



## Thomson Reuters Regulatory Intelligence

### Topical Tracking Service

### **CONSUMER BANKING, MORTGAGE LENDING AND SECURITIES**

**March 2024**

The following is a selection of federal and state regulatory actions affecting the consumer banking, mortgage lending, and securities sectors for March 2024. This bulletin includes news and analysis from Thomson Reuters Latest Updates, Regulatory Intelligence, Expert Analysis, Reuters News, and other Thomson Reuters professional services publications.

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### **CONSUMER BANKING**

#### **Recent Legislative Activity**

##### **District of Columbia**

- [2023 DC L.B. 5 \(NS\)](#), effective March 31, 2024, amends Subtitle I of Title 28 of the District of Columbia Official Code to add a new Article 12 (Controllable Electronic Records) providing rules for transactions involving digital assets, including cryptocurrency, non-fungible tokens, and electronic promises to pay, and to provide for their negotiability and their perfection by control; making conforming and related amendments to Articles 1, 2, 2A, 4A, 5, 7, 8, and 9 of the Code; and providing transition rules to protect the expectations of parties to existing transactions and for other purposes. Latest Update available [here](#).

##### **Idaho**

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<sup>1</sup> This Topical Tracking Service Snapshot was compiled by members of the Thomson Reuters Risk Editorial staff.

- [2024 ID H.B. 471 \(NS\)](#), effective July 1, 2024, amends Title 14, Chapter 5, by repealing existing Sections and adopting the Revised Unclaimed Property Act which includes the following: Part 1 (General Provisions); Part 2 (Presumption of Abandonment); Part 3 (Rules for Taking Custody of Property Presumed Abandoned); Part 4 (Report by Holder); Part 5 (Notice to Apparent Owner of Property Assumed Abandoned); Part 6 (Taking Custody of Property by Administrator); Part 7 (Sale of Property by Administrator); Part 8 (Administration of Property); Part 9 (Claim to Recover Property from Administrator); Part 10 (Verified Report of Property - Examination of Records); Part 11 (Declaration of Liability - Putative Holder Remedies); Part 12 (Enforcement by Administrator); Part 13 (Agreement to Locate Property of Apparent Owner Held by Administrator); Part 14 (Confidentiality and Security of Information); and Part 15 (Miscellaneous Provisions). Latest Update available [here](#).
- [2024 ID S.B. 1301 \(NS\)](#), effective July 1, 2024, amends ID ST § 26-2105 (Organization) by revising the requirements for the name of the credit union on the articles of incorporation and removing the requirement to execute the articles and bylaws in triplicate. Amends ID ST § 26-2106 (Amendment to articles of incorporation and bylaws--Approval of director--Procedure) by allowing amendments to the bylaws to be emailed to the Department of Finance with request for confirmation of receipt and providing that delivery is effective as of the Department's confirmation of receipt for mail or email. Amends ID ST § 26-2127 (Investment of funds) by revising allowable percentages and criteria for investments in stocks, shares, membership units, and other ownership interests in, or loans to, corporations, limited liability companies, or mutual associations; and prohibiting investment in a federal depository institution, state depository institution, bank holding company, or savings bank holding company. Repeals ID ST § 26-2112 (Fiscal year). Latest Update available [here](#).

## Kentucky

- [2024 KY S.B. 155 \(NS\)](#), effective January 1, 2025, makes extensive substantive and nonsubstantive amendments to the Kentucky Uniform Commercial Code (KY ST Chapter 355 (Uniform Commercial Code)) by amending numerous sections of Articles 2, 2A, 3, 4A, 5, 7, 8, and 9 regarding controllable accounts, controllable electronic records, and controllable payments intangible; secured transactions; negotiable instruments; fund transfers; electronic money; chattel paper; security interests; and other topics. Adopts new sections of Article 11 of KY ST Chapter 355, and changes the Article title to "Transitional Provisions for Uniform Commercial Code Amendments (2022)". Adopts a new Article 12 of KY ST Chapter 355, titled "Controllable Electronic Records", establishing definitions, scope, purchaser rights, control requirements, debtor discharge obligations, and jurisdictional rules relating to controllable electronic records, controllable accounts, and controllable payment intangibles. Latest Update available [here](#).

