The Washington Report

for the week ended July 3, 2014

In This Issue

Safety & Soundness

Foreign Bank Penalized by Regulators for Violating U.S. Sanctions Laws

The Federal Reserve Board (Federal Reserve) announced on June 30, 2014, that it had assessed penalties of $508 million against a foreign bank operating in the United States to address the bank's unsafe and unsound practices that led to violations of U.S. sanctions laws. The Federal Reserve also entered into a joint cease and desist order with the bank's home country supervisor, which requires the bank to implement a program to ensure global compliance with U.S. sanctions laws. In total, the bank is required to pay penalties of more than $8.9 billion to address actions by multiple U.S. federal and state agencies and its home country supervisor.

Among the violations noted, the bank was found to have:

- Lacked adequate transparency, risk management, and legal and compliance review policies and procedures to ensure that activities conducted at offices outside of the United States complied with applicable regulations of the U.S. Department of the Treasury Office of Foreign Assets Control (OFAC).
- Developed and implemented policies and procedures for processing certain U.S. dollar (USD) denominated funds transfers through its U.S. branch and through other unaffiliated U.S. financial institutions that involved parties subject to OFAC regulations and omitted or concealed relevant information from payment messages that was necessary for the branch and other U.S. financial institutions to determine whether these transactions were carried out in a manner consistent with U.S. law.

The global U.S. sanctions compliance program required by the cease and desist order further requires the creation of a U.S. OFAC compliance office in the United States that would have authority over all of the U.S. sanctions compliance programs of the bank's global offices and business lines. The U.S. compliance office, which will be subject to oversight by U.S. regulators, will have the authority to audit any transaction and overall compliance efforts by any office or business line of the institution regarding U.S. sanctions laws. The Federal Reserve and the bank's home country supervisor have the authority to enforce the provisions of the Order with respect to the bank's operations on a worldwide basis.

The Federal Reserve order also prohibits the bank from re-employing or otherwise engaging 11 individuals who were involved in the actions that resulted in the violations of U.S. sanctions laws. The Federal Reserve is pursuing separate enforcement actions against these individuals.

BIS 84th Annual Report Discusses Transitions Needed for "Sustainable and Balanced Economic Growth" Following the Crisis

The Bank for International Settlements' (BIS) released its 84th Annual Report (BIS Report) on June 29, 2014. The BIS Report calls for adjustments to the "current policy mix and to policy frameworks in order to restore sustainable and balanced economic growth." It states the causes of the post-crisis malaise, like the crisis itself, "lie in a collective failure to get to grips with the financial cycle."

The BIS Report indicates that policy frameworks—fiscal, monetary and prudential - should "lean more deliberately and persistently against financial booms and ease less aggressively and persistently during busts." It also noted that monetary policy can have an impact on risk-taking, both within and across national borders, saying that "policies that are not sufficiently symmetrical over successive business and financial cycles can generate an easing bias that, over time, paradoxically entrenches instability and weakness in the global economy and leaves policy without ammunition."

Speaking about the BIS Report before the BIS annual general meeting on June 29, 2014, BIS General Manager Jaime Caruana said the world economy needs to go through three transitions in order to "step out of the shadow of the crisis." He suggested policymakers should move toward:

- A less debt-driven growth model. "The priorities are to reverse the decline in productivity growth and to address structural deficiencies. Doing so will require supply side reforms that promote a more flexible and profitable use of resources and create confidence in employment and income prospects. Although such reforms need to be very country-specific, they are likely to include further liberalization of product and labor markets, revised tax codes and more focused use of public spending."
- A more normal monetary policy. General Manager Caruana said policymakers need to consider what monetary policy can realistically accomplish today. "After years of easy money, we need to pay more attention to the risks of normalizing too late."
- A more reliable financial system. The best way to ensure resiliency in financial systems is to have "proactive, rigorous, and intrusive supervision" to ensure that solid liquidity and capital buffers are in place. General Manager Caruana said it also encourages "a prudent risk culture, one that allows for diversity and risk sensitivity, but penalizes and prevents attempts to game regulations."

General Manager Caruana said, "Failure to ensure the success of any of these transitions would exact a high price in terms of growing risks to financial and macroeconomic stability. The key to mastering the three transitions is close international cooperation."

Federal Reserve Chair Yellen Says Macroprudential Regulation Is a Better Tool than Monetary Policy to Pursue Financial Stability

In her July 2, 2014, remarks on *Monetary Policy and Financial Stability* before the International Monetary Fund in Washington, D.C., Federal Reserve Board Chair Janet Yellen suggested a macroprudential approach to supervision and regulation, and not monetary policy, should be the primary tool to pursue financial stability.

