The Washington Report

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Safety & Soundness

Regulatory Agency Leaders Discuss Progress on Rulemaking Before Senate Committee on Banking Housing & Urban Affairs

The U.S. Senate Committee on Banking, Housing, and Urban Affairs (Senate Banking Committee) conducted a hearing on September 9, 2014, entitled *Wall Street Reform: Assessing and Enhancing the Financial Regulatory System,* in which leaders from the Federal Reserve Board (Federal Reserve), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), the Consumer Financial Protection Bureau (CFPB or Bureau), the Securities and Exchange Commission (SEC), and the Commodities Futures Trading Commission (CFTC) (collectively, the Agencies) discussed their progress in implementing major provisions of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Dodd-Frank Act). They also discussed their efforts to enforce those rules and monitor their effectiveness.

Federal Reserve Board Governor Daniel K. Tarullo discussed key upcoming supervisory priorities to "enhance the resiliency and resolvability of U.S. GSIBs [Global Systemically Important Banks] and address the risk posed to financial stability from the reliance by financial firms on short-term wholesale funding" by issuing proposals that would:

- Introduce a common equity risk-based capital surcharge for U.S. GSIBs that is higher than required by the Basel Committee on Banking Supervision (Basel Committee), "noticeably so for some firms" and
- Address over-reliance on short-term wholesale funding by some firms, including:
  - Incorporating the use of short-term wholesale funding into the risk-based capital surcharge applicable to U.S. GSIBs;
  - Modifying the Basel Committee's net stable funding ratio (NSFR) standard to strengthen liquidity requirements that apply when a bank acts as a provider of short-term funding to other market participants; and
  - Establishing numerical floors for collateral haircuts in securities financing transactions (SFTs)–including repos and reverse repos, securities lending and borrowing, and securities margin lending.

He also indicated the Federal Reserve has plans to develop:

- With the FDIC, a proposal that would require the U.S. GSIBs to maintain a minimum amount of long-term unsecured debt at the parent holding company level.
- With the Financial Stability Board, a proposal that would require GSIBs to maintain a "minimum amount of loss absorbency capital beyond the levels mandated in the Basel III capital requirements."
- With the FDIC and global regulators, financial firms, and other financial market participants, a protocol to the International Swaps and Derivatives Association (ISDA) Master Agreement to address the impediments to resolvability generated by termination rights in derivatives contracts.

Governor Tarullo continued to suggest that Congress consider raising the $50 billion asset threshold for systemically important financial institutions (SIFIs) established by the Dodd-Frank Act.

In discussing community banks, the three prudential regulators all said they have more basic supervisory expectations for smaller, less complex banks, and are mindful of the need to reduce the regulatory burden on community banks. Notably, the Senate Banking Committee will hold a hearing, entitled *Examining the State of Small Depository Institutions* on September 16, 2014, where community banks have been invited to discuss the impact of the regulatory burden on their institutions. Governor Tarullo said it may be appropriate to exclude community banks from statutory provisions that are less relevant to them, specifically the Volcker rule and the incentive compensation requirements of section 956 of the Dodd-Frank Act.

CFTC Chairman Timothy Massad said the CFTC intends to:

- Act on a new proposed rule for margin requirements for uncleared swaps in the near future.
- Work with its international counterparts to build a strong global regulatory framework and minimize opportunities for regulatory arbitrage.
- Ensure that it has robust compliance and enforcement activities.

During the questioning of the regulators, Senators Elizabeth Warren and Richard Shelby expressed concern that individuals were not held accountable for their actions related to the financial crisis. Other senators noted the shortcomings highlighted by the Federal Reserve and FDIC recently in some banks' Resolution Recovery Plans. Chairman Gruenberg noted that the regulatory agencies expect firms to make "significant" progress: 1) simplifying their legal structures; 2) amending derivative contracts so that they can be terminated; 3) ensuring that critical functions continue to operate during a bankruptcy proceeding; and 4) providing more timely and accurate information regarding risk exposures.

Basel Committee Releases Reports on Its Basel III Monitoring Exercise and Trading Book Portfolio Exercise

On September 11, 2014, the Bank for International Settlements' (BIS) Basel Committee on Banking Supervision (Basel Committee or BCBS) published the results of its latest Basel III monitoring exercise, which indicate that most internationally active banks would currently meet minimum Basel III capital requirements and "capital shortfalls have been further reduced relative to target levels."