## Wisconsin

- [2023 WI S.B. 628 \(NS\)](#), effective March 23, 2024, adopts WI ST 224.45 (Financial exploitation of vulnerable adults) which includes definitions; provides that a financial service provider may allow a vulnerable adult to submit and update a list of authorized persons to contact if the provider suspects financial exploitation; provides a list of additional persons that a financial service provider, officer, or employee may contact if they suspect financial exploitation including account co-owners and family members, as specified; and includes other limitations, options, and immunity related to contacting or electing not to contact a person under this section. Latest Update available [here](#).
- [2023 WI S.B. 773 \(NS\)](#), effective March 23, 2024, amends WI ST 186.07 (Board of directors) by increasing the timeframe to within 90 days for appointing a director to fill a vacancy on the board of directors. Amends WI ST 186.113 (Credit union powers) by

removing a provision where the Office of Credit Unions may authorize the installation and operation of a remote terminal in a mobile facility and adding that a credit union may issue supplemental forms of capital as specified and if approved by the Office of Credit Unions. Amends WI ST 186.118 (Incidental powers parity with federal credit unions) by increasing the timeframe to within 60 days for the Office of Credit Unions to make a determination as to whether to authorize an activity or power allowed for federally chartered credit unions. Repeals WI ADC § DFI-Bkg 14.03 (Advance notice required), WI ADC § DFI-SB 12.03 (Advance notice required), and WI ADC § DFI-SL 12.03 (Advance notice required). Latest Update available [here](#).

## **Wyoming**

- [2024 WY H.B. 145 \(NS\)](#), effective July 1, 2024, amends WY ST § 13-1-802 (Open banking authorized; regulation) by adding that a bank participating in open banking must limit the accessible customer data to what is necessary for the customer to receive a product or service from the third-party financial service provider. Latest Update available [here](#).

## **Recent Administrative Activity**

### **Federal**

- [89 FR 15740-01](#), effective March 5, 2024, amends 31 CFR § 501.603(d) (Reports on blocked and unblocked property), 31 CFR § 501.604(d) (Reports on rejected transactions), and 31 CFR § 561.504(b) (Transactions related to closing a correspondent account or payable-through account) by removing the phrase "Sanctions, Compliance & Evaluations" and adding in its place the word "Compliance". Consumer Banking content not affected. Latest Update available [here](#).
- [89 FR 18749-01](#), effective April 15, 2024, amends 12 CFR § 234.2 (Definitions) by adding definitions for "critical operations and critical services", "operational risk", and "third party". Amends 12 CFR § 234.3 (Standards for payment systems) by updating and refining the operational risk management requirements for financial market utilities. Latest Update available [here](#).
- [89 FR 19128-01](#), effective May 14, 2024, amends 12 CFR § 1026.52 (Limitations on fees) by creating a late fee safe harbor threshold for large card issuers and their affiliates with more than 1 million open credit card accounts in aggregate. Latest Update available [here](#).

### **Mississippi**

- [2024 MS REG TEXT 660765 \(NS\)](#), effective April 1, 2024, amends 5 MS ADC Pt. 1, R. 1.1 (Purpose - Repeal of Prior Rules) by allowing banks to be closed up to two whole days in any week and by revising the requirement for board approval of bank hours to allow the executive officer to provide certification to the Commission that the board of directors was notified of promulgated and adopted banking hours. Latest Update available [here](#).

### **Missouri**

- [2024 MO REG TEXT 656247 \(NS\)](#), effective May 30, 2024, amends 20 MO ADC 1140-6.075 (Loan Production Offices) by changing the caption to "Bank Offices-Definitions and Procedures for Non-Branch Offices"; revising the purpose of the regulation; and deleting current subsections (1)-(3) and replacing them with new subsections (1)-(6) covering definitions; loan production, deposit production, and combination offices; other non-branch banking facilities; establishment of trust offices; out-of-state offices; and remote work. Latest Update available [here](#).

