



Thomson Reuters Regulatory Intelligence

Topical Tracking Service

CONSUMER BANKING, MORTGAGE LENDING AND SECURITIES

May 2024

The following is a selection of federal and state regulatory actions affecting the consumer banking, mortgage lending, and securities sectors for May 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

Alabama

- [2024 AL S.B. 281 \(NS\)](#), effective October 1, 2024, adopts the Second Amendment Financial Privacy Act consisting of 4 new sections which, among other topics, provide definitions; prohibit a financial institution from declining a payment card transaction involving a firearm retailer based solely on an assignment of a firearms code, except as provided; provide exceptions and limitations; require the Attorney General to investigate violations; and provide injunctive authority and other penalties. Latest Update available [here](#).

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

Colorado

- [2024 CO H.B. 1232 \(NS\)](#), effective August 7, 2024, adopts the Uniform Special Deposits Act consisting of 16 new sections and covering, among other topics, definitions; scope; conditions under which a deposit is a special deposit; permissible uses; when a bank must make a payment from a special deposit account to a beneficiary; right of recoupment or set off; and duties of a bank in administering a special deposit account and liabilities connected to the account. Latest Update available [here](#).

Florida

- [2024 FL H.B. 989 \(NS\)](#), effective May 2, 2024, amends FL ST § 717.102 (Property presumed unclaimed; general rule) by adding grounds for a rebuttal to a presumption that property is unclaimed and providing related requirements and examples of an owner's expression of interest; and adding a presumption for if a holder learns or receives confirmation of an apparent owner's death. Adopts FL ST § 717.1065 (Virtual currency) which provides unclaimed presumption rules and allowable charges related to virtual currency. Amends FL ST § 717.112 (Property held by agents and fiduciaries) by clarifying that communication concerning the property must be in writing to avoid presumption. Effective January 1, 2025, amends FL ST § 717.117 (Report of unclaimed property) by revising written notice rules and providing new requirements; lowering thresholds to a value of \$10 throughout; and revising due diligence provisions to include notice via electronic methods. Amends FL ST § 717.119 (Payment or delivery of unclaimed property) by adding requirements for payment and delivery of virtual currency; and prohibiting a holder from assigning or transferring their obligations except to a parent, subsidiary, or affiliate. Amends FL ST § 717.1311 (Retention of records) by increasing the retention period to 10 years after the property becomes reportable. Latest Update available [here](#).
- [2024 FL S.B. 556 \(NS\)](#), effective January 1, 2025, adopts FL ST § 415.10341 (Protection of specified adults) permitting a financial institution that reports suspected financial exploitation of a specified adult to delay a disbursement or transaction from an account of a specified adult or an account for which a specified adult is a beneficiary or beneficial owner; providing expiration time for any delay and providing for extension of the delay, and immunity for delaying a transaction; and requiring a financial institution to develop programs to educate employees about financial exploitation, and policies on reviewing and reporting transactions. Latest Update available [here](#).

Georgia

- [2023 GA H.B. 1240 \(NS\)](#), effective July 1, 2024, makes extensive substantive and nonsubstantive amendments to the Georgia Uniform Commercial Code by amending numerous sections in Articles 1, 3, 4, 4A, 5, and 9 regarding controllable accounts, controllable electronic records, or controllable payments intangibles; secured transactions; negotiable instruments; fund transfers; electronic money; chattel paper; security interests; hybrid transactions; digital assets; and other topics. Adopts Article 12 titled "Controllable Electronic Records" which provides rules for rights, control, discharge, relation to other laws, and for other purposes. Adopts new Article 12A titled "Transitional Provisions for Uniform Commercial Code Amendments" which provides transition rules to protect the expectations of parties to existing transactions and for other purposes. Latest Update available [here](#).
- [2023 GA H.B. 876 \(NS\)](#), effective July 1, 2024, amends GA ST § 7-1-391 (Prohibition of promoters' fees) by removing a provision that required filing an affidavit with the articles which stated that no promoters' fees were paid. Amends GA ST § 7-1-419 (Subordinated securities) by removing a provision that required reporting a deficiency in the capital stock. Amends GA ST § 7-1-655 (Boards of directors, credit and audit committees, and executive officers) by requiring each credit union to keep minutes of the meetings of its members, board of directors, and committees of directors. Amends GA ST § 7-1-656 (Duties of

