruments, prepaid cards
- Crypto
- Professional Service Providers
- Third party payment providers (Fintechs)
- Undisclosed beneficial owners
- Private banking
- Non-resident aliens
- Politically exposed persons
- Foreign/non-cooperative geographies
- Trade Finance
- Foreign Correspondent Banking
- Non-Bank Financial Institutions / Money Service Businesses
- Non-Governmental Organizations / Charities

Proper risk rating and eventual monitoring of high-risk activities take time and expertise

**A bank should be able to manage BSA/AML non-compliance risk by choosing to not to bank high risk customers or transactions.
(A concept also known as “de-risking”)
WATCH OUT for state (and now federal) fair access laws...It is a good practice anyway to have clear policies on what risks you can, and cannot, take on and apply on documented, and potentially, a case-by-case basis.**

Stay tuned...

- On September 24, Ballard Spahr will hold a [webinar](#), “A New Era for Banking: What President Trump’s Debanking Executive Order and Related State Laws Mean for Financial Institutions, Government, and Banking Customers.”
- Ballardspahr.com

Payment Stablecoin – GENIUS Act



Good summary at

<https://www.jdsupra.com/legalnews/us-establishes-first-federal-regulatory-9686451/>

- Signed into law July 18, 2025, with bi-partisan support
 - Effective on the earlier of 18 months after enactment (1/18/2027) or 120 days after final regulations (required by July 18, 2026)
 - Treasury issued RFC 8/18/2025 specifically on innovative or novel strategies to detect illicit activity involving digital assets (90 FR 40148)
- Stablecoin Certification Review Committee (“SCRC”) -- Secretary of the Treasury (as chair), the Chair of the Federal Reserve Board (or the Vice Chair for Supervision), and the Chair of the FDIC.
- Can be issued by (1) subsidiaries of insured depository institutions regulated by a federal banking agency; (2) nonbank institutions supervised by the Office of the Comptroller of the Currency (“OCC”); or (3) state-chartered entities subject to either federally imposed standards or substantially similar (certified) state regimes
 - Would all be “financial institutions” under BSA/AML requirements
 - Issuers are not granted access to a federal Reserve master account
 - Issuer cannot pay interest or yield (but exchanges can offer rewards)
- Backed 1:1 by USD, short-term U.S. treasury securities, money received under repurchase agreements, or approved similarly-liquid assets...
 - Only banks, SEC or CFTC regulated entities can custody reserves
 - Not securities, nor deposit liabilities
 - Issuers must publicly disclose their reserves monthly

Payment Stablecoin – GENIUS Act



- Expected to become mainstream for instant payments and settlement (“payment stablecoin”)
- Stablecoins are now seen as financial rails, not just crypto assets.
 - But could be much more...“Stablecoin as a Platform” instead of BaaS¹
- May reshape how people hold and move money, which would have big implications for community banks²
- Could create new revenue streams, enhance cross-border capabilities, and position banks to compete with fintechs
 - Could just be a partnership opportunity
- As of 9/5, 7 crypto firms filed application with OCC for banking charter³
- FRB Payments Innovation Conference 10/21/2025 will be broadcast live on YouTube and federalreserve.gov, check there for details.

1. Stablecoins as Platforms": Why Every Company Needs a Stablecoin Strategy" <https://www.theblockbeats.info/en/news/58628>

2. Digital wallet spending projected to hit \$28 trillion by 2030, nearly 80% of global e-commerce value...Only 65% of Americans have downloaded a wallet app and only 9% use one daily for peer-to-peer payments. <https://blog.upay.best/virtual-card-and-digital-wallet-market-report/#report> June 2025

3. <https://www.occ.gov/topics/charters-and-licensing/digital-assets-licensing-applications/index-digital-assets-licensing-applications.html> Crypto platform Anchorage Digital is currently the only digital asset company with a national trust bank charter. They were just released from their 2022 consent order related to AML deficiencies