### **Texas**

- [2024 TX REG TEXT 659375 \(NS\)](#), effective March 12, 2024, amends 7 TX ADC § 15.3 (Expedited Filings) by expanding a provision allowing denial of an expedited filing if the proposed transaction will result in a decrease in capital below the levels required to qualify as an eligible bank. Amends 7 TX ADC § 15.4 (Required Information and Abandoned Filings) by changing the 30-day deadline, for when a filing may be considered abandoned if fees are not paid, to the deadline stated by the Department, which must be at least 14 days from the date the deadline is communicated in writing to the applicant. Amends 7 TX ADC § 15.5 (Public Notice) by removing a provision allowing a public notice required by another regulatory agency to satisfy the public notice requirements of 7 TX ADC § 15.5. Amends 7 TX ADC § 15.7 (Submission of Reproductions) by changing the caption to "Submission of Documents and Reproductions"; expanding the section to cover submission of documents instead of just copies of original documents; and revising the time of receipt provisions for documents submitted by mail, hand delivery, fax, or email. Latest Update available [here](#).

## Wisconsin

- [2024 WI REG TEXT 627336 \(NS\)](#), effective April 1, 2024, makes extensive substantive and nonsubstantive amendments to numerous regulations in WI ADC Chapters DFI-Bkg, DFI-SL, DFI-SB and DFI-WCA relating to authorizing the use of mobile and intermittent branches by state banks, eliminating obsolete provisions, correcting cross-references, eliminating rules that conflict with statutes, correcting errors, modifying the structure of existing rules in nonsubstantive ways, and clarifying rules governing collection agencies. Latest Update available [here](#).

## Regulator Notices

**Community Reinvestment Act; Supplemental Rule** (March 21, 2024). The Federal Reserve, the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) have issued a supplemental rulemaking related to the agencies' Community Reinvestment Act (CRA) final rule issued on October 24, 2023, and published in the Federal Register on February 1, 2024. The rulemaking has two components. First, the agencies are adopting an interim final rule that amends, and requests comment on, the applicability date of the facility-based assessment areas provision and public file provision included in the 2023 CRA final rule. Second, the agencies are adopting a final rule that makes technical amendments to the 2023 CRA final rule and related regulations. In addition to the rulemaking, this document corrects the preamble to the 2023 CRA final rule regarding the OCC's Unfunded Mandates Reform Act (UMRA) regulatory analysis. More information available [here](#).

## Regulatory Intelligence and Reuters News

- [U.S. regulator says trade groups judge-shopped for credit fee lawsuit](#) (March 14, 2024).
- [Top US bank overseer to unveil merger policy proposal](#) (March 21, 2024).

## MORTGAGE LENDING

### Recent Legislative Activity

#### Indiana

- [2024 IN H.B. 1336 \(NS\)](#), effective July 1, 2024, amends Title 23, Article 2.5 (Loan Brokers) by changing principal manager requirements to manager requirements, removing references to principal managers, and adding a definition for "individual".

Repeals IN ST 23-2.5-1-28 ("Principal manager license"). Amends IN ST 24-4.4-1-202.5 (Activities of loan broker) and IN ST 24-4.5-3-501.5 (Application of certain Indiana Code sections and rules to individuals engaged in activities of a loan broker) by removing an exception in subsections (1)(i). Latest Update available [here](#).

### **New Jersey**

- [2024 NJ A.B. 4 \(NS\)](#), effective March 20, 2024, amends NJ ST 2A:50-56 (Written notice of intent to foreclose; contents) by changing "the municipal housing liaison, if one has been appointed by the municipality pursuant to the regulations of the Council on Affordable Housing, and the Commissioner of Community Affairs" to "the municipal housing liaison, if one has been appointed by the municipality". Amends NJ ST 17:11C-55 (Exclusion from licensing requirements for certain persons and entities) by revising an exemption from licensing requirements for the State of New Jersey, New Jersey municipalities, and certain state or municipal agencies. Latest Update available [here](#).