directors; authority; prohibited actions) by adding that it is also the duty of the directors to determine rates of interest and dividends on income and to fix the amount of the fidelity bond required of directors. Amends GA ST § 7-1-658 (Loans) by increasing the threshold of an exception for unsecured obligations to a total aggregate liability of \$150,000 or less. Amends GA ST § 7-1-661 (Fiscal year; meetings of members; proxies) by revising the required approval percentages for holding special meetings. Amends GA ST § 7-1-1114 (Certificate of authority) by adding that foreign banks establishing and maintaining a Georgia state branch must file an annual registration with the Secretary of State. Latest Update available [here](#).

- [2023 GA S.B. 73 \(NS\)](#), effective July 1, 2024, amends GA ST § 46-5-27 (Regulation of telephone solicitations; violations) by removing a requirement that a violation be committed knowingly; revising provisions for actions, injunctions, and damages for telephone solicitation violations; revising prohibited and allowable defenses for telephone solicitation violations; adding immunity for a local exchange telephone service, wireless service, or voice over internet protocol service; and making other clarifying or technical changes. Latest Update available [here](#).

Iowa

- [2023 IA H.F. 131 \(NS\)](#), effective July 1, 2024, amends IA ST § 533.205 (Board of directors--duties--penalties) by adding board member compensation limits based on the size of the credit union; adding that directors may not receive more favorable terms or rate of interest on deposits; adding that directors may not purchase, lease, or sell any assets to or from a state credit union with terms that are more favorable than other persons; adding that directors may not receive anything of value for procuring loans or investments; adding a list of events that directors will be liable for and providing related liability exceptions and escrow requirements; adding that a liable director will be entitled to contribution as specified; adding that present director will be presumed to have assented to any matter or action taken by the board unless they dissent as specified; and adding that any liability under this section, other than liability for contribution, must be commenced within 5 years. Amends IA ST § 533.206 (Meetings of the board) by adding that a newly charted credit union's board of directors must meet monthly for the first five years; adding that a board of directors must hold at least six regular meetings each year as specified; adding that a board of directors must meet monthly if the credit union has an individual rating of 4 or 5, or a composite rating of 3, 4, or 5. Amends IA ST § 533.210 (Expulsion or withdrawal of credit union member) by adding that the board may expel a member for being physically or verbally abusive to credit union members or staff; adding that the board may expel a member for committing fraud, attempted fraud, or other illegal conduct that a member has been convicted of in relation to the credit union; changing the deadline to request a hearing to within ninety days; changing the hearing to be before the Superintendent; providing that the Superintendent may reinstate the expelled member if the credit union fails to prove the member's noncompliance; and making technical changes. Latest Update available [here](#).

Louisiana

- [2024 LA H.B. 214 \(NS\)](#), effective August 1, 2024, amends LA R.S. 14:72.2 (Monetary instrument abuse) by adding that it is also a violation if committed with intent to defraud another person or committed using a counterfeit or forged monetary instrument of a person; and adding penalties for a second or subsequent conviction. Latest Update available [here](#).