The monitoring exercise is based on the reporting process set up by the Basel Committee to review the implications of the Basel III standards for banks on a semiannual basis. The results assume that the final Basel III package is fully in force. The current study included 227 participating banks of which 102 were "large internationally active banks" with Tier 1 capital of more than €3 billion. The remaining 125 banks, termed "Group 2 banks," were representative of "all other banks."

The monitoring framework reviews the risk-based capital ratio, the leverage ratio, and liquidity metrics using data collected by national supervisors on a representative sample of Group 1 and Group 2 institutions in each country. It summarizes the aggregate results using data as of December 31, 2013. Broadly, the results indicate:

- The average Common Equity Tier 1 (CET1) capital ratio is 10.2 percent for Group 1 banks and 10.5 percent for Group 2 banks.
- The average Basel III Tier 1 Leverage Ratio is 4.4 percent for Group 1 banks and 5.2 percent for Group 2 banks.
- The weighted average Liquidity Coverage Ratio (LCR) as of December 31, 2013 was 119 percent for Group 1 banks and 132 percent for Group 2 banks. Also as of December 31, 2013, the average Net Stable Funding Ratio (NSFR) was 111 percent for Group 1 banks and 112 percent for Group 2 banks.

The Basel Committee states the results of the study are not comparable to industry estimates because they do not take account of the transitional arrangements set out in the Basel III framework and no assumptions were made about bank profitability or behavioral responses. The Basel Committee, however, believes that the information contained in the report will provide relevant stakeholders with a useful benchmark for analysis.

The Basel Committee also issued, on September 9, 2014, the results of its trading book test portfolio exercise that was conducted in parallel with the Basel III monitoring exercise. This report assesses the impact of proposals to revise the internal models-based approach for market risk, as set out in the second consultative paper of the Basel Committee's fundamental review of the trading book (October 2013).

The primarily objective of the trading book exercise was to provide an understanding of the implementation challenges associated with the proposed internal models-based approach, including areas where the draft standards could be made clearer and to provide banks with necessary clarifications. The report provides preliminary findings on some of the potential effects of the proposed standards on regulatory capital for market risk, including:

- The variability of the proposed expected shortfall (ES) and incremental default risk (IDR) measures is similar to the measures in the current regulatory capital framework.
- The aggregate impact of the proposed internal models approach would be an increase in capital requirements for all asset classes with the exception of equities.
- Scaling ES based on a ten-day or a one-day measure results in consistent median capital outcomes.
- Reducing a bank's unconstrained use of correlation factors across asset classes increases the overall level of capital requirements.
- Only a small proportion of participating banks properly computed the capital charges for non-modellable risk factors (NMRFs) and the IDR capital charge on equity instruments.

Enterprise & Consumer Compliance

CFPB Issues Final Rule Defining Larger Participants of the International Money Transfers Market

The Consumer Financial Protection Bureau (CFPB or Bureau) issued a final rule on September 12, 2014, that amends its regulations defining "larger participants" of certain markets for consumer financial products and services to add a new section defining larger participants of the market for international money transfers. Beginning December 1, 2014, nonbank international money transfer providers who, together with their affiliates, provide more than 1 million international money transfers annually will be subject to the CFPB's supervisory authority. The threshold number of money transfers is calculated for the previous calendar year, and the transfers for each affiliate are also calculated for the preceding year even if the affiliate relationship did not exist for the entire year. The rule is substantially the same as proposed in January 2014, except for modifications to the approach to calculate annual international money transfers for nonbanks and their affiliates.

The Bureau estimates that the rule will bring new oversight to about 25 of the largest providers in the market. However, providers that are not considered "larger participants" may still be subject to the Bureau's supervisory authority if the Bureau has reasonable cause to determine that they pose risk to consumers.

International money transfer providers that meet the definition of a "larger participant" will be subject to the CFPB's examination procedures for international money transfers, which include instructions for examining compliance with new rules under the CFPB's Remittance Rule (subpart B of Regulation E). Consumer protections under this rule includes requirements for disclosures, options to cancel, and error corrections.