In discussing the limitations of monetary policy, Chair Yellen said:

- "Its effects on financial vulnerabilities, such as excessive leverage and maturity transformation, are not well understood and are less direct than a regulatory or supervisory approach;" and
- "Efforts to promote financial stability through adjustments in interest rates would increase the volatility of inflation and employment."

Chair Yellen said a macroprudential approach should focus on "through the cycle" standards that increase the resilience of the financial system to adverse shocks and that previously uncovered systemically important institutions and activities should come under the regulatory umbrella. Macroprudential tools include requirements such as capital standards, liquidity buffers, resolution planning, and margin and central clearing requirements.

Chair Yellen said three key principles should guide the interaction of monetary policy and macroprudential policy in the United States.

- Regulators must implement a macroprudential approach to enhance resilience within the financial system that includes:
  - Full implementation of Basel III, including new liquidity requirements;
  - Enhanced prudential standards for systemically important firms, including risk-based capital requirements, a leverage ratio, and tighter prudential buffers for firms heavily reliant on short-term wholesale funding;
  - Expansion of the regulatory umbrella to incorporate all systemically important firms;
  - The institution of an effective, cross-border resolution regime for systemically important financial institutions (SIFIs); and
  - Consideration of regulations, such as minimum margin requirements for securities financing transactions, to limit leverage in sectors beyond the banking sector and SIFIs.
- Policymakers must carefully monitor evolving risks to the financial system and be realistic about the ability of macroprudential tools to influence these developments. The limitations of macroprudential policies reflect the potential for:
  - Risks to emerge outside sectors subject to regulation;
  - Supervision and regulation to miss emerging risks;
  - The uncertain efficacy of new macroprudential tools such as a countercyclical capital buffer; and
  - Policy steps to be delayed or to lack public support.
- Policymakers should clearly and consistently communicate their views on the stability of the financial system and how those views are influencing the stance of monetary policy.

In closing, Chair Yellen said, "The policy approach to promoting financial stability has changed dramatically in the wake of the global financial crisis. We have made considerable progress in implementing a macroprudential approach in the United States, and these changes have also had a significant effect on our monetary policy discussions."

Federal Reserve and FDIC Release Public Sections of Resolution Plans

The Federal Reserve Board (Federal Reserve) and the Federal Deposit Insurance Corporation (FDIC) jointly announced on July 2, 2014, the release of the public portions of annual resolution plans submitted to the agencies by 17 financial firms.

The *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Dodd-Frank Act) requires bank holding companies with total consolidated assets of $50 billion or more and nonbank financial companies designated as systemically important by the Financial Stability Oversight Council (FSOC) to periodically submit resolution plans to the Federal Reserve and the FDIC. Each plan must describe the company's strategy for rapid and orderly resolution under the U.S. Bankruptcy Code in the event of material financial distress or failure of the company. By regulation, the resolution plans must be divided into a public section and a confidential section, and the public sections are made available on both the Federal Reserve and FDIC Web sites.

Thirteen of the17 plans just released were submitted by firms that have previously submitted at least one resolution plan. Also released were initial resolution plans for a foreign bank and for three nonbank financial companies that have been designated by the FSOC for enhanced supervision. The agencies indicate they have granted requests for extensions by two foreign banks that will be submitting their second resolution plans. Those plans are now due to the agencies on or before October 1, 2014.

OCC to Host Mutual Savings Association Advisory Committee Meeting

The Office of the Comptroller of the Currency (OCC) announced on June 30, 2014, that it will host a public meeting of the Mutual Savings Association Advisory Committee (MSAAC) on July 23, 2014, in its Washington, D.C. offices.

The MSAAC provides advice to the Comptroller of the Currency about mutual savings associations and assesses the current condition of the industry, regulatory changes that may ensure their health and viability, and other issues affecting these institutions. The agenda for the MSAAC meeting is intended to focus on current topics of interest to the mutual savings associations. The MSAAC will accept written statements from the public through July 17, 2014.

Agencies Issue Host State Loan-to-Deposit Ratios

The Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (collectively, the Agencies) jointly announced on July 2, 2014, the issuance of the host state loan-to-deposit ratios they will use to determine compliance with Section 109 of the *Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994*. These ratios, which update data released on July 1, 2013, are available on each of the Agencies' Web sites.

