



RISK ADVISORY

Regulatory Compliance Newsletter

February/March 2024

Regulatory Compliance Digest's February/March issue provides a summary of the latest updates from FDIC, OFAC, FinCEN and the U.S. Department of the Treasury, in addition to CFPB, FFIEC and the Federal Reserve Board. This issue also includes hot topics and latest developments in the regulatory compliance space.

The Regulatory Compliance Digest is intended to keep you informed of regulatory changes in advance of their effective date, so your institution can evaluate changes or updates to necessary policies, procedures and processes in place to be compliant at the time of enactment.



The Federal Deposit Insurance Corporation CMPs Adjusted for Inflation

On January 11, 2024, the [Federal Deposit Insurance Corporation provided notice](#) of its maximum civil money penalties as adjusted for inflation.

Financial Crimes Enforcement Network; Inflation Adjustment of Civil Monetary Penalties

On January 25, 2024, [FinCEN published its final rule](#) to reflect inflation adjustments to its civil monetary penalties as mandated by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended. This rule adjusts certain maximum civil monetary penalties within the jurisdiction of FinCEN to the amounts required by that Act.

OFAC Basics Video Series – Sanctions List Search

On January 16, 2024, [OFAC is released the first video](#) in its “OFAC Basics” video series. The [OFAC Basics: Sanctions List Search](#) video provides viewers with a brief tutorial on how to use OFAC’s Sanctions List Search Tool and recommended steps for assessing a potential match to one of OFAC’s published sanctions lists. The “OFAC Basics” series serves as a companion series to the [“Introduction to OFAC” series, available here.](#)

Small Entity Compliance Guide for Beneficial Ownership Information Access and Safeguards Requirements

The U.S. Department of the [Treasury’s Financial Crimes Enforcement Network \(FinCEN\) has published the Small Entity Compliance Guide \(Guide\)](#) to provide an overview of the Beneficial Ownership Information Access and Safeguards Rule (Access Rule) requirements for small entities that obtain beneficial ownership information (BOI) from FinCEN.

Beneficial Ownership Information Reporting FAQ

On January 12, 2024, [FinCEN has published the following Frequently Asked Questions \(FAQs\)](#) in response to inquiries received relating to the Beneficial Ownership Information Reporting Rule.

These FAQs are explanatory only and do not supplement or modify any obligations imposed by statute or regulation. Please refer to the [Beneficial Ownership Information Reporting Rule](#) for details on specific provisions. FinCEN expects to publish additional guidance in the future.

Community Reinvestment Act

On February 1, 2024, the [OCC, FRB, and the FDIC adopted final amendments](#) to their regulations implementing the Community Reinvestment Act of 1977 (CRA) to update how CRA activities qualify for consideration, where CRA activities are considered, and how CRA activities are evaluated. Also watch the [overview video.](#)

Statement on Examination Principles Related to Valuation Discrimination and Bias in Residential Lending

On February 12, 2024, the [FFIEC, on behalf of its member entities, issued a statement](#) to communicate principles for the examination of supervised institutions’ (institutions) residential property appraisal and evaluation (valuation) practices to: (i) mitigate risks that may arise due to potential discrimination or bias in those practices, and (ii) promote credible valuations. Real estate valuations are a critical underwriting component in residential real estate lending, both from a consumer compliance and safety and soundness perspective. Therefore, as part of their examination processes, examiners assess institutions’ compliance management systems and risk management practices for identifying and mitigating potential discrimination or bias in residential property valuation practices.

FinCEN Sees Increase in BSA Reporting Involving the Use of Convertible Virtual Currency for Online Child Sexual Exploitation and Human Trafficking

On February 13, 2024, the [U.S. Department of the Treasury's Financial Crimes Enforcement Network \(FinCEN\)](#) issued a [Financial Trend Analysis \(FTA\)](#) reflecting an increase in Bank Secrecy Act (BSA) reporting associated with the use of convertible virtual currency (CVC) and online child sexual exploitation (OCSE) and human trafficking. This FTA is based on BSA reporting filed between January 2020 and December 2021.

Treasury Actions to Enhance Financial Transparency and Combat Illicit Finance

On February 14, 2024, the [U.S. Department of the Treasury issued a fact sheet](#) on its significant progress on key initiatives to prevent illicit actors from exploiting the U.S. financial system, and to equip law enforcement and national security agencies with vital information to hold illicit actors accountable. These initiatives include major steps towards implementing the Anti-Money Laundering Act, including the Corporate Transparency Act, and supporting the Administration's Strategy to Counter Corruption. These initiatives to strengthen the U.S. anti-money laundering and countering the financing of terrorism (AML/CFT) framework are some of the most significant set of enhancements since Treasury's Office of Terrorism and Financial Intelligence was established following the attacks of September 11, 2001.



If you would like to discuss any compliance matters for your institution, please contact your Cherry Bekaert advisor or reach out to the Firm's **Risk Advisory** regulatory compliance team today.

Let us be your guide forward!

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