CFPB and Federal Reserve Announce Increases in Dollar Thresholds in Regulations Z and M for Exempt Consumer Credit and Lease Transactions

On September 9, 2014, the Consumer Financial Protection Bureau (CFPB or Bureau) and the Federal Reserve Board (Federal Reserve) announced the release of joint final rules amending the official interpretations and commentary for the agencies' regulations that implement the increases in the dollar thresholds in Regulation Z (*Truth in Lending Act*) and Regulation M (*Consumer Leasing Act*) for exempt consumer credit and lease transactions. These increases are consistent with the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Dodd-Frank Act) amendments to the *Truth in Lending Act* (TILA) and the *Consumer Leasing Act* (CLA) to adjust these thresholds annually based on the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Transactions at or below the thresholds are subject to the protections of the regulations.

The agencies announced that, beginning January 1, 2015, the protections of TILA and CLA will generally apply to consumer credit transactions and consumer leases of $54,600 or less. The adjustments reflect the annual percentage increase in the CPI-W as of June 1, 2014. Private education loans and loans secured by real property (such as mortgages) continue to be subject to TILA regardless of the amount of the loan.

Although the Dodd-Frank Act generally transferred rulemaking authority under TILA and CLA to the CFPB, the Federal Reserve retains authority to issue rules under these laws for certain motor vehicle dealers.

Agencies Request Comment on Proposed Questions and Answers Regarding Community Reinvestment

On September 8, 2014, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (collectively, the Agencies), requested comment on proposed revisions to the *Interagency Questions and Answers Regarding Community Reinvestment*. The revisions are intended to address questions raised by bankers, community organizations, and others regarding the Agencies' *Community Reinvestment Act* (CRA) regulations. Comments are due on or before November 10, 2014.

As summarized by the Agencies, the proposed new and revised questions and answers:

- Address alternative systems for delivering retail banking services.
- Add examples of innovative or flexible lending practices.
- Address community development-related issues by:
  - Clarifying guidance on economic development;
  - Providing examples of community development loans and activities that are considered to revitalize or stabilize an underserved nonmetropolitan middle-income geography; and
  - Clarifying how community development services are evaluated.
- Offer guidance on how examiners evaluate the responsiveness and innovativeness of an institution's loans, qualified investments, and community development services.

CFPB Directors Address Conferences of Mortgage Lenders Regarding New Integrated Mortgage Disclosure Forms

Richard Cordray, Director of the Consumer Financial Protection Bureau (CFPB or Bureau), and Steve Antonakes, Deputy Director of the CFPB, separately addressed mortgage lenders at industry conferences held during the week of September 8, 2014. Each of their remarks focused on the new Integrated Mortgage Disclosures rule, sometimes referred to as the *Know Before You Owe* rule, which takes effect in August 2015.

On September 8, 2014, Deputy Director Antonakes addressed the American Mortgage Conference; Director Cordray addressed the National Association of Federal Credit Unions (NAFCU) on September 10, 2014. Both advised mortgage lenders to:

- Prepare now to implement the new Integrated Mortgage Disclosures rule because it will necessitate changes to business operations and technology platforms that will require close collaboration with third-party service providers.
- Consult the CFPB's *TILA-RESPA Regulatory Implementation* Web page for explanations of the disclosure requirements on the new forms and samples of completed forms.

- Be aware that the Bureau has been streamlining interpretive guidance on the new provisions and delivering it through a series of recorded webinars that can be found on the CFPB's Regulatory Implementation Web site.
- Look for the readiness guide that the Bureau intends to publish in the next few months to give the industry a broad checklist of things to do to prepare for when the rules take effect such as updating policies and procedures and providing training for staff.

They also indicated the CFPB is working with other regulators to help ensure consistency in their examinations of mortgage lenders under the new rules and to clarify issues as needed.

House Subcommittee Hears Testimony on Credit Reporting System

On September 10, 2014, the Financial Institutions and Consumer Credit Subcommittee of the U.S. House Committee on Financial Services held a hearing entitled, *An Overview of the Credit Reporting System*, to provide members of the Subcommittee with a better understanding of the roles and responsibilities of the consumer reporting agencies as well as the users and furnishers of consumer credit data. Three of the four witnesses testified that the current system of consumer credit reporting works well. One witness said the methodologies used today to assess creditworthiness are "stuck in the last century."