In general, Section 109 prohibits a bank from establishing or acquiring a branch or branches outside of its home state primarily for the purpose of deposit production. Section 109 also prohibits branches of banks controlled by out-of-state bank holding companies from operating primarily for the purpose of deposit production.

To determine compliance with Section 109, the appropriate agency takes two steps:

- It compares a bank's estimated statewide loan-to-deposit ratio to the estimated host state loan-to-deposit ratio for a particular state. If the bank's statewide loan-to-deposit ratio is at least one-half of the published host state loan-to-deposit ratio, the bank has complied with Section 109.
- If a bank's estimated statewide loan-to-deposit ratio is less than one-half of the published ratio for that state or if data are not available at the bank to conduct the first step, the agency will determine whether the bank is reasonably helping to meet the credit needs of the communities served by the bank's interstate branches. A bank that fails both steps is in violation of Section 109 and subject to sanctions.

Enterprise & Consumer Compliance

Agencies Release List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies

On June 30, 2014, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (collectively, the Agencies) jointly announced the availability of the 2014 list of distressed or underserved nonmetropolitan middle-income geographies, where revitalization or stabilization activities will receive *Community Reinvestment Act* (CRA) consideration as "community development."

"Distressed nonmetropolitan middle-income geographies" and "underserved nonmetropolitan middle-income geographies: are designated by the Agencies in accordance with their CRA regulations. The criteria for designating these areas are available on the Web site of Federal Financial Institutions Examination Council (FFIEC). The designations reflect local economic conditions, including triggers such as unemployment, poverty, and population changes. The current and previous years' lists can be found on the FFIEC Web site, along with information about the data sources used to generate those lists.

As with past releases, the Agencies incorporate a one-year lag period for geographies that are no longer designated as distressed or underserved in the current release. Geographies subject to this one-year lag period are eligible to receive consideration for community development activities for 12 months after publication of the current list.

Federal Reserve and State Regulator Fine Bank for Deceptive Practices of Its Third-Party Agent

The Federal Reserve Board (Federal Reserve) and the Illinois Department of Financial and Professional Regulation (IDFPR) jointly entered into an Order of Assessment of Civil Money Penalty upon Consent (Order) with an Illinois-based state member bank for failing to properly monitor the activities of its nonbank agent, which was found to have engaged in deceptive practices in violation of the *Federal Trade Commission Act*. The Order requires the bank to pay a $3,510,000 civil money penalty to the Federal Reserve and a $600,000 fine to IDFPR – totaling $4.11million in penalties.

The Order addresses deceptive practices engaged in by the nonbank agent (a provider of financial aid refund disbursement services to institutions of higher education) that operated under the oversight of the bank, including:

- The omission of material information about how students could obtain their financial aid refund without having to open a bank deposit account;
- The omission of material information about the fees, features, and limitations of the deposit account product offered through the nonbank agent;
- The omission of material information about the locations of ATMs where students could access their account without cost and the hours of availability of those ATMs; and
- The prominent display of the school logo, which may have erroneously implied that the school endorsed the nonbank product.

The Federal Reserve is separately pursuing a remedial action against the nonbank agent and the Order requires the bank to assume backup liability, up to a maximum of $30 million, for any restitution to students that the nonbank agent is required to pay as a result of a Federal Reserve enforcement action in the event the nonbank agent cannot pay. The bank must also provide the Federal Reserve with a consumer compliance risk management program that encompasses its plans for oversight of third parties.

The agencies note that actions are also being pursued against another state member bank that has a similar arrangement with this nonbank agent.

Agencies Issue Guidance for Home Equity Lines of Credit Nearing Their End-of-Draw Periods

The Federal Reserve Board (Federal Reserve), the Office of Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), and the Conference of State Bank Supervisors (CSBS) issued joint interagency guidance on July 1, 2014, regarding home equity lines of credit (HELOCs) nearing their "end-of-draw" periods. The guidance encourages financial institutions to communicate with borrowers about the pending reset and provides broad principles for managing risk as HELOCs reach their end-of-draw periods, which occurs when the principal amount of the HELOC must begin to be repaid.

The guidance states that as part of the supervisory process, examiners will review financial institutions' end-of-draw risk management programs for provisions that address five risk management principles:

- Prudent underwriting for renewals, extensions, and rewrites;
- Compliance with pertinent existing guidance, including but not limited to the *Credit Risk Management Guidance for Home Equity Lending* and the *Interagency Guidelines for Real Estate Lending Policies*;
- Use of well-structured and sustainable modification terms;
- Appropriate accounting, reporting, and disclosure of troubled debt restructurings; and
- Appropriate segmentation and analysis of end-of-draw exposure in allowance for loan and lease losses (ALLL) estimation processes.