### **Utah**

- [2024 UT H.B. 500 \(NS\)](#), effective May 1, 2024, amends UT ST § 61-2c-102 (Definitions) by adding a definition for "vulnerable adult". Amends UT ST § 61-2c-402 (Disciplinary action) by adding a fine of \$10,000 for each violation, if the person knew or should have known that the property owner was 65 years old or older or a vulnerable adult. Latest Update available [here](#).
- [2024 UT S.B. 25 \(NS\)](#), effective May 1, 2024, amends UT ST § 70C-1-302 (Definitions) by adding the definitions of "Commissioner" and "nationwide database", and by modifying the definition of "creditor". Amends UT ST § 70C-8-202 (Notification) by changing the notification deadline to December 31, by changing "submit" to "include", by changing "person" to "party", by requiring the notification include evidence that the party is registered with the nationwide database, and by changing "provide" to "include". Latest Update available [here](#).
- [2024 UT S.B. 234 \(NS\)](#), effective May 1, 2024, amends UT ST § 61-2c-105 (Scope of chapter--Exemptions) by modifying the provisions regarding exemptions for attorneys. Amends UT ST § 61-2c-301 (Prohibited conduct -- Violations of the chapter) by making nonsubstantive changes in subsection (1). Latest Update available [here](#).

### **West Virginia**

- [2024 WV S.B. 613 \(NS\)](#), effective June 3, 2024, amends WV ST § 31-17-4 (Applications for licenses; requirements; bonds; fees; renewals; waivers and reductions; per loan fee) by changing "Nationwide Mortgage Licensing System and Registry" to "Nationwide Multistate Licensing System and Registry," modifying requirements for the application form, revising net worth and surety bond requirements for lenders and brokers, changing "Division of Banking" to "Division of Financial Institutions," and modifying provisions regarding the annual fee for every residential mortgage loan originated, made or brokered in a calendar year. Adopts WV ST § 31-17-4a (Information requirements for certain individuals and change in control) providing information and application requirements for certain individuals in control of a licensee or seeking to obtain control of a licensee and providing requirements for changing control of a licensee. Adopts WV ST § 31-17A-9a (Permitting employees to work from alternate locations) allowing employees of mortgage brokers, lenders, and servicers to work at their residences, providing requirements for licensees to complete prior to authorizing any employees to work remotely, and requiring licensees to periodically review and annually certify compliance with remote work requirements. Latest Update available [here](#).

### **Wisconsin**

- [2023 WI A.B. 574 \(NS\)](#), effective September 1, 2024, amends WI ST 138.09 (Licensed lenders) by creating an exemption for providers of earned wage access services. Latest Update available [here](#).
- [2023 WI S.B. 628 \(NS\)](#), effective March 23, 2024, adopts WI ST 224.45 (Financial exploitation of vulnerable adults) providing 5 definitions and establishing procedures for protection of vulnerable adults. Latest Update available [here](#).
- [2023 WI S.B. 773 \(NS\)](#), effective March 23, 2024, amends WI ST 138.052 (Residential mortgage loans) and WI ST 138.056 (Variable rate loans) by repealing disclosure provisions, and amends WI ST 227.01 (Definitions) by modifying the definition of "rule". Latest Update available [here](#).

## Recent Administrative Activity

### Nevada

- [2024 NV REG TEXT 652650 \(NS\)](#), effective February 27, 2024, amends NV ADC 645B.057 (Change in control or control person of mortgage broker; change of location or closure of principal or branch office; surrender of license) by modifying the requirements for a mortgage company to change the location of a principal office or branch office and to surrender a license. Amends NV ADC 645B.235 (Disclosures to borrowers by certain persons acting in dual capacity) by modifying the Division contact information in the form language for the dual capacity disclosure. Amends NV ADC 645B.240 (Representation of activity as licensed; advertisements; disclosure to private investors; Internet links) by modifying the list of what is considered a commercial message to remove yellow page listings and add media platforms. Amends NV ADC 645F.982 (Surrender of license; closure of principal office) by modifying the requirements for a mortgage servicer to surrender a license and to change the location of a principal office. Latest Update available [here](#).