Two witnesses cited surveys that indicated 95 percent of consumers are satisfied with the results of their reinvestigations and 98 percent of credit reports don't contain a material error. In contrast, another witness cited surveys that indicated 21 percent of consumers had verified errors in their credit reports, 13 percent had errors that affected their credit scores, and 5 percent had errors serious enough to be denied or pay more for credit.

A witness representing the data collection industry recommended that Congress:

- Allow the data collection industry to access the Social Security Administration's database to validate social security numbers and the persons associated with the numbers;
- Be aware that class action risks, which arise from the private rights of action in current law tied to statutory damages, are "posing near-existential risks" for some in the data collection industry;
- Encourage the Federal Housing Finance Agency (FHFA) to support and encourage the efforts of the Government Sponsored Enterprises (GSEs) to embrace competition and expand opportunity for consumers; and
- Exempt credit monitoring services and other financial literacy products that help consumers learn about and protect their credit standing from the *Credit Repair Organizations Act.*

A representative of a banking industry trade group said Congress needs to be aware that the credit dispute process "can be taken advantage of in a manner that undermines the value provided by credit reports and hurts all borrowers." He said the credit dispute system is "susceptible to abuses by those who want to misrepresent past consumer credit experiences," citing perpetrators of credit repair scams as an example. He suggested Congress should modify the *Fair Credit Reporting Act* (FCRA) to "allow the ability to truncate repetitive unfounded dispute requests."

A consumer group representative said credit reports are "plagued by inaccuracies," and many consumers are harmed by the current system of determining creditworthiness. The witness recommended that Congress:

- Support H.R. 1767, the *Medical Debt Responsibility Act*, which would remove paid or settled medical debts from credit reports.

- Ban the use of credit reports in employment, with very limited exceptions.
- Shorten the time negative information remains on a credit report.
- Help consumers fix the credit reporting harms caused by the foreclosure crisis so they can move on economically.

Capital Markets & Investment Management

CFTC Staff Issues Exemptive Letter Providing Relief from Certain Agency Regulations to be Consistent with JOBS Act SEC Amendments

On September 9, 2014, the Commodity Futures Trading Commission's (CFTC) Division of Swap Dealer and Intermediary Oversight (DSIO) issued an exemptive letter, which provides relief from certain provisions of Regulations 4.7(b) and 4.13(a)(3) restricting marketing to the public. This exemptive letter harmonizes Regulations 4.7(b) and 4.13(a)(3) with Rule 506(c) of Regulation D and Rule 144A, which, as amended by the Securities and Exchange Commission (SEC) pursuant to the *Jumpstart Our Business Startups Act* (JOBS Act), permits general solicitation or advertising subject to specific conditions.

Commodity pool operators wanting to rely upon this exemptive letter must first meet the conditions of relief, which include filing a notice with DSIO staff. The relief this exemptive letter provides will remain in place until the effective date of any final CFTC action in consideration of the JOBS Act and the SEC's amendments.

SEC Establishes Office of Risk Assessment to Coordinate Efforts to Provide More Effective Data-Driven Risk Assessment Tools

On September 11, 2014, the Securities and Exchange Commission (SEC) announced the creation of the Office of Risk Assessment, which will reside within its Division of Economic and Risk Analysis (DERA). The Office of Risk Assessment will coordinate efforts to provide data-driven risk assessment tools and models to support a wide range of SEC activities.

Created in 2009, DERA has collaborated with market experts throughout the SEC to develop risk assessment tools, such as: the Aberrational Performance Inquiry tool, which proactively identifies atypical hedge fund performance and has led to eight enforcement actions since it was launched in 2009; a broker-dealer risk assessment tool that helps SEC examiners allocate resources by assessing a broker-dealer's comparative riskiness relative to its peer group; and, a tool to assist in identifying financial reporting irregularities that may indicate financial fraud and help assess corporate issuer risk, which is currently being developed in conjunction with the Enforcement Division's Financial Reporting and Audit Task Force and the Division of Corporation Finance.

The Office of Risk Assessment is expected to take from and build on the existing expertise of DERA's staff, which includes economists, accountants, analysts, and attorneys, to provide sophisticated assessments of market risks. The office will continue to develop and use predictive analytics to support supervisory, surveillance, and investigative programs involving corporate issuers, broker-dealers, investment advisers, exchanges, and trading platforms. In addition, the office will support the SEC's ongoing work related to the Financial Stability Oversight Council.