Maine

- [2023 ME H.P. 1433 \(NS\)](#), effective July 16, 2024, amends ME ST T. 10 § 1499-B (Telephone solicitation) by adding a definition for "reassigned numbers database"; requiring telephone solicitors to check the reassigned numbers database before initiating a telephone sales call; and adding that a telephone solicitor is not liable for a violation if they check the reassigned numbers database as part of their routine business practices. Latest Update available [here](#).
- [2023 ME H.P. 59 \(NS\)](#), effective July 1, 2025, makes extensive substantive and nonsubstantive amendments to the Maine Uniform Commercial Code by amending numerous sections in Articles 1-a, 3-a, 4-a, 5-a, and 9 regarding controllable accounts, controllable electronic records, or controllable payments intangibles; secured transactions; negotiable instruments; fund transfers; electronic money; chattel paper; security interests; hybrid transactions; digital assets; and other topics. Adopts Article 12 titled "Controllable Electronic Records" which provides rules for rights, control, discharge, relation to other laws, and for other purposes. Adopts new Article 15 titled "Transitional Provisions" which provides transition rules to protect the expectations of parties to existing transactions and for other purposes. Latest Update available [here](#).

Maryland

- [2024 MD H.B. 1228 \(NS\)](#), effective April 25, 2024, amends MD COML § 14-4502 (Restrictions on telephone solicitations) by adding an exemption for a noncommercial telephone solicitation for the purpose of public opinion research. Amends MD COML § 14-4503 (Violations of subtitle) by allowing an aggrieved party to bring an action to enjoin further violations and for damages, including treble damages for a willful or knowing violation; providing that the requirements and remedies of the subtitle may not be waived by an agreement except as provided; and allowing an agreement to establish more extensive requirements or remedies than the subtitle. Latest Update available [here](#).
- [2024 MD H.B. 250 \(NS\)](#), effective October 1, 2024, adopts MD FIN INST § 2-122 which authorizes the Commissioner to examine a third-party service provider as to services and activities performed on behalf of a regulated entity and provides, in addition to provisions relating to the third-party examination: that the Commissioner may examine all books, accounts, and records of a regulated entity if necessary to conduct a complete examination; and that the Commissioner may examine any officer, director, or employee of the regulated entity, under oath, who may provide information on behalf of the regulated entity or the third-party service provider. Latest Update available [here](#).

Minnesota

- [2023 MN H.F. 3868 \(NS\)](#), effective August 1, 2024, makes extensive substantive and nonsubstantive amendments to the Minnesota Uniform Commercial Code by amending numerous sections in Articles 1, 3, 4A, 5, and 9 regarding controllable accounts, controllable electronic records, or controllable payments intangibles; secured transactions; negotiable instruments; fund transfers; electronic money; chattel paper; security interests; hybrid transactions; digital assets; and other topics. Adopts Article 10 titled "Controllable Electronic Records" which provides rules for rights, control, discharge, relation to other laws, and for other purposes. Adopts new Article 11 titled "Transitional Provisions for Uniform Commercial Code Amendments, 2022" which provides transition rules to protect the expectations of parties to existing transactions and for other purposes. Latest Update available [here](#).

Nebraska

- [2023 NE L.B. 1317 \(NS\)](#), effective April 23, 2024, adopts the Financial Institution Data Match Act which provides, among other provisions, related definitions; procedures and requirements for a financial institution to match a listing of tax debtors from the Department to its records and provide the Department with a list of matches; confidentiality requirements; allowable fees; immunity provisions; and administrative and rulemaking provisions. Latest Update available [here](#).

Oklahoma

- [2023 OK S.B. 1819 \(NS\)](#), effective November 1, 2024, adopts the "Uniform Special Deposits Act" which covers, among other topics: definitions; scope and applicability; providing conditions for amending the agreement; specifying what makes a special deposit; allowing termination under certain conditions; providing conditions under which a bank may distribute funds to a beneficiary; property interest rules; creditor process rules; allowing injunction or similar relief; providing conditions for a right of recoupment or set off; specifying fiduciary duties; and providing time frame and requirements for termination of accounts. Latest Update available [here](#).