### Wisconsin

- [2024 WI REG TEXT 627336 \(NS\)](#), effective April 1, 2024, amends WI ADC § DFI-BKG 40.03 (Branch offices) by repealing the prohibition on using a residential address as an office location. Amends WI ADC § DFI-BKG 41.05 (License renewals) by repealing the requirement that a mortgage loan originator must satisfy the annual continuing education requirements under WI ST 224.755 by December 31, even if the renewal application is received by the Nationwide Mortgage Licensing System during the reinstatement period. Amends WI ADC § DFI-BKG 43.01 (Improper, fraudulent or dishonest dealing) by modifying the description of improper conduct. Latest Update available [here](#).

## Regulator Notices

[U.S. HUD issues mortgagee letter implementing changes to branch office registration requirements](#) (March 19, 2024). The U.S. Department of Housing and Urban Development (HUD) has issued a mortgagee letter implementing provisions of a final rule concerning changes in branch office registration requirements, which removed the branch office registration requirements for offices where FHA business is conducted.

[U.S. HUD issues mortgagee letter regarding applications for mortgage insurance by portfolio applicants in the FHA Section 232 Mortgage Insurance Program](#) (March 11, 2024). HUD has issued a mortgagee letter which revises policies regarding mortgage insurance applications in the Federal Housing Authority (FHA) Section 232 Mortgage Insurance Program by changing the risk analysis to include an assessment of the size of the Section 232 portfolio to the unpaid principal balance and an assessment of the

owner/operator relationship. HUD will also require periodic enterprise level financial and management updates for portfolios for the duration of the terms of their FHA-insured mortgage loans.

**Texas Department of Savings and Mortgage Lending seeks comment on notice of intent to review mortgage related regulations** (March 8, 2024). The Texas Department of Savings and Mortgage Lending has filed a notice of intent to review the following chapters of 7 TAC Part 4: Chapter 78, Wrap Mortgage Loans; Chapter 79, Residential Mortgage Loan Servicers; Chapter 80, Residential Mortgage Loan Companies; and Chapter 81, Mortgage Bankers and Residential Mortgage Loan Originators. The comment deadline is 30 days after publication of notice, which occurred on March 8, 2024.

