KPMG
cutting through complexity

The Washington Report

for the week ended May 16, 2014

In This Issue

Bank & Thrift Regulatory Update

Financial Stability Oversight Council Submits Annual Report to Congress; Treasury Secretary Lew Questioned About FSOC Designations 1

OCC Comptroller Discusses Shadow Banking and the Dual Banking System at Conference of State Bank Supervisors 2

OCC Releases Financial Report on Community Banks in Its Central District; OCC Schedules Community Bank Director Workshop 3

Enterprise & Consumer Compliance

CFPB Director Cordray Outlines CFPB Actions to Reinforce Financial Institution Accountability 3

VA Issues Interim Final Rule Defining Qualified Mortgage 4

Regulation Z Added to CFPB's eRegulations Tool 5

FDIC Enters Into Consent Orders to Address Violations of UDAP and the Servicemember Civil Relief Act Related to Student Lending 5

Capital Markets & Investment Management

CFTC Announces Streamlined Approach for Requests for Relief from Registration for Commodity Pool Operators 6

SEC Approves Rules Amending FINRA Rules Governing Equity Trade Reporting and OATS 7

SEC Approved Amendments to the Underwriting Terms and Arrangement of FINRA Corporate Financial Rule 7

Enforcement Actions 8

Recent Supervisory Actions 10

Bank & Thrift

Financial Stability Oversight Council Submits Annual Report to Congress; Treasury Secretary Lew Questioned About FSOC Designations

The Financial Stability Oversight Council (FSOC or Council) identified specific areas of structural vulnerability in the financial system and made several recommendations to mitigate them in its 2014 Annual Report to Congress, submitted on May 7, 2014.

The Council is required by the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Dodd-Frank Act) to report to Congress annually on a range of issues, including significant financial market and regulatory developments, potential emerging threats to the financial stability of the United States, and the activities of the Council. It must also make recommendations to: promote market discipline; maintain investor confidence; and enhance the integrity, efficiency, competitiveness, and stability of U.S. financial markets.

Recommendations in the 2014 Annual Report address the following issues:

- More transparency is needed in the area of short-term wholesale funding markets, which could have a destabilizing effect on markets because of the potential for fire sales of collateral in tri-party repos and potential runs on money market funds (MMRs).
- Regulators should be alert to potential adverse effects that may arise from developments in financial products, services, and business practices that may cause products or activities to move outside of the regulatory perimeter.
- Past support for large, complex, interconnected financial institutions during times of distress may cause these institutions to expect future support from official authorities that are trying to maintain financial stability. Such expectations provide incentives for further increases in size, interconnectedness, and complexity, and can also lead to excessive risk taking.
- Reference rates, such as the London Interbank Offered Rate (LIBOR) and Euro Interbank Offered Rate (EURIBOR), need to be reformed to make their manipulation by financial institutions more difficult. Stronger governance and oversight are needed.
- The prolonged period of low interest rates has led to financial system vulnerability to interest rate volatility; institutions and market participants need to be vigilant about the increased risks to portfolios in this environment.
- Technological and infrastructure vulnerabilities represent a continuing challenge to financial stability. The frequency, severity, and sophistication of software-malfunction and cyber-attack incidents are likely to rise as interconnected firms and financial markets become more dependent on complex technologies and networks.
- Foreign markets risks are a concern, particularly in emerging markets economies (EME) where exchange rates and asset prices became much more volatile and economic growth slowed beginning in the spring of 2013. Although spillover effects in the United States appear limited for now, worsening of EME stress is a risk.
- Closing financial data gaps and improving financial data quality is critical and would improve the ability of regulators to monitor emerging risks in the financial system.

- The government-sponsored enterprises (GSEs) still provide the majority of financing for borrowers and it is critical to develop and implement broad reforms for the housing finance system that foster the involvement of more private capital.