Tennessee

- [2023 TN H.B. 2100 \(NS\)](#), effective July 1, 2024, adopts TN ST § 45-1-128 which requires a financial institution to make determinations about the provision or denial of services based on an analysis of risk factors unique to each current or prospective customer; prohibits a financial institution from denying or canceling its services, or otherwise discriminating, on the basis of a social credit score or other factors including political opinions, religious beliefs, or ownership of a firearm; and provides related definitions, refusal notice requirements, and penalty provisions. Latest Update available [here](#).
- [2023 TN S.B. 1814 \(NS\)](#), effective May 1, 2024, amends TN ST § 26-2-111 (Miscellaneous exemptions) by revising an exemption for a payment under a stock bonus, pension, profit sharing, annuity, or similar plan or contract on account of death, age, or length of service by: clarifying it applies where such payments are not exempted under TN ST § 26-2-105; clarifying that a limitation for accelerated payments applies only if available prior to age 58; and adding that the exemption does not remove the subpoena prohibition of TN ST § 26-2-105(b) or make certain plan payments or assets of plans available to creditors. Latest Update available [here](#).
- [2023 TN S.B. 2223 \(NS\)](#), effective July 1, 2024, adopts the "Second Amendment Financial Privacy Act" which covers, among other topics: definitions; prohibiting a financial institution from requiring or permitting the assignment of a firearms code in a way that distinguishes a firearms retailer from other retailers; prohibiting a financial institution from declining a payment card transaction involving a firearms retailer based solely on the assignment of a firearms code; limitations and exceptions; and violation, enforcement, and penalty provisions. Latest Update available [here](#).

Vermont

- [2023 VT H.B. 659 \(NS\)](#), effective July 1, 2024, amends VT ST T. 8 § 10302 (Automated teller machines) by modifying the requirements for the ownership and operation of an automated teller machine. Latest Update available [here](#).

Recent Administrative Activity

Federal

- [89 FR 32976-01](#), effective June 25, 2024, amends 45 CFR § 160.103 (Definitions) by revising the definition of "person" to include that it means a human being who is born alive and adding definitions for "public health" and "reproductive health care." Amends 45 CFR § 164.502 (Uses and disclosures of protected health information: General rules) by adding prohibitions, and related provisions, covering the use or disclosure of protected health information related to seeking, obtaining, providing, or facilitating reproductive health care; adding a cross-reference; and making technical and clarifying changes. Latest Update available [here](#).
- [89 FR 43737-01](#), effective July 1, 2025, amends 12 CFR § 229.10 (Next-day availability), 12 CFR § 229.11 (Adjustment of dollar amounts), 12 CFR § 229.12 (Availability schedule), 12 CFR § 229.13 (Exceptions), 12 CFR § 229.21 (Civil liability), and 12 CFR Pt. 229, App. E (Commentary) by adjusting various dollar amounts under the Expedited Funds Availability Act for inflation. Latest Update available [here](#).

Montana

- [2024 MT REG TEXT 664891 \(NS\)](#), effective May 11, 2024, adopts MT ADC 2.59.2101 (Definitions), MT ADC 2.59.2102 (Out-Of-State State-Chartered Bank or National Bank Seeking to Exercise Fiduciary Powers in Montana), and MT ADC 2.59.2102 (Out-Of-State Nonbank Trust Companies Seeking to Exercise Fiduciary Powers in Montana) which provide new requirements and obligations for entities that seek to act as a fiduciary foreign trust company. Repeals MT ADC 2.59.136 (Foreign Fiduciary Trust Company). Latest Update available [here](#).

Regulator Notices

[OFAC Reporting, Procedures and Penalties Regulations](#) (May 10, 2024) The Department of the Treasury's Office of Foreign Assets Control (OFAC) is issuing this interim final rule to amend the Reporting, Procedures and Penalties Regulations (the "Regulations"), to require electronic filing of certain submissions to OFAC and to describe and modify certain reporting requirements related to blocked property and rejected transactions. Written comments may be submitted on or before June 10, 2024. More information available [here](#).

