

Compliance Check Up

January 1, 2025



Friends,

It was supposed to be a slow month after the election, as it was felt that the regulatory agencies across the US government would take a breath until after the inauguration. All of our prudential regulators (FDIC, FED, OCC) have answered the call put forth by Republican leadership to stand down until after January 20, and have been mainly dealing with administrative items.

But not our friends at the CFPB. They, under the leadership of Director Chopra, have decided that their agency will not hold to the traditions of the peaceful transfer of power, and have been shoving edicts, lawsuits, final rules, and even some new proposals out the door as fast as they can. They are apparently determined to leave a lasting imprint on our financial system, for better or for worse, and regardless of the incoming administration's direction.

In other news, the Fifth Circuit Court of Appeals is playing ping pong with the Corporate Transparency Act. After a federal judge in Texas issued a nationwide preliminary injunction challenging the

constitutionality of the CTA, the Fifth Circuit Court of Appeals stayed the injunction, at which point FinCEN extended the filing deadline from January 1, 2025 to January 13, 2025. Then three days later, another panel from the Fifth Circuit lifted the stay and reinstated the preliminary injunction. This battle is clearly not over, and while this does not directly affect bank operations, all AML/CFT professionals should keep abreast of developments to better serve your business customers.

Thank you for subscribing to our newsletter. Please share this [link](#) with those at your organization or peers who aren't already signed up for the Check Up. If you have any questions or concerns, call us or email your questions to our [Compliance Hotline](#).

Sincerely,

The UBB Compliance Services Team
614-400-2699



- [LENDING](#)
- [AML/CFT & FRAUD](#)
- [MISCELLANEOUS](#)
- [ENFORCEMENT ACTIONS](#)

- [FAREWELL TO A FRIEND](#)

LENDING

December 16 – The federal bank regulatory agencies and FFIEC [released](#) 2023 small business, small farm, and community development lending data.

December 18 – The CFPB [announced](#) actions to protect consumers from illegal credit card practices and launched a tool called Explore Credit Cards to help consumers find the best credit card rates and rewards.

December 18 – The CFPB [adjusted](#) the bank size threshold for HMDA reporting from \$56 million to \$58 million.

December 23 – The CFPB [released](#) its annual report to Congress regarding credit cards for college students.

AML/CFT & FRAUD

December 3 – A Federal judge in Texas [issued](#) a preliminary injunction challenging the constitutionality of the Corporate Transparency Act (CTA). The order states that covered companies nationwide do not need to comply with the January 1, 2025 beneficial ownership reporting requirements deadline, unless the judge or a higher court reverses the order prior to the deadline.

December 4 – The FDIC, OCC, and FRB [issued](#) an interagency statement on elder financial exploitation (EFE) to provide a resource Banks can share with accountholders and how to report suspected EFE, as well as controls to consider such as policies, training, and transaction monitoring. The FDIC also released [FIL-83-2024](#).

December 5 – FinCEN [invites](#) nominations to its BSA Advisory Group (BSAAG) by January 6, 2025.

December 11 – The Congressional report [recommends](#) raising the \$10,000 CTR threshold set 52 years ago, eliminating infrequently used fields, and simplifying aggregation

requirements.

December 11 – FinCEN [issued](#) a Spanish translation of Alert-2023-Alert003 on the surge in check fraud targeting U.S. mail and its *Financial Trend Analysis* on mail related check fraud.

December 12 – Transunion [published](#) a playbook for community banks titled *Fighting Fraud Across the Account Lifecycle*.

December 18 – FinCEN [issued](#) an alert on fraud schemes abusing FinCEN's name and logo for financial gain, specifically related to beneficial ownership information (BOI) reporting and the MSB registration tool. The alert reminds there is no fee to file BOI and provided SAR instructions.

December 19 – The Treasury Department [released](#) a report with recommendations on next steps for regulators on the use of AI in financial services.

December 19 – OFAC [released](#) a new video on how to apply for a license to release blocked funds.

December 23 – The US Court of Appeals for the Fifth Circuit [stayed](#) the preliminary injunction issued on December 3, so that the rule could be enforced by FinCEN and the Treasury Department while the legality of the CTA is adjudicated. However, another panel of judges from the Fifth Circuit effectively [reinstated the injunction](#) on December 26. Stay tuned for further developments.

MISCELLANEOUS

December 1 – The OCC [updated](#) the UDAAP booklet of the Comptroller's Handbook. Among other risk management practices, the guidance attempts to provide clarity to examiners regarding overdraft services. The booklet was originally published in June 2020.