In a related matter, Treasury Secretary Jacob Lew, who is also chairperson of FSOC, appeared before the House Committee on Financial Services on May 8, 2014, to offer annual testimony on behalf of the Department of the Treasury regarding the state of the international financial system. Committee Chairman Hensarling questioned Secretary Lew about the relationship between the Financial Stability Board's (FSB) designation of certain entities as global systemically important insurers and the FSOC's designation of some of those same entities as systemically important financial institutions (SIFIs) in the United States. Chairman Hensarling said there is bi-partisan concern about the discretionary power of the FSOC and "how frankly little transparency it has…with very little indication of the methodology used by which to make these decisions and adjudications." Chairman Hensarling closed by saying to Secretary Lew, "I would simply call upon you as head of FSOC to cease and desist with these designations until all of our questions can be answered fully and Congress can exercise its oversight authority over this incredible process." In response, Secretary Lew said FSOC is carrying out its statutory responsibility in making the SIFI designations and that the decision process is done with "great care" and "integrity."

OCC Comptroller Discusses Shadow Banking and the Dual Banking System at Conference of State Bank Supervisors

Comptroller of the Currency Thomas J. Curry addressed the Conference of State Bank Supervisors on May 14, 2014. As a federal regulator, Comptroller Curry offered his observations on the dual banking system, stating that:

- All federal and state regulatory agencies have a vested interest in making sure the dual banking system is truly dual, with effective supervision regardless of charter.
- State banking regulators sometimes have difficulty obtaining funding, especially in difficult economic times, and some rely on federal supervisors for help. However, it is important they not cede their responsibilities to the federal agencies. "A joint bank examination needs to be a joint product and not just the affixing of a department's name to a report."
- Regulators must take care to avoid doing anything that creates the perception that their agency is trying to expand its "market share" by competing for charters based on laxity of supervision or pricing differences. "A banking system that promotes or implies a lighter touch on either safety and soundness or consumer protection matters is not sustainable." If there is to be competition, it should be "on the basis of who is best at identifying weaknesses early, when they can be most easily cured, and who can provide the kind of expertise and support that enhances bank and system resilience."
- State bank regulators have a broader supervisory mandate than federal bank regulatory agencies that can include nonbank financial entities ranging from pawnshops to mortgage brokers. They can, therefore, regulate shadow banking system activities which may "migrate to nonbank financial institutions in order to escape prudential supervision." State bank regulators, therefore, should make supervising nonbanks a high priority.
- Much of the burden for regulating the shadow system will fall upon the states even though the Consumer Financial Protection Bureau will play a role in writing rules and in supervising some nonbank entities. The system needs "on-the-ground supervision and regulation" provided by state banking departments to work well.

In concluding, Comptroller Curry said regulators "owe it to the American people to do everything possible to ensure that we are up to the task of dealing with the kind of challenges

that could, if left unchecked, morph into the next crisis. And to do that, we have to be honest in evaluating ourselves and in questioning past practices and standard ways of doing.

OCC Releases Financial Report on Community Banks in Its Central District; OCC Schedule Community Bank Director Workshop

On May 13, 2014, the Office of the Comptroller of the Currency (OCC) reported that the financial condition of community national banks and federal savings associations (collectively, banks) in its nine-state Central District improved in 2013 as banks focused on strengthening risk management systems to help boost their performance. The Central District includes all or parts of Illinois, Indiana, Kentucky, Michigan, Minnesota, Missouri, North Dakota, Ohio and Wisconsin.

In particular, the OCC reported that more than 85 percent of 491 community national banks and thrifts located in the Central District are top-rated (1 or 2) on the five-point scale, a level not seen since early 2009. The OCC also reported that the number of problem banks fell to 72 institutions in the Central District, down from a peak of 146 national banks and thrifts in 2011.

OCC District Deputy Comptroller Bert Otto stated the banks' improvement could be attributed to renewed emphasis on people, policies, and processes. He said the banks have "positioned themselves nicely" to begin to capitalize on returning loan demand. Total loan growth across the district was 4 percent in 2013.

Separately, the OCC announced that it will host a workshop in St. Louis, Missouri beginning June 23, 2014. The three-day workshop is entitled, "*Mastering the Basics: A Director's Challenge*," and is intended for directors of national community banks and federal savings associations. The OCC notes the workshop provides practical information on the roles and responsibilities of a community bank director.