[OCC: Procedures To Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies](#) (May 25, 2024) The OCC is soliciting comment concerning the renewal of its information collection titled, "Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies under Section 312 of the Fair and Accurate Credit Transactions Act of 2003." Comments must be received by July 29, 2024. More information available [here](#).

Regulatory Intelligence and Reuters News

- [U.S. regulators issue guidance to community banks on third-party relationship risks](#) (May 6, 2024).
- [U.S. financial regulators restart work on contentious executive compensation rules](#) (May 8, 2024).
- [U.S. OFAC issues interim final rule to amend reporting regulations, two notable changes for banks](#) (May 10, 2024).
- [U.S. Fed finds growing supervisory problems at large banks; governance, controls stand out](#) (May 16, 2024).

- [U.S. Treasury's 2024 strategy to combat illicit finance cites importance of AI, other innovations](#) (May 17, 2024).

MORTGAGE LENDING

Recent Legislative Activity

Colorado

- [2024 CO H.B. 1011 \(NS\)](#), effective August 7, 2024, adopts CO ST § 38-40-106 (Mortgage servicers--requirements concerning disbursement of insurance proceeds--disclosure of mortgage interest rate--retention of communications--definitions) by adding 5 definitions, by requiring mortgage servicers to disclose the conditions under which it will disburse insurance proceeds to a borrower and the interest rate of a loan to the borrower upon commencement of servicing, by requiring mortgage servicers to maintain borrower communications for 4 years, and by establishing that a mortgage servicer is not prohibited from releasing insurance proceeds greater than required, from distributing additional money made available during a state of emergency or natural disaster, or from complying with federal rules, regulations, and requirements, and adopts CO ST § 5-21-107.5 (Disbursement of insurance proceeds to borrowers - disclosure of mortgage interest rate - retention of communications) requiring mortgage servicers to comply with the provisions of CO ST § 38-40-106. Latest Update available [here](#).

Kansas

- [2023 KS S.B. 27 \(NS\)](#), effective January 1, 2025, amends KS ST 9-2201 (Definitions) by adding 19 definitions and amending 2 definitions, amends KS ST 9-2209 (State bank commissioner, powers and duties) by changing "loan originator" to "loan originator registration," changing "regularly report violations of law, as well as enforcement actions" to "regularly report enforcement actions," changing "Kansas administrative procedure act" to "rules and regulations filing act," changing "administrative interpretation" to "administrative guidance document," and adding a provision stating that the granting of powers to the Commissioner does not affect certain remedies available to a consumer, and repeals the versions of KS ST 9-2201 and KS ST 9-2209 as amended by Senate Bill 491 and House Bill 2247. Latest Update available [here](#).

Minnesota

- [2023 MN S.F. 4097 \(NS\)](#), effective August 1, 2024, amends MN ST § 47.20 (Lending authority of financial institutions) by modifying the definition for "conventional loan," amends MN ST § 58.02 (Definitions) by adding a definition for "Nationwide Multistate Licensing System and Registry" and modifying definitions for "residential mortgage loan" and "residential real estate," amends MN ST § 58.04 (Licensing requirement) by adding exemptions from residential mortgage originator licensing and residential mortgage servicer licensing for bona fide nonprofit organizations, amends MN ST § 58.05 (Exemptions from license) by adding that subsection (1)(a) regarding exempt persons does not apply to institutions covered under MN ST § 58.04(4) and revising the list of who must obtain a certificate of exemption, amends MN ST § 58.06 (Application requirements for residential mortgage originators and servicers) by adding provisions regarding background checks, amends MN ST § 58.08 (Bonds; letters of credit) by increasing the surety bond for applicants for a residential mortgage originator license to \$125,000, increasing the surety bond amounts required to be maintained by residential mortgage originator licensees, increasing the minimum surety bond for residential mortgage servicer licensees to \$125,000, adding requirements for maintaining or increasing a residential mortgage servicer licensee's surety bond, and repealing subsection (3), amends MN ST §

58.13 (Standards of conduct) by adding what is required to demonstrate a reasonable, tangible net benefit to a borrower, and adopts MN ST § 58.141 (Reports and unique identifier) requiring residential mortgage originators and services submit reports of condition to the NMLS and requiring residential mortgage originators to clearly display their unique identifier. Latest Update available [here](#).