December 2 – The FDIC [issued](#) FIL-82-2024 to announce updates to [Questions and Answers](#) related to the FDIC's Part 328 Final Rule.

December 2 – The OCC [released](#) a list of CRA performance evaluations from November where all banks were rated *Satisfactory* or *Outstanding*.

December 2 – FHA [published](#) Mortgage Letter 2024-23 announcing FHA-approved lenders will have 36 hours to report a cybersecurity incident to HUD instead of 12 hours.

December 3 – The FDIC [issued](#) list of banks recently examined for CRA compliance. All were rated *Satisfactory* or *Outstanding* but two who were rated *Needs Improvement*.

December 3 – The CFPB [proposed](#) a rule that would make clear when data brokers sell certain sensitive consumer information they are ‘consumer reporting agencies’ under FCRA and must maintain safeguards. Comments are due by March 3, 2025.

December 3 - The FDIC, OCC, and FRB [announced](#) their third notice requesting comment to reduce regulatory burden, which is required every 10 years.

December 6 – The Financial Stability Oversight Council (FSOC) [released](#) its 2024 annual report that highlighted risks related to cyber, third-party service providers, commercial and residential real estate, digital assets, and more.

December 11 –Director Rohit Chopra [announced](#) the CFPB will continue with rulemakings in spite of federal banking agencies pausing major initiatives until after President-elect Trump is in office.

December 12 – The CFPB [issued](#) a final rule that applies to certain provisions to Reg Z and E to very large financial institutions’ (more than \$10 billion in assets) overdraft credit.

December 12 – Republican representative French Hill will likely [chair](#) the House Financial Services Committee in the next Congress.

December 16 – The OCC [published](#) its *Semiannual Risk Perspective for Fall 2024* highlighting commercial and retail credit, operational, compliance, CRA, and market risks impacting the banking system.

December 17 – The OCC is hosting various virtual risk workshops in 2025. Register [here](#).

December 17 -The Fed [released](#) its 2025 holiday schedule for FedACH Services.

December 17 – The FDIC board met and [discussed](#) the 2025 operating budget, FDIC policy regarding the AML Act, and capital distributions at their monthly board meeting.

December 19 – The agencies [released](#) annual asset-size thresholds under CRA. A small bank is an institution that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.609 billion.

December 20 – The OCC [published](#) its *2024 Annual Report*, highlighting the Comptroller's four priorities.

ENFORCEMENT ACTIONS

December 6 – The CFPB [sued](#) Comerica for 'failing its 3.4 million Direct Express cardholders' by deliberately disconnecting customer service calls, charging illegal ATM fees, and mishandling fraud complaints.

December 18 – The OCC [issued](#) a cease and desist order against USAA Federal Savings Bank to correct deficiencies dating back to 2019. The order imposes limitations on the banks'

ability to add certain products and services.

December 19 – The OCC [announced](#) actions for December, including those related to PPP loan fraud, staffing, credit risk, internal audit, and much more.

December 19 – The Federal Reserve [issued](#) an action against the holding company of Lineage Bank who was among the banks involved in the Synapse bankruptcy.

December 20 – The CFPB [sued](#) the operator of Zelle and three of the nation's largest banks for failing to protect consumers against fraud.

December 23 – The OCC [issued](#) a cease and desist order against Bank of America for deficiencies related to its BSA and sanction compliance programs.

December 23 – The CFPB [filed](#) suit against Walmart, Inc. and Branch Messenger, Inc. for forcing Walmart delivery drivers to use Branch Messenger services to get paid. Further allegations against Branch include failing to investigate alleged errors, failing to honor stop payment requests, failing to maintain records, and illegally requiring consumers to waive their legal rights.

December 23 – The CFPB has [sued](#) several companies and individuals associated with Rocket Mortgage to stop them from providing incentives to real estate brokers and agents for steering business to Rocket.

December 27 – The FDIC [issued](#) its monthly report regarding November enforcement actions, which include several removal/prohibition orders, assessments of CMPs, and cease and desist orders.

FAREWELL TO A FRIEND

The UBB Compliance Services team says farewell to Katie Ferrell, our expert in all things BSA/AML, who leaves us for the next chapter in her professional story. Katie has been integral to the growth and success of our practice since 2022 and has been an invaluable team member and friend. We wish her all the best in her new role.

About UBB Compliance Services

UBB Compliance Services provides solutions designed specifically for community banks and are supported by industry trained compliance experts. Regardless of the level of compliance support you need, UBB Compliance Services has an option right for you.

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