## **SECURITIES**

### **Recent Administrative Activity**

#### **Florida**

- [2024 FL REG TEXT 649525 \(NS\)](#), effective March 21, 2024, amends FL ADC 69W-200.001 (Definitions) by revising or removing numerous definitions, adding a definition of "promoter". Amends FL ADC 69W-200.002 (General Industry Standards Incorporated by Reference) by incorporating by reference Regulation Best Interest (17 CFR § 240.15I-1) as a general industry standard. Latest Update available [here](#).
- [2024 FL REG TEXT 649527 \(NS\)](#), effective March 21, 2024, amends FL ADC 69W-1000.001 (Disciplinary Guidelines) by updating the effective date and URL for the Florida Office of Financial Regulation Disciplinary Guidelines. Latest Update available [here](#).
- [2024 FL REG TEXT 649529 \(NS\)](#), effective March 21, 2024, amends FL ADC 69W-600.0016 (Application for Registration as an Investment Adviser (State Registered)) and FL ADC 69W-600.0024 (Application for Registration as Associated Person (Investment Adviser and Federal Covered Adviser)) by incorporating the North American Securities Administrators Association's model rule concerning its Examination Validity Extension Program for principals and associated persons of investment advisers and federal covered advisers. Latest Update available [here](#).
- [2024 FL REG TEXT 649530 \(NS\)](#), effective March 21, 2024, amends FL ADC 69W-600.0024 (Application for Registration as an Associated Person (Investment Adviser and Federal Covered Adviser)) by deleting references to issuer/dealers in subparagraph (4)(a); striking the phrase "immediately preceding the date the Office receives the application for registration" following the phrase "a period exceeding two years" in subparagraphs (6)(c)(1)(b), (6)(c)(2)(b), and (6)(c)(1)(d). Amends FL ADC 69W-600.012 (Rules of Conduct) by deleting references to issuer/dealers; revising the requirements for the contents of confirmation of transactions; and deleting prohibition on dealer or investment adviser from withdrawing any part of its net worth without prior written approval of the Office of Financial Regulation. Repeals FL ADC 69W-600.0013 (Application for Registration as an Issuer/Dealer). Latest Update available [here](#).
- [2024 FL REG TEXT 650290 \(NS\)](#), effective March 21, 2024, amends FL ADC 69W-700.003 (Content of Prospectus) by replacing reference to the Federal Savings and Loan Insurance Corporation with the Federal Deposit Insurance Corporation. Amends FL ADC 69W-700.006 (Voting Rights) by revising the rules on registration of the sale of non-voting common stock or other equity security interests. Amends FL ADC 69W-700.007 (Options or Warrants Granted Underwriters) by permitting transfer of options or warrants to managers and managing members of the underwriter, if the underwriter is a limited liability corporation. Amends FL ADC 69W-700.030 (Advertising and Sales Literature) by revising the rules on filing and approval of advertisements in connection with the offer or sale of any security. Latest Update available [here](#).

## Regulator Notices

**Cybersecurity advisory - Social engineering attempts impersonating FINRA** (March 1, 2024). The Financial Industry Regulatory Authority's (FINRA) Cyber and Analytics Unit has warned member firms of continuing social engineering campaigns involving fraudulent representations of individuals purporting to be FINRA representatives. As with many types of social engineering campaigns, threat actors may use website domain names that are similar to FINRA.org (e.g., Finra-latam.org, finra.world, finra.eu), fraudulently use FINRA's logo, or purport to be legitimate FINRA employees. These domains and individuals are not associated with FINRA. More information available [here](#).

**Proposed amendments to the NASAA Model Rule on Examination Requirements for Investment Adviser Representatives** (March 7, 2024). The North American Securities Administrators Association (NASAA) announced that the NASAA Exams Advisory Committee is seeking public comment on proposed amendments to the NASAA Model Rule: Examination Requirements for Investment Adviser Representatives (Model Rule). Comments on this proposal are due on or before April 8, 2024. More information available [here](#).

**SEC adopts reforms relating to investment advisers operating exclusively through the Internet** (March 27, 2024). The Securities and Exchange Commission (SEC) has adopted amendments to the rule permitting certain internet investment advisers to register with the Commission. The amendments will require an investment adviser relying on the internet adviser exemption to have at all times an operational interactive website through which the adviser provides digital investment advisory services on an ongoing basis to more than one client. The amendments also eliminate the current rule's de minimis exception by requiring an internet investment adviser to provide advice to all of its clients exclusively through an operational interactive website and to make corresponding changes to Form ADV.

**Enhancement and standardization of climate-related disclosures for investors** (March 28, 2024). The SEC has adopted amendments that require registrants to provide certain climate-related information in their registration statements and annual reports. The final rules require information about a registrant's climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition. In addition, under the final rules, certain disclosures related to severe weather events and other natural conditions will be required in a registrant's audited financial statements.

## Regulatory Intelligence and Reuters News

- **INSIGHT: U.S. SEC highlights adviser risks to material non-public information** (March 13, 2024).
- **U.S. appeals court puts SEC's climate disclosure rules on hold as lawsuits pile up** (March 18, 2024).
- **U.S. hedge funds sue SEC over Treasury market rule requiring registration as broker-dealers** (March 19, 2024).

(Anna Deel, Landon Larivee, Laine Lester, Steven Martino, and Andrew Whitehead, Regulatory Intelligence)

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