Oklahoma

- [2023 OK S.B. 1492 \(NS\)](#), effective November 1, 2024, amends the Oklahoma SAFE Act by changing "Nationwide Mortgage Licensing System and Registry" to "Nationwide Multistate Licensing System and Registry," amends OK ST T. 59 § 2095.2 (Definitions) by adding 3 definitions and modifying 6 definitions, amends OK ST T. 59 § 2095.6 (License and registration--Application and renewal--Fees) by providing fee schedules for initial and renewal license applications, amends OK ST T. 59 § 2095.11 (Findings required for issuance of a mortgage broker license) by changing "location" to "branch office" and removing the provision for the Administrator of Consumer Credit to determine applicant qualification, amends OK ST T. 59 § 2095.12.1 (Findings required for issuance of a mortgage lender license) by incorporating license reinstatement requirements, and adopts OK ST T. 59 § 2095.27 providing conditions under which a licensee may permit its employees or independent contractors to work from a remote location. Latest Update available [here](#).

Regulator Notices

[**HUD releases Mortgagee Letter regarding appraisal review and reconsideration of value updates**](#) (May 1, 2024). The US Department of Housing and Urban Development (HUD) has released a Mortgagee Letter indicating that borrower-initiated reconsideration of value requirements have been added to the ROV process. All updates will be incorporated in a future update of the HUD Handbook 4000.1, which applies to FHA (Federal Housing Administration) Single Family Title II forward and Home Equity Conversion Mortgage (HECM) programs. Detailed summary of the changes is available in the Mortgagee Letter.

[**HUD releases Mortgagee Letter announcing extension of foreclosure Moratorium in Maui County, Hawaii**](#) (May 3, 2024). The US Department of Housing and Urban Development (HUD) has released a Mortgagee Letter indicating that the foreclosure moratorium that was implemented in response to the Presidential declared major disaster area in Maui County, Hawaii is extended for a second time and will now remain in effect through August 4, 2024. This applies to FHA Title II Single Family forward and Home Equity Conversion Mortgage (HECM) programs.

[**Federal regulators release views on FSOC's report on nonbank mortgage servicing**](#) (May 10, 2024, et al) - Numerous US regulators have published comments on the Financial Stability Oversight Council's (FSOC) report on nonbank mortgage servicing. This includes comments from the [US Department of the Treasury](#), the [Office of the Comptroller of the Currency](#), and the [Consumer Financial Protection Bureau](#). The report documents the growth of the nonbank mortgage servicing sector and identifies financial stability issues that need to be addressed.

[**FDIC seeks comment on renewal of information collection regarding Regulation Z recordkeeping, disclosure, and reporting**](#) (May 13, 2024). The Federal Deposit Insurance Corporation (FDIC) requests comment on the renewal of existing information collection applicable to Regulation Z recordkeeping, disclosure, and reporting. The comment deadline is July 8, 2024.

New York Department of Financial Services (DFS) issues Guidance Letter regarding cybersecurity programs applicable to mortgage loan originators (May 13, 2024). The

DFS has developed a resource to help regulated mortgage loan originators in creating cybersecurity programs, as required by the Cybersecurity Regulation, which includes a Cybersecurity Program Template. The template includes frameworks for developing and tracking asset inventories, risk assessments, multi-factor authentication exceptions, and third-party service providers.

CFPB Director Chopra speaks at the Mortgage Banking Association's Secondary & Capital Markets Conference & Expo (May 20, 2024). Director Rohit Chopra of the

Consumer Financial Protection Bureau (CFPB) provided remarks at the Mortgage Banking Association's Secondary & Capital Markets Conference & Expo and the CFPB has provided a copy of the prepared remarks. The comments focused on credit scores and credit reporting costs, and the negative impact of those costs being passed on to homebuyers and lenders.