The guidance advises management to implement policies and procedures for managing HELOCs nearing their end-of-draw periods that are commensurate with the size and complexity of the portfolio, stating that prudent risk management expectations generally include:

- Developing a clear picture of scheduled end-of-draw period exposures;
- Ensuring a full understanding of end-of-draw contract provisions;
- Evaluating near-term risks;
- Contacting borrowers through outreach programs;
- Ensuring that refinancing, renewal, workout, and modification programs are consistent with regulatory guidance and expectations, including consumer protection laws and regulations;
- Establishing clear internal guidelines, criteria, and processes for end-of-draw actions and alternatives (renewals, extensions, and modifications);
- Providing practical information to higher-risk borrowers;
- Establishing end-of-draw reporting that tracks actions taken and subsequent performance;
- Documenting the link between ALLL methodologies and end-of-draw performance; and
- Ensuring that control systems provide adequate scope and coverage of the full end-of-draw period exposure.

CFPB Rolls Out Materials Package for Community Financial Education Project with Public Libraries

The Consumer Financial Protection Bureau (CFPB or Bureau) announced on July 1, 2014, that the first set of program ideas, online resources, and free government publications to support its Community Financial Education Project are now available for librarians to order in bulk from the CFPB Web site. The Bureau also has created a guidebook to help librarians find and develop relationships with other organizations in their communities that can help present or support financial education programs.

In April 2014, the CFPB launched the Community Financial Education Project, a partnership with multiple federal agencies, national organizations, and local public library systems for the purpose of providing libraries with financial education resources and tools. Nine library systems joined the project at the outset. In a July 1, 2014, CFPB blog post, the Bureau announced that the current reach of the program extends to more than 100 library systems, with more than 450 branch locations that receive more than 76 million visits a year. The Bureau is working with the American Library Association and other library associations and organizations to make available information about financial education best practices and program ideas. It has indicated that it will continue to add and update resources, publications, and partners.

Capital Markets & Investment Management

CFTC Further Extends Reopened Comment Period for Two Rulemaking Proposals

On June 27, 2014, the Commodity Futures Trading Commission (CFTC) extended the comment periods, until August 4, 2014, for the following proposed rulemakings:

- A rule to establish speculative position limits for 28 exempt and agricultural commodity futures and options contracts and the physical commodity swaps that are economically equivalent to such contracts (Position Limits Proposal); and
- A rule to amend existing regulations setting out the CFTC's policy for aggregation under its position limits regime (Aggregation Proposal).

The Position Limits Proposal was originally published in the *Federal Register* on December 12, 2013, and the Aggregation Proposal was originally published on November 15, 2013. The comment periods for the two rulemakings ended in February 2014 but were reopened on June 12, 2014, and would have closed again on July 3, 2014.

The CFTC specifically requests comments be limited to the issues of "hedges of a physical commodity by a commercial enterprise, including gross hedging, cross-commodity hedging, anticipatory hedging, and the process for obtaining a non-enumerated exemption; the setting of spot month limits in physical-delivery and cash-settled contracts and a conditional spot-month limit exemption; the setting of non-spot limits for wheat contracts; the aggregation exemption for certain ownership interests of greater than 50 percent in an owned entity; and aggregation based on substantially identical trading strategies."

OCC Reports First Quarter Trading Revenue of $6.1 Billion

The Office of the Comptroller of the Currency (OCC) released its *Quarterly Report on Bank Trading and Derivatives Activities* on July 1, 2014, indicating that insured U.S. commercial banks and savings associations reported trading revenue of $6.1 billion in the first quarter of

2014, which is 108 percent ($3.2 billion) higher than in the fourth quarter of 2013, but 18 percent lower than in the first quarter of 2013.

Other findings in the report include:

- Credit exposure from derivatives decreased in the first quarter. Net current credit exposure (NCCE) fell 6 percent, to $279 billion, the lowest level since the third quarter of 2007;
- Trading risk, as measured by Value-at-Risk (VaR), has begun to increase for several of the large bank dealers, after generally bottoming out in the third quarter of 2013; and
- Notional derivatives fell 3 percent, or $6.4 trillion, to $230.6 trillion. Derivative contracts remain concentrated in interest rate products, which comprise 81 percent of total derivative notional amounts. Credit derivatives, which represent 5 percent of total derivatives notionals, declined 0.3 percent from the fourth quarter of 2013 to $11.2 trillion.