Enterprise & Consumer Compliance

CFPB Director Cordray Outlines CFPB Actions to Reinforce Financial Institution Accountability

In an address before the Federal Reserve Bank of Chicago on May 9, 2014, Richard Cordray, Director of the Consumer Financial Protection Bureau (CFPB or Bureau) described what it means for the CFPB to hold a company accountable for its actions in the consumer financial marketplace. He offered three examples:

- The Bureau is using its enforcement and supervisory authorities to "press for compliance with the law." Enforcement actions by the CFPB and other agencies have provided more than $3.5 billion in relief to customers and can protect future consumers as a company is compelled to changes its practices. The Bureau's risk-based supervision program is resulting in a focus on consumer compliance management that tends to converge across

the "bank/nonbank divide." The Bureau expects to deter violations and foster industry-wide compliance on legal issues by publishing enforcement actions that detail the problems and the remedies, and by periodically publishing a "Supervisory Highlights" document that describes identified problems and remedial actions.

- The Bureau will pursue not only a company that was party to a harmful consumer transaction, but the decision makers and actors relevant to that transaction where the CFPB has authority to do so. Director Cordray clarifies that this "includes not only a provider of consumer financial products or services, but also, in certain cases, anyone with 'managerial responsibility' or who 'materially participates in conduct of [its] affairs.'"
- The Bureau will hold liable third-party service providers as well as the companies that engage them when a third-party service provider is in violation of federal consumer financial laws.

In his concluding remarks, Director Cordray said that good regulation channels market forces to make the marketplace work better. Good regulation supports strong markets that are more likely to deliver value to consumers over time.

VA Issues Interim Final Rule Defining Qualified Mortgages

On May 9, 2014, the Veterans Administration (VA) issued an interim final rule defining what constitutes a qualified mortgage (QM) under VA loan rules. The rule replaces a temporary rule issued by the Consumer Financial Protection Bureau (CFPB or Bureau) in January 2014 governing the CFPB's Ability-to-Repay/Qualified Mortgage Rules. The VA's interim final rule became effective upon publication, though comments will be accepted through June 9, 2014. The VA indicates it hopes to fully finalize the rule within 90 days of the May 9 publication date.

That CFPB's temporary rule generally defines all closed-end residential mortgage loans eligible for purchase or guarantee by the Federal Housing Administration (FHA), the VA, the U. S. Department of Agriculture, or the government sponsored enterprises (GSEs) Fannie Mae and Freddie Mac as QMs. That rule grants QM safe harbor even to loans that did not have the 43 percent debt-to-income (DTI) ratio required of loans written by other lenders. It will remain in effect until January 2021 or until each of the named agencies issues its own QM rule.

The interim VA rule defines a QM loan with safe harbor for VA purposes as all purchase money loans guaranteed or insured by the VA with the exception of certain interest-rate reduction refinance loans (IRRRL). The VA includes in this rule: any loan made directly by VA to a borrower; any loan made by a vendor to purchasers of VA properties acquired through foreclosure (REO); and any direct Native American loans.

Under the interim rule, all IRRRL loans are considered QM loans, but not all are eligible for the safe harbor designation. To receive safe harbor protection the loans must be originated to refinance a loan that has aged a minimum of six months and that has not been more than 30 days past due during the preceding six months. The recoupment fee for all fees and charges financed as part of the loan or paid at closing may not exceed 36 months. Even where an IRRRL does not meet safe harbor requirements the lender is still entitled to a rebuttable presumption that the loan met the ability-to-repay requirements. The rule also excludes IRRRLs from the CFPB's income verification requirements provided seven criteria are met, including the condition that points and fees do not exceed 3 percent of the total loan amount.

The VA noted that 95,000 of the loans that the VA guaranteed in 2013 exceeded the 43 percent DTI level and about 5,000 would have exceeded the annual percentage rate limit to

qualify for the QM safe harbor. The VA said it issued the interim final rule to ease concerns of veterans, lenders, and investors about the availability of and market for its loans.