Kansas Office of the State Banking Commissioner seeks comment on proposed changes to loan documentation requirements (May 23, 2024). The Kansas Office of the

State Banking Commissioner is proposing changes to [KS ADC 17-11-18](#) regarding the threshold amounts for loan documentation and [KS ADC 17-11-21](#) regarding threshold amounts related to appraisal and evaluation. The intent is to make Kansas requirements consistent with those of the Office of the Comptroller of the Currency, which were increased under [83 FR 15019](#) and [84 FR 53579](#). The comment deadline is July 23, 2024.

OCC seeks comments on information collection regarding the registration of mortgage loan originators (May 25, 2024). The Office of the Comptroller of the Currency

(OCC) is seeking comment on the continuation of an information collection titled "Registration of Mortgage Loan Originators." The comment deadline is July 29, 2024. More information available [here](#).

Colorado Real Estate Commission seeks comment on proposed standard real estate transaction forms (May 25, 2024). The Colorado Real Estate Commission has scheduled a

non-rulemaking hearing to amend Commission approved forms on June 24, 2024, to be conducted via Zoom Webinar. The forms in question include Exclusive Right to Buy Listing Contract, Exclusive Right to Sell Listing Contract, Brokerage Disclosure to Buyer Definition of Working Relationships, and Contract to Buy and Sell Real Estate. The comment deadline for written comments is June 21, 2024.

Regulatory Intelligence and Reuters News

- [U.S. FSOC, Yellen urge more state scrutiny, congressional action for nonbank mortgage firms](#) (May 14, 2024).

SECURITIES

Recent Legislative Activity

Florida

- [2024 FLS.B. 532 \(NS\)](#), effective October 1, 2024, adopts FL ST § 517.0612 (Florida Invest Local Exemption) providing requirements for eligibility, investment limitations, general solicitations, and disclosures. Adopts FL ST § 517.0613 (Failure to comply with a securities registration exemption) providing that failure to qualify for an exemption does not preclude an issuer from claiming any other exemption, and prohibiting exemption for

issues that are in technical compliance but part of a plan or scheme to evade registration provisions. Adopts FL ST § 517.0614 (Integration of offerings) providing rules for determining whether two or more offerings are to be treated as one for the purpose of registration or qualifying for an exemption. Adopts FL ST § 517.0615 (Solicitations of interest) providing rules on when a communication will not be deemed to constitute general solicitation or general advertising. Adopts FL ST § 517.0616 (Disqualification) providing that exemptions are not available to an issuer that would be disqualified under Securities and Exchange Commission Rule 506(d). Latest Update available [here](#).

Georgia

- [2023 GA S.B. 448 \(NS\)](#), effective July 1, 2024, amends GA ST § 10-5-35 (Registration; application; fingerprint and criminal record check; effective date); GA ST § 10-5-71 (Investigations by Commissioner); GA ST § 10-5-100 (Definitions) by making nonsubstantive editorial changes; and GA ST § 10-5-103 (Delay of disbursement or transaction) by making nonsubstantive editorial changes. Latest Update available [here](#).

Kansas

- [2023 KS S.B. 405 \(NS\)](#), effective July 1, 2024, amends KS ST 17-12a412 (Denial, revocation, suspension, withdrawal, restriction, condition or limitation of registration) by clarifying when a control person is subject to liability and clarifying cross-references. Amends KS ST 17-12a603 (Civil enforcement) and KS ST 17-12a604 (Administrative enforcement) by adding that a person controlling a person who violates the Kansas Uniform Securities Act may be subject to relief to the same extent as the violating person, unless the control person did not know, and in the exercise of reasonable care could not have known, of the violation. Latest Update available [here](#).