The full report is available on the OCC Web site.

SEC Commissioner Aguilar on Evaluating Pension Fund Investments through the Lens of Good Corporate Governance

In a June 27, 2014, address before the Investors Forum of the Hispanic Heritage Foundation, Securities and Exchange Commission (SEC) Commissioner Luis A. Aguilar said the investment decision process of pension funds should include an assessment of the strength of a company's corporate governance because it impacts long-term performance.

Commissioner Aguilar focused specifically on four areas of corporate governance that he said pension funds could favorably impact:

- Engaging with management - Pension funds can engage with their portfolio companies through informal discussions with the company's board of directors and management, or through the formal process of voting their shares and by submitting shareholder proposals for consideration at the company's annual meetings. He urged pension fund trustees to:
  - Monitor proactively and work against restrictions on shareholder rights.
  - Establish forums that allow shareholders to communicate with other shareholders.
- Aligning executive compensation with performance - "Clearly, sound compensation policies and practices are fundamental to sustainable, long-term corporate growth and performance...runaway executive compensation packages may incentivize excessive or inappropriate risk taking to the detriment of investors."
- Ensuring high quality financial reporting - Pension funds and their managers "should focus on whether the boards of directors of their portfolio companies have strong corporate governance processes for overseeing the companies' financial reporting, and whether the companies' internal control systems include engaged audit committees, strong company policies, and verification from independent outside auditors."
- Promoting diversity in the boardroom - Studies indicate that diversity of gender, race, and ethnicity in the boardroom "results in real value for both companies and shareholders." Commissioner Aguilar said pension fund managers should pay attention to how diversity could impact the company's bottom line.

In concluding, Commissioner Aguilar said shareholder involvement requires an "awareness of the company's overall corporate governance standards and making sure that they are appropriate for the particular company and that these standards are being met."

CFTC Extends Time-Limited, No-Action Relief for Swap Dealers and Major Swap Participants from Compliance with Reporting Obligations

The Commodity Futures Trading Commission's (CFTC) Division of Market Oversight (Division) recently issued a no-action letter extending until June 30, 2015, the relief previously provided in no-action letter 13-34, which expired on June 30, 2014. The relief is provided to Swap Dealers (SDs) and Major Swap Participants (MSPs) from the obligation to report valuation data for cleared swaps as required by CFTC regulations.

The no-action letter provides that the Division will not recommend the CFTC take enforcement action against an SD or MSP for failure of such SD or MSP to comply with the requirements to report valuation data. The no-action relief applies to all SDs and MSPs that are reporting counterparties under CFTC Regulation 45.8, for the purposes of Regulation 45.4(b)(2)(ii), and all cleared swaps for which the SD or MSP has the obligation to report valuation data under Regulation 45.4(b)(2)(ii).

FINRA Brings Transparency to 144A Corporate Debt Transactions

On June 30, 2014, the Financial Industry Regulatory Authority (FINRA) began publicly disseminating Rule 144A transaction data in corporate debt securities. Rule 144A transactions are re-sales of restricted corporate debt securities to large institutions called qualified institutional buyers (QIBs). FINRA states they comprise nearly 20 percent of the average daily volume of the corporate debt market as a whole.

Pursuant to the JOBS Act (the *Jumpstart Our Business Startups Act*), the Securities and Exchange Commission (SEC) lifted the prohibition against general solicitation and general advertising in offerings of Rule 144A securities in 2013. FINRA states that bringing post-trade price transparency to Rule 144A transactions in corporate debt is in harmony with these changes approved by the SEC.

FINRA indicates it will disseminate 144A transactions through the Trade Reporting and Compliance Engine (TRACE), subject to the same dissemination caps that are currently in effect for non-144A transactions. As such, the dissemination caps for investment-grade corporate bonds ($5 million) and for high-yield corporate bonds ($1 million) are applicable to both 144A and non-144A transactions. Similarly, Rule 144A transactions are subject to the same 15-minute reporting requirement as non-144A corporate debt transactions.

The transaction data is available to market professionals via major market data vendors and to retail investors through FINRA's Market Data Center.

Basel Committee and IOSCO Undertake Survey of Securitization Markets

The Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO) announced on July 3, 2014, they are jointly undertaking a worldwide survey of securitization markets through a cross-sectoral Task Force on Securitization Markets. The survey is available online and is accessible through the Web sites of the two organizations. "Market participants" are encouraged to participate in the survey no later than July 25, 2014.