OTC Derivatives Regulators Issue Report to the G20

On September 10, 2014, the Over-the-Counter (OTC) Derivatives Regulators Group (ODRG) issued a report that provides an update to the G20 on further progress in resolving OTC derivatives cross-border implementation issues and identifies a cross-border issue that might require national jurisdictions to address through legislative action. The ODRG is made up of authorities with responsibility for the regulation of OTC derivatives markets in Australia, Brazil, the European Union, Hong Kong, Japan, Ontario, Quebec, Singapore, Switzerland, and the United States (i.e., the Securities and Exchange Commission and the Commodity Futures Trading Commission),

The ODRG report provides an update of its progress regarding efforts to develop approaches that address two cross-border issues:

- Potential gaps and duplications in the treatment of branches and affiliates; and
- Treatment of organized trading platforms and implementation of the G20 trading commitment.

The report also addresses four areas in which the ODRG is working to implement understandings reached previously:

- Equivalence and substituted compliance;
- Clearing determinations;
- Risk mitigation techniques for non-centrally cleared derivatives transactions (margin); and
- Data in trade repositories and barriers to reporting to trade repositories.

The ODRG reports that it has asked the Financial Stability Board (FSB) to "make a clear and unambiguous statement" that jurisdictions need to remove all barriers that specifically prevent reporting of counterparty-identifying information to trade repositories. These barriers include data protection laws, blocking statutes, state secrecy laws, and bank secrecy laws, which can prevent reporting of the information thus reducing the effectiveness of reporting obligations and impeding the effective supervision of reporting entities. They suggest such changes may require legislative action in individual jurisdictions. Further, the ODRG requests the FSB discuss setting an "ambitious but realistic deadline" by which such changes should be made.

FINRA Issues Investor Alert on Frontier Funds

On September 11, 2014, the Financial Industry Regulatory Authority (FINRA) issued an Investor Alert entitled *Frontier Funds—Travel With Care* cautioning investors about funds that invest in frontier markets to carefully consider the heightened risks. FINRA states that while there is no precise definition of a frontier market, frontier funds generally invest in companies located in countries with developing securities markets such as Argentina, Lebanon, Nigeria, Slovenia, and Vietnam.

The Alert warns investors that frontier fund investments may provide potential diversification and periods of higher returns than can be obtained through more traditional investments, but products or asset niches that promise higher returns nearly always carry more risk.

To avoid problems, investors are advised to:

- Know which frontier markets the fund invests in;
- Monitor changes in index components;
- Understand that geopolitical and currency risks are real;
- Factor in costs and fees; and
- Consider performance history.

Enforcement Actions

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

- The SEC charged a Minnesota-based hedge fund manager, his investment advisory firm, and an accomplice with defrauding investors in two hedge funds out of more than $1 million by charging them reimbursement fees for research that was never obtained. The SEC also charged the group with conducting a separate scheme to manipulate the stock price of the funds' largest holding in order to inflate the monthly returns reported to investors and conceal the true extent of the funds' investment losses. The SEC is seeking a permanent injunction, disgorgement with prejudgment interest, and a civil money penalty.
- The SEC charged two individuals who managed an offshore business that helped clients evade U.S. securities laws with concealing the ownership of certain microcap stocks as part of a larger money laundering scheme. In a parallel action, the U.S. Attorney Office announced criminal charges against the individuals, who are residents of a foreign country, for violations of other federal laws. The SEC is seeking a permanent injunction, disgorgement with prejudgment interest, civil money penalties, and penny stock bars.
- The SEC charged 28 officers, directors, or major shareholders with violating federal securities laws that required them to promptly report information about their holdings and transactions in company stock. Six publicly-traded companies were charged for contributing to filing failures by insiders or failing to report their insiders' filing delinquencies. A total of 33 of the 34 individuals and companies named in the SEC's orders agreed to settle the charges and pay financial penalties totaling $2.6 million.
- The SEC charged a Massachusetts-based company and its former CEO with defrauding investors by failing to report the executive's sales of company stock. False and misleading statements were made in the company's annual reports and proxy statements regarding its former CEO's compliance with the reporting provisions of Section 16(a) of the Exchange Act. Without admitting or denying the charges, the CEO agreed to settle the SEC's charges by paying a $175,000 penalty. The company agreed to pay a $375,000 penalty and retain an independent consultant to conduct a review of its Section 16(a) reporting and compliance procedures.
- The SEC charged a Delaware-based bank holding company with accounting and disclosure fraud for failing to report the true volume of its loans at least 90 days past due. According to the SEC complaint, the bank had deficient underwriting and loan monitoring controls and failed, for these and other reasons, to take appropriate action on many of its matured loans for protracted periods of time. The bank has agreed to pay $18.5 million in disgorgement and prejudgment interest to settle the SEC's charges. The SEC investigation is continuing.
- The CFTC charged a Florida attorney with aiding and abetting multiple clients in their operation of illegal and fraudulent precious metals schemes. According to the CFTC Complaint, the attorney's unlawful actions ultimately enabled his clients to defraud thousands of unsophisticated retail customers out of millions of dollars. The CFTC seeks a permanent injunction, permanent registration and trading bans, and a civil monetary penalty.