Agency Priorities

- OCC¹: (i) reduce regulatory burden; (ii) promote financial inclusion; (iii) embrace bank-fintech partnerships; and (iv) expand responsible bank activities involving digital assets
- FDIC²: (i) *de novo* bank formation; (ii) digital assets and blockchain; (iii) resolution planning; (iv) raising or indexing asset thresholds; (v) rethinking regulatory approach; and (vi) streamlining supervisory efforts.
- FRB³: (i) banking applications; (ii) review of regulations and information collection; (iii) capital; (iv) enhancing supervision (tailoring, ratings, prioritization, guidance, examiner training and development)
- CFPB⁴: (i) decrease supervisory events by 50%/collaborate; (ii) focus on depositories; (iii) focus on actual consumer harm (mortgages, FCRA, FDCPA, fees, data); (iv) get \$ to consumers not penalties; (v) servicemembers; (vi) respect Federalism and other federal agencies' ambit; (vii) not novel theories; (viii) not engage in unconstitutional racial classification or discrimination; (ix) disclosure statutes; (x) deprioritize loans for criminals, medical debt, P2P platforms and lending, student loans, consumer data, and digital payments.

1. <https://occ.gov/news-issuances/speeches/2025/pub-speech-2025-33.pdf>

2. <https://www.fdic.gov/news/speeches/2025/view-fdic-update-key-policy-issues> and
<https://www.fdic.gov/news/speeches/2025/statement-acting-chairman-travis-hill>

3. <https://www.federalreserve.gov/newsevents/speech/bowman20250606a.htm>

4. <https://www.consumerfinanceandfintechblog.com/wp-content/uploads/sites/58/2025/04/CFPB-Memo.pdf>

FDIC Consumer Compliance Supervisory report

- 7/3/2025 for 2024 exams
- 97% were satisfactory or better (compliance and CRA performance)
- Cited 1,275 Level 3 and Level 2 violations:
 - 470 TILA/Regulation Z
 - failure to provide required periodic statements for open-end credit plans
 - failure to provide good faith estimates and detailed cost breakdowns of disclosures for closed-end transactions secured by real property
 - 143 Flood Disaster Protection Act (FDPA)/12 C.F.R. § 339
 - failure to provide adequate flood insurance when required
 - 129 Truth in Savings Act (TISA)/Regulation DD
 - failure to provide accurate and clear deposit account disclosures
 - 122 EFTA/Regulation E
 - violations centered on improper investigations of alleged EFT errors
 - 65 Home Mortgage Disclosure Act (HMDA)/Regulation C
 - insufficient data collection or reporting for required mortgage lending data fields

CFPB 1033 - Personal Financial Data Rights

- CFPB intends to write a new rule rather than withdraw the final rule issued 10/22/2014
- 8/22/2025 (90 FR 40986) Advanced Notice of Proposed Rulemaking, comments due 10/21/2025, seeks input on
 - Who can serve as a “representative” making a request on behalf of the consumer
 - who can act on the consumer’s behalf
 - Assessment of fees to defray the costs incurred by a “covered person” in responding to a customer driven request
 - cost to banks in providing the requested information
 - The threat and cost-benefit pictures for data security and data privacy associated with section 1033 compliance
 - the potential negative consequences to the consumer of exercising this right in an environment where there are tens of thousands of malign actors regularly seeking to compromise data sources and transmissions
 - where the data may contain information the consumer might not want disclosed but the consumer may not realize that data might be disclosed by the third party through which the consumer made the request
 - threats to data privacy as a result of the licensing or sale of sensitive financial information

It's the right thing to do



1. Compliance builds trust and confidence:

- Customers are more likely to feel secure and valued when they know the bank is operating within legal and ethical boundaries.

2. Compliance ensures fair and transparent practices:

- Transparent disclosures, such as clear terms and conditions on agreements, prevent surprises and build trust.

3. Compliance can improve customer experience:

- Accurate information.
- Protection of sensitive data.
- Prompt issue resolution.