Vermont

- [2023 VT H.B. 659 \(NS\)](#), effective July 1, 2024, amends VT ST T. 9 § 5604 (Administrative enforcement) by authorizing the Securities Commissioner to increase a civil penalty by up to \$5,000 per violation for violations involving a person who is a vulnerable adult. Latest Update available [here](#).

Recent Administrative Activity

California

- [2024 CA REG TEXT 630330 \(NS\)](#), effective May 1, 2024, adopts 10 CA ADC 260.236.2 (Investment Adviser Representative Continuing Education) providing definitions, specific continuing education requirements, certain alternative qualifications, reporting requirements, prohibition on carrying forward excess credits, penalties for failure to complete requirements, exemption for out-of-state investment adviser representatives if they meet similar requirements in their home state, and requirements for unreported periods. Latest Update available [here](#).

Regulator Notices

[NASAA members approve amendments for two model rules](#) (May 6, 2024). The North American Securities Administrators Association (NASAA) has announced that NASAA members have voted to adopt amendments to two NASAA Model Rules. NASAA amended its Model Rule Exempting Certain Merger & Acquisition Brokers (M&A Broker Rule) from Registration by revising it to achieve uniformity with federal law. NASAA also amended its Model Rule: Examination Requirements for Investment Adviser Representatives (IAR Examination Requirements Model Rule) by updating the list of eligible professional

certifications that can be used to exempt individuals from examination requirements. More information [here](#).

Regulation S-P: Privacy of consumer financial information and safeguarding customer information (May 16, 2024). The SEC has adopted rule amendments that will require brokers and dealers, investment companies, investment advisers registered with the Commission, funding portals, and transfer agents registered with the Commission or another appropriate regulatory agency to adopt written policies and procedures for incident response programs in order to address unauthorized access to or use of customer information, including procedures for providing timely notification to individuals affected by an incident involving sensitive customer information with details about the incident and information designed to help affected individuals respond appropriately. The amendments are effective 60 days after publication in the Federal Register.

FINRA Threat Intelligence Product: Protecting Vulnerable Adult and Senior Investors (May 21, 2024). The Financial Industry Regulatory Authority's (FINRA) Financial Intelligence Unit and Vulnerable Adults and Seniors Team have issued a Threat Intelligence Product. According to the FBI, total losses reported to its Internet Crime Complaint Center by elderly victims increased 11% from 2022, with victims losing an average of \$33,915. The assessment provides an overview of FINRA's observations regarding the vulnerability of senior investors to investment scams, the devastating consequences for the victims, and the importance of education about financial scams to prevent initial victimization and re-victimization. More information available [here](#).

Customer identification programs for registered investment advisers and exempt reporting advisers (May 21, 2024). The Department of the Treasury (DOT) and the Securities and Exchange Commission (SEC) have issued a proposed rule with regard to certain investment advisers. Under an earlier proposed rulemaking, certain investment advisers would be included in the definition of "financial institution" under the Bank Secrecy Act. Under that proposal, certain anti-money laundering and countering foreign terrorism (AML/CFT) requirements would apply. If implemented, the Secretary of the Treasury and the SEC will be required to jointly prescribe a regulation that, among other things, requires investment advisers to implement reasonable procedures to verify the identities of their customers. Written comments on this notice of joint proposed rulemaking must be submitted on or before July 22, 2024.

Regulatory Intelligence and Reuters News

- **U.S. Adviser marketing prohibitions surface during exams, SEC gives details** (May 1, 2024).
- **U.S. SEC exams reveal failures for advisers pushing third-party ratings** (May 3, 2024).
- **FINRA officials stress firm's actions in preventing off-channel communication: fine broker for WhatsApp messages** (May 17, 2024).
- **New CRA challenge to retirement security rule crops up for Biden administration** (May 20, 2024).
- **INSIGHT: U.S. FINRA updates guidance on AI-generated content, messaging** (May 22, 2024).
- **INSIGHT: In 2024, the investment adviser annual review requires a written record** (May 30, 2024).

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

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