- The CFTC announced the filing and simultaneous settlement of charges against a CFTC-registered foreign introducing broker for failure to diligently supervise activities relating to its business as a CFTC registrant. The CFTC found that the broker failed to follow its procedures for screening account holders from the U.S. Department of the Treasury's Office of Foreign Assets Control's (OFAC) targeted countries. The Order requires the broker to pay a $150,000 civil monetary penalty and disgorge $80,000 in commissions and fees it earned from accounts that were related to the supervisory failure.

Recent Supervisory Actions against Financial Institutions

Last Updated: September 12, 2014

Agency	Institution Type	Action	Date	Synopsis of Action
Federal Reserve Board	State Member Bank	Civil Money Penalty	09/11	In two separate instances, the Federal Reserve Board issued an Order of Assessment of Civil Money Penalty against an Ohio-based state member bank to address violations of the *National Flood Insurance Act*.
Federal Reserve Board	State Member Bank	Consent Cease and Desist	09/09	The Federal Reserve Board entered into a Cease and Desist Order Upon Consent of a Pennsylvania-based state member bank to address deficiencies related to the bank's firmwide compliance program for Bank Secrecy Act/anti-money laundering requirements, including board oversight, BSA/AML compliance program reviews at the firmwide and bank levels, customer due diligence, suspicious activity reporting, and transaction review.
CFPB	Nonbank Debt Settlement Payment Processor	Consent Order	08/25	The Consumer Financial Protection Bureau issued a Consent Order against a debt settlement payment processor for allegedly helping other companies to collect illegal upfront fees from consumers in violation of the *Consumer Financial Protection Act* and the *Telemarketing and Consumer Fraud and Abuse Prevention Act*. The Bureau is seeking $6 million in relief to consumers as well as a $1 million civil penalty.
FTC	Nonbank Debt Relief and Credit Repair entity	Complaint	08/22	The Federal Trade Commission asked a federal court to shut down a an illegitimate debt relief and credit repair program that made false claims it was provided and funded by the federal government. The FTC charged the operators with two counts of violating the FTC Act's prohibition on deceptive acts or practices, as well as two counts of violating the *Credit Repair Organizations Act's* prohibitions on collecting advance fees before providing credit repair services.
FDIC	Banking Entities	Settlement	08/21	The Federal Deposit Insurance Corporation, as receiver for twenty-six failed banks, announced a settlement of more than $1 billion with eighteen related entities of a large bank related to misrepresentations in the offering documents for 155 residential mortgage-backed securities (RMBS) purchased by the failed banks.
Federal Reserve Board	State Member Bank	Written Agreement	08/12	The Federal Reserve Board entered into a (((with a Louisiana state member bank to address deficiencies related to the implementation of a compliance risk management program that includes strengthening board and senior management oversight, developing acceptable consumer compliance and fair lending risk assessments, and a developing a program of interim compliance reviews, risk monitoring, and training sessions.

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

Please direct subscription inquiries to the Americas' FS Regulatory Center of Excellence:
regulationfs@kpmg.com

Earlier editions are available at:
www.kpmg.com/us/thewashingtonreport

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