Regulation Z Added to CFPB's eRegulations Tool

On May 12, 2014, the Consumer Financial Protection Bureau (CFPB or Bureau) announced that it had added Regulation Z, which implements the *Truth-in-Lending Act*, to its eRegulations tool launched last year.

The Bureau states that Regulation Z is one of the most complex and heavily-consulted consumer financial regulations. By adding it to the eRegulations tool, the Bureau expects mortgage stakeholders will be able to better understand and comply with the recent amendments implementing the Ability to Repay rules, the new federal mortgage integrated disclosures, and other changes. It will also be a resource for stakeholders who deal with credit cards, auto loans, student loans, and other consumer credit.

In order to help stakeholders navigate changes to the regulation, eRegulations displays the currently effective version of Regulation Z, previous versions beginning December 30, 2011, and any planned versions that are not yet effective (but have been published in the *Federal Register*). In addition, a new feature allows users to compare two versions of a regulation, and see the differences in their browser.

FDIC Enters Into Consent Order to Address Violations of UDAP and the Servicemember Civil Relief Act Related to Student Lending

The Federal Deposit Insurance Corporation (FDIC) announced on May 13, 2014 that it had entered into a settlement with an insured state-chartered nonmember bank (Bank) and its institution-affiliated party (IAP) to address unfair and deceptive acts and practices (UDAP) related to student loans in violation of Section 5 of the *Federal Trade Commission Act* (Section 5) and for additional violations of the *Servicemembers Civil Relief Act* (SCRA).

The action results from an examination of the Bank regarding its compliance with federal consumer protection statutes, including Section 5 and SCRA, and a companion investigation by the Department of Justice (DOJ) related to the treatment of servicemembers. As part of the settlement, the Bank stipulated to the issuance of Consent Orders, Orders for Restitution, and Orders to Pay Civil Money Penalty (collectively, FDIC orders), which require the Bank and IAP to pay civil money penalties totaling $6.6 million, to pay restitution of approximately $30 million to harmed borrowers and to fund a $60 million settlement fund with the DOJ to provide remediation to servicemembers. The DOJ has also taken separate action against the entities with regard to violations of the SCRA.

The FDIC found the following actions to violate federal law prohibiting unfair and deceptive practices with regard to student loan borrowers:

- Inadequately disclosing payment allocation methodologies to borrowers while allocating borrowers' payments across multiple loans in a manner that maximizes late fees; and
- Misrepresenting and inadequately disclosing in billing statements how borrowers could avoid late fees.

The FDIC found the following actions to violate federal laws regarding the treatment of servicemembers (SCRA and Section 5):

- Unfairly conditioning receipt of benefits under the SCRA upon requirements not found in

the law;

- Improperly advising servicemembers that they must be deployed to receive benefits under the SCRA; and
- Failing to provide complete SCRA relief to servicemembers after having been put on notice of these borrowers' active duty status.

The FDIC orders require the Bank and IAP to take affirmative steps to ensure that disclosures regarding payment allocation and late fee avoidance are clear and conspicuous, that servicemembers are properly treated under the SCRA, and that all residual violations be remedied to ensure compliance with applicable laws.

Holly Petraus, Assistant Director of the Office of Servicemember Affairs at the Consumer Financial Protection Bureau separately released a statement commending the FDIC and the DOJ for their actions.

Capital Markets & Investment Management

CFTC Announces Streamlined Approach for Requests for Relief from Registration for Commodity Pool Operators

The Commodity Futures Trading Commission's (CFTC) Division of Swap Dealer and Intermediary Oversight (DSIO or Division) has announced a streamlined approach for considering requests for relief from registration for commodity pool operators (CPO) that delegate certain activities to a registered CPO. In a letter dated May 12, 2014, the DSIO stated that the streamlined approach for requests would be limited to certain circumstances and subject to a number of conditions, including that the delegating CPO represent in its form of request that certain specified criteria are met.

The streamlined approach is intended to allow DSIO to more efficiently address the numerous pending and expected requests for relief from delegating CPOs that meet the criteria set forth in the letter. However, DSIO will continue to consider requests for CPO registration relief involving delegating CPOs where the specified criteria set forth in the letter cannot be met. DSIO will issue individual responses to each requestor seeking relief.