The Task Force, which was established in consultation with the International Association of Insurance Supervisors (IAIS) and the International Accounting Standards Board (IASB), is undertaking the survey to:

- Understand how securitization markets are evolving in different parts of the world since the financial crisis;
- Identify factors that may be hindering the development of sustainable securitization markets;
- Assess whether there are factors inhibiting the participation of investors, particularly nonbank investors; and
- Develop criteria to identify and assist in the development of simple and transparent securitization structures.

Separate survey questionnaires are available for market participants and regulatory authorities.

Enforcement Actions

The Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA) recently announced the following enforcement actions:

- FINRA fined a New York-based investment bank's execution clearing operation $800,000 for failing to have reasonably designed written policies and procedures in place to prevent trade-throughs of protected quotations in National Market System (NMS) stocks. The trade-throughs were caused by market data latencies in the firm's proprietary trading system and were not detected in a timely manner. The firm voluntarily returned $1.67 million to disadvantaged customers. It also consented to the entry of FINRA's findings without admitting or denying the charges.
- FINRA barred a former equity trader at a New York securities firm from the securities industry for shorting securities of a foreign company on a foreign exchange based on inside information that the company would announce a secondary public offering of its securities. His actions violated securities laws in the company's home country, which is a violation of FINRA regulations. The trader settled the matter without admitting or denying the charges.
- The SEC charged five traders with short selling violations while trading for themselves and a New York-based proprietary firm. The traders' firm earlier this year paid a $7.2 million penalty for also violating Rule 105, which prohibits the short sale of an equity security during a restricted period – generally five business days before a public offering – and the subsequent purchase of that same security through the offering. Without admitting or denying the SEC findings, each of the five traders agreed to settle the SEC's charges by disgorging their ill-gotten gains plus prejudgment interest and paying a collective total of nearly $750,000.

Recent Supervisory Actions against Financial Institutions

Last Updated: July 3, 2014

Agency	Institution Type	Action	Date	Synopsis of Action
Federal Reserve Bank	Foreign Bank, U.S. Branch	Written Agreement		The Federal Reserve Bank entered into a Written Agreement with a foreign bank to address deficiencies related to Bank Secrecy Act/anti-money laundering compliance by its New York Branch. The agreement included provisions related to corporate governance and management oversight, BSA/AML compliance review and program, customer due diligence, suspicious activity monitoring and reporting, transaction review, Office of Foreign Assets Control compliance, and internal audit.
CFPB	Federal Savings Bank	Administrative Action	06/19	The Consumer Financial Protection Bureau and the Department of Justice initiated an enforcement action against federal savings bank to address findings of deceptive marketing and discriminatory practices related to the bank's credit card business. The bank is required to pay $56 million in refunds, $169 million in relief, and $3.5 million penalty.
CFPB, DOJ, HUD, State Attorneys General	Mortgage Lender and Servicer	Consent Order	06/17	The Consumer Financial Protection Bureau, Department of Justice, Department of Housing and Urban Development, and 49 state attorneys general proposed a consent agreement with mortgage lender and servicer to address their findings of unfair, deceptive, and abusive acts and practices engaged in by the company. The proposed agreement would require nearly $1 billion in total payment of relief, refunds, and penalties.
Federal Reserve Board	State Member Bank	Civil Money Penalty	06/17	The Federal Reserve Board entered into an Order of Assessment of Civil Money Penalty with a Florida-based state member bank to address violations of the National Flood Insurance Act.
Federal Reserve Board	Bank Holding Company	Written Agreement	06/03	The Federal Reserve Board entered into a Written Agreement with an Arizona-based bank holding company to ensure that it serves as source of strength for its state nonmember bank and nonbank subsidiaries. The agreement addressed dividends and distributions, and debt and stock redemptions.
Federal Reserve Board	State Member Bank	Written Agreement	05/29	The Federal Reserve Board entered into a Written Agreement with an Iowa-based state member bank to address deficiencies impacting it safety and soundness including: board oversight, management review, credit risk management, lending and credit administration, loan review, asset improvement, allowance for loan and lease losses, capital, and dividends and distributions,.
Consumer Financial Protection Bureau	Nonbank - Real Estate Company	Consent Order	05/28	The Consumer Financial Protection Bureau entered into a Consent Order with a nonbank financial services company – a real estate brokerage and settlement services company – to address violations of the Real Estate Settlement Procedures Act related to disclosures regarding a consumer's use of the companies affiliated service providers.

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