To request CPO registration no-action relief through the streamlined approach, CPOs must meet the following criteria:

- The delegating CPO has delegated all of its investment management authority with respect to the commodity pool to the designated CPO. The delegating CPO does not participate in the solicitation of participants for the commodity pool and does not manage any property of the commodity pool.
- The designated CPO is registered as a CPO.
- The delegating CPO is not subject to a statutory disqualification.

- There is a business purpose for the designated CPO being a separate entity from the delegating CPO that is not solely to avoid registration by the delegating CPO under the Commodities Exchange Act and the CFTC's regulations.
- The books and records of the delegating CPO with respect to the commodity pool are maintained by the designated CPO according to regulation.
- If the delegating CPO and the designated CPO are each a non-natural person, then one such CPO controls, is controlled by, or is under common control with the other CPO.

SEC Approves Rules Amending FINRA Rules Governing Equity Trade Reporting and OATS

The Financial Industry Regulatory Authority (FINRA) released Regulatory Notice 14-21 to announce the Securities and Exchange Commission (SEC) has approved amendments to FINRA rules governing: the reporting of over-the-counter (OTC) transactions in equity securities to the FINRA facilities; and, orders in National Market System (NMS) stocks and OTC equity securities to the Order Audit Trail System (OATS).

The SEC-approved amendments to FINRA rules relate to:

- Reporting an additional time field for specified trades;
- Expressing execution time in milliseconds when reporting to the FINRA facilities and OATS;
- Linking reversal reports to the original trade;
- Reporting trades executed on non-business days and trades that are more than one year old;
- Using a new "step-in" indicator; and
- Processing trades submitted to a FINRA facility for clearing.

The OATS amendments were implemented April 7, 2014, and the OTC reporting facility amendments will be implemented September 15, 2014. The implementation date for the requirement relating to reporting in milliseconds to the alternate display facility (ADF) and trade reporting facility (TRFs) is September 29, 2014. The implementation date for the remainder of the ADF and TRF amendments will be announced separately. The amended rule text is available in the online FINRA Manual.

SEC Approves Amendments to the Underwriting Terms and Arrangements of FINRA Corporate Financing Rule

The Financial Industry Regulatory Authority (FINRA) released Regulatory Notice 14-22 to announce the Securities and Exchange Commission (SEC) had approved amendments to the provisions of FINRA Rule 5110, Corporate Financing Rule – Underwriting Terms and Arrangements – regarding unfair arrangements to:

- Expand the circumstances in which termination fees and rights of first refusal are permissible;
- Exempt from the filing requirements certain collective investment vehicles that are not registered as investment companies; and
- Make clarifying, non-substantive changes regarding documents filed through FINRA's electronic filing system.

The amendments become effective May 15, 2014.

Enforcement Actions

The Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) recently announced the following enforcement actions:

- The SEC filed insider trading charges against three software company founders for taking unfair advantage of incorrect media speculation and analyst reports about the company's acquisition. The SEC alleges that the Minnesota-based software company's co-chairman tipped his cofounders—a family member and family friend—that there were no other bidders for the company. By selling their shares at the inflated stock prices prior to the merger announcement, the traders collectively profited by more than $2 million. Without admitting or denying the allegations, the three cofounders agreed collectively to pay nearly $5.8 million to settle the SEC's charges and to accept a permanent injunction.
- The SEC charged three former sales managers at a California-based semiconductor company with insider trading ahead of a major acquisition announcement. The three learned of the planned acquisition through their work and purchased stock in the soon-to-be acquired communications company hours before a media announcement of the acquisition. The sales managers made ill-gotten gains of $200,000, $30,000, and $3,000 respectively when they sold their securities. The SEC seeks permanent injunctions, disgorgement, and civil penalties.
- The CFTC Division of Market Oversight (DMO) issued a no-action letter extending the conditional time-limited relief provided in a no-action letter for an Australian-based trading platform. DMO will not recommend that the Commission take enforcement action against the exchange for failure to register as a swap execution facility (SEF) under the Commodity Exchange Act (Act) or CFTC regulation, or against any market participants that use the trading platform for the period expiring August 15, 2014. The exchange, which is regulated by Australian Securities and Investment Commission (ASIC), provided DMO with a confidential draft SEF application, which DMO is in the process of reviewing. The exchange, DMO and ASIC staff are also discussing arrangements under which the exchange would register with the CFTC as a SEF while maintaining its Australian market license.
- The CFTC charged an interdealer broker company and its UK-based subsidiary for manipulation, attempted manipulation, false reporting, and aiding and abetting derivatives traders' acts of manipulation and attempted manipulation of the London Interbank Offered Rate (LIBOR) for yen. The Order alleges that brokers on the firm's yen desk unlawfully assisted a senior yen derivatives trader who was attempting to manipulate Yen LIBOR to benefit his derivatives trading positions. The interdealer brokers accepted payments totaling more than $400,000. Without admitting or denying the CFTC charges, the interdealer broker agreed to pay a $1.2 million civil monetary penalty and to take specified steps to ensure the integrity and reliability of benchmark interest rate-related market information that it disseminates. In a related action, the United Kingdom Financial Conduct Authority (FCA) imposed a penalty of £630,000, the equivalent of approximately $1 million.
- The CFTC charged a Florida-based private equity investment firm and its owner with engaging in illegal, off-exchange transactions in precious metals with retail customers on a leveraged, margined, or financed basis. The complaint alleges that the firm executed the illegal precious metals transactions through entities that the CFTC had previously charged with engaging in illegal, off-exchange precious metals transactions, fraud, and other violations. According to the complaint, approximately 39 of the firm's customers paid at least $1.35 million to the firm in connection with precious metals transactions. It also alleges that these customers lost at least $1.25 million of these funds to trading losses, commissions, fees, and other charges by the firm and other entities. The firm received commissions and fees totaling at least $526,000 in connection with these precious metals

transactions. The CFTC seeks disgorgement, restitution, civil monetary penalties, permanent registration and trading bans, and a permanent injunction.

- The SEC charged a New York-based broker dealer firm with illegally facilitating trades for another firm that was not registered as a broker-dealer as required under the federal securities laws and for failing to make and keep accurate books and records. Without admitting or denying the findings, the broker dealer consented to a cease-and-desist order and to disgorge all of the profits it received in the arrangement with the unregistered firm plus interest and a penalty for a total of nearly $850,000. The SEC's investigation is continuing.
- The SEC charged a California-based securities salesman with selling millions of dollars in oil-and-gas investments without being registered with the SEC as a broker-dealer or associated with a registered broker-dealer. The salesman received approximately $18.3 million in commissions, of which he paid approximately $1.9 million to others for their referrals. The SEC is seeking a permanent injunction, disgorgement, and civil penalties. The salesman agreed to settle the charges by paying a total of more than $22 million.

Recent Supervisory Actions against Financial Institutions

Last Updated: May 16, 2014

Agency	Institution Type	Action	Date	Synopsis of Action
Federal Deposit Insurance Corporation	State nonmember bank	Consent Order; Order for Restitution; Civil Money Penalty	05/13	The Federal Deposit Insurance Corporation entered into Consent Order, Order for Restitution, and Civil Money Penalty with an insured state member bank and its institution-affiliated party to address unfair and deceptive acts and practices provisions of the Federal Trade Commission Act and violations of the Servicemembers Civil Relief Act. Total payments of $96.6 million will be required.
Federal Reserve Board	State member bank	Civil Money Penalty	04/15	The Federal Reserve Board issued an Order of Assessment of Civil Money Penalty against a Wyoming-based state member bank to address violations of the National Flood Insurance Act.
Federal Reserve Board	State member bank	Prompt Corrective Action Directive	04/10	The Federal Reserve Board issued a Prompt Corrective Action Directive against a Maryland-based state member bank to address its failure to maintain adequate capital reserves. The state member bank was found to be significantly undercapitalized.
CFPB	Mortgage lender	Notice of Charges	01/29	The Bureau of Consumer Financial Protection initiated an administrative proceeding against a New Jersey-based mortgage lender and its affiliates for a mortgage insurance kickback scheme. The Bureau is seeking a civil fine, a permanent injunction to prevent future violations, and restitution.
CFPB	Mortgage lender	Consent Order	01/16	The Bureau of Consumer Financial Protection ordered a Missouri-based mortgage lender and its former owner and current president to pay $81,076 for funneling illegal kickbacks to a bank in exchange for real estate referrals.
OCC	Large financial institution	Order for Civil Money Penalty	01/07	The Office of the Comptroller of the Currency announced a $350 million civil money penalty against three affiliated banks for Bank Secrecy Act (BSA) violations. The penalty follows a January 2013 cease-and-desist order in which the three banks were directed to correct deficiencies in their compliance programs.
Federal Reserve Board	State member bank	Civil Money Penalty	01/09	The Federal Reserve Board entered into an Order of Assessment of Civil Money Penalty with a Texas-based state member bank to address violations of the National Flood Insurance Act.
Federal Reserve Board	State member bank	Civil Money Penalty	01/09	The Federal Reserve Board entered into an Order of Assessment of Civil Money Penalty with a New York-based state member bank to address violations of the National Flood Insurance Act.

Contact Us

This is a publication of KPMG's Financial Services Regulatory Practice

John Ivanoski, Partner, National Leader, Regulatory Risk — jivanoski@kpmg.com

Hugh Kelly, Principal, Bank Regulatory Safety & Soundness — hckelly@kpmg.com

Amy Matsuo, Principal, Enterprise & Consumer Compliance — amatsuo@kpmg.com

John Schneider, Partner, Investment Management Regulatory — jjschneider@kpmg.com

Tracy Whille, Principal, Capital Markets Regulatory — twhille@kpmg.com

Pamela Martin, Managing Director, Americas' FS Regulatory Center of Excellence — pamelamartin@kpmg.com

Earlier editions are available at:

http://www.kpmg.com/US/en/IssuesAndInsights/ArticlesPublications/washington-reports/Pages/default.aspx

Additional Contacts

Asset Management, Trust, and Fiduciary

Bill Canellis — wcanellis@kpmg.com

Bank Regulatory Reporting

Brett Wright — bawright@kpmg.com

Capital Markets Regulation

Stefan Cooper — stefancooper@kpmg.com

Capital/Basel II and III

Paul Cardon — pcardon@kpmg.com

Commodities and Futures Regulation

Dan McIsaac — dmcisaac@kpmg.com

Consumer & Enterprise Compliance

Kari Greathouse — cgreathouse@kpmg.com

Cross-Border Regulation & Foreign Banking Organizations

Philip Aquilino — paquilino@kpmg.com

Safety & Soundness, Corporate Licensing & Governance, and ERM Regulation

Greg Matthews — gmatthews1@kpmg.com

ALL INFORMATION PROVIDED HERE IS OF A GENERAL NATURE AND IS NOT INTENDED TO ADDRESS THE CIRCUMSTANCES OF ANY PARTICULAR INDIVIDUAL OR ENTITY. ALTHOUGH WE ENDEAVOR TO PROVIDE ACCURATE AND TIMELY INFORMATION, THERE CAN BE NO GUARANTEE THAT SUCH INFORMATION IS ACCURATE AS OF THE DATE IT IS RECEIVED OR THAT IT WILL CONTINUE TO BE ACCURATE IN THE FUTURE. NO ONE SHOULD ACT UPON SUCH INFORMATION WITHOUT APPROPRIATE PROFESSIONAL ADVICE AFTER A THOROUGH EXAMINATION OF THE FACTS OF THE PARTICULAR SITUATION.

©2014 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.. The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International. KPMG LLP, the audit, tax and advisory firm (www.kpmg.com/us), is the U.S. member firm of KPMG International Cooperative ("KPMG International"). KPMG International's member firms have 145,000 professionals, including more than 8,000 partners, in 152 countries.
Printed in the U.S.A. All rights reserved. NDPPS 146154