



# Regulatory Dispatch

*Timely news and resources community bankers can use  
to better stay on top of a rapidly changing world.*

**July 16, 2025**

## [Cyber Hygiene Awareness Fact Sheets and Board Questions](#)

Recent geopolitical events have elevated the risk of cybersecurity threats to financial institutions. With that in mind, the Texas Department of Banking shared the following fact sheets prepared by the Conference of State Bank Supervisors (CSBS) that spotlight four fundamental actions that can protect against most cyber threats when fully and consistently applied. The fact sheets provide additional information on key actions to prevent cybersecurity threats as outlined within [Industry Notice 2025-01 Cybersecurity Threats: Actions to Take Today](#).

- [Multi-Factor Authentication Fact Sheet \(MFA\)](#)
- [End-of-Life Management Fact Sheet \(EOL\)](#)
- [Vulnerability & Patch Management Fact Sheet](#)
- [Event Logging & Threat Detection Fact Sheet](#)

These documents are **not** intended to introduce new guidance but rather to spotlight and amplify key controls from existing regulatory guidance and other authoritative sources, as well as encourage increased oversight by senior management and the Board on these controls.

These fact sheets are intended for **CEOs and senior management staff** who can then share with **CISOs and IT security personnel**. The fact sheets provide a general overview of key cyber hygiene controls that our agency is focusing on during examinations. These are controls that everyone is familiar with; however, a renewed and deeper focus is needed using the references to new source materials provided throughout each fact sheet.

### **Board of Director Resources**

We recognize the value of providing resources to institution Board members as well. CSBS has developed the following “*Questions Board Members Should Ask*” documents for [MFA](#), [EOL Management](#), [Vulnerability & Patch Management](#) and [Event Logging & Threat Detection](#). These documents can be utilized to help keep a focus on each practice being appropriately implemented.

We strongly encourage these documents to be shared with the appropriate staff and the Board of Directors.

## CBAK Insights (Ask Anything)

**Q:** Regarding online account opening and the fact we don't want to risk treating our service members differently, is it illegal for a customer to scan the Military ID in and provide it? In this case, we are not the ones copying it (the customer is)?

**A:** The rule is that photocopying a military ID - or any official government issued ID which would include a state issued driver's license - is illegal under Title 18, US Code Part 1, Chapter 33, Section 701 below.

 §701. *Official badges, identification cards, other insignia*


*Whoever manufactures, sells, or possesses any badge, identification card, or other insignia, of the design prescribed by the head of any department or agency of the United States for use by any officer or employee thereof, or any colorable imitation thereof, or photographs, prints, or in any other manner makes or executes any engraving, photograph, print, or impression in the likeness of any such badge, identification card, or other insignia, or any colorable imitation thereof, except as authorized under regulations made pursuant to law, shall be fined under this title or imprisoned not more than six months, or both.*

*(June 25, 1948, ch. 645, 62 Stat. 731; Pub. L. 103-322, title XXXIII, §330016(1)(E), Sept. 13, 1994, 108 Stat. 2146.)*

Source [link](#).

Clearly the phrase 'in any other manner' would include scanning an ID. Further there is no exception granted if the holder of that ID is 'copying it' for your use.

Regarding online account opening:

 SB 2155 (Sec. 213) *A financial institution is authorized to record personal information from a scan, copy, or image of an individual's driver's license or personal identification card and store the information electronically when an individual initiates an online request to open an account or obtain a financial product. The financial institution may use the information for the purpose of verifying the authenticity of the driver's license or identification card, verifying the identity of the individual, or complying with legal requirements. The financial institution must delete any copy or image of an individual's driver's license or personal identification card after use.*

Source [link](#).

You can scan and 'store the information' but the scanned image must be deleted once you have 'verified the identity of the individual.' Notice that it makes no specific reference to military ID's but are they not also a 'personal identification card'?

## Bank Management

**FDIC [Proposed Revisions to the Consolidated Reports of Condition and Income \(Call Reports\)](#)** (07/10/2025) – Summary: On July 10, 2025, the Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System (Board), and the Office of the Comptroller of the Currency (collectively, the agencies), under the auspices of the Federal Financial Institutions Examination Council (FFIEC), published in the Federal Register a proposal to revise the FFIEC 031 Call Report. These proposed revisions are consistent with the agencies' request for comment on June 27, 2025, of a notice of proposed rulemaking titled, "Regulatory Capital Rule: Modifications to the Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Their Subsidiary Depository Institutions; Total Loss-Absorbing Capacity and Long-Term Debt Requirements for U.S. Global Systemically Important Bank Holding Companies" (capital proposal). The FFIEC 041 and FFIEC 051 Call Reports are being proposed to be extended without revision.

As described more fully in the attached Federal Register notice, the proposed revisions to the FFIEC 031 Call Report form would include two new line items on Schedule RC-R, Part I, Regulatory Capital Components and Ratios, to reflect leverage buffer standards, as applicable, under the capital proposal. These line items would be reported only by respondents that are depository institution subsidiaries of global systemically important bank holding companies (GSIBs).

Additionally, the FFIEC 031 Call Report instructions would be revised to be consistent with the capital proposal, including the additional criteria for a depository institution subsidiary of a GSIB to report on Schedule RC-R, Part I, line items 53, "Eligible retained income," and 54, "Distributions and discretionary bonus payments during the quarter," based on the depository institution's leverage buffer standard and leverage buffer amount.

The proposed revisions to the FFIEC 031 Call Report form and instructions would become effective with the first report date following the effective date of the capital proposal, if finalized. In addition, the agencies plan to revise the reporting changes proposed in this notice to align with any changes made to any final version of the capital proposal.

The agencies encourage you to review and provide comment on the proposed regulatory reporting revisions. You may send comments on this reporting proposal to any or all of the agencies by the methods described in the attached Federal Register notice. Comments must be submitted by September 8, 2025.

Redlined copies of the FFIEC 031 Call Report form and instructions showing the proposed changes will be available on the FFIEC's webpages for these reports, which can be accessed from the [FFIEC's Reporting Forms](#) webpage for the FFIEC 031 Call Report.

Please share this letter with individuals responsible for preparing Call Reports at your institution. For further information about the proposed Call Report changes, institutions should contact their assigned Call Report analyst. If you do not know the analyst assigned to your institution, state member institutions should contact their Federal Reserve District Bank, while national institutions, FDIC-supervised banks, and savings associations should contact the FDIC's Data Collection and Analysis Section in Washington, D.C., by telephone at (800) 688-FDIC (3342) or email to [FDICInfoReq@fdic.gov](mailto:FDICInfoReq@fdic.gov).

**CSBS [Community Bankers Maintain Positive Economic Outlook](#) (07/08/2025)** – Washington, D.C. - Community bankers' optimism on the future economy is holding steady, according to the 2025 second quarter results of the Community Bank Sentiment Index (CBSI).

The CBSI dipped slightly to 126 from its peak value of 129 in the previous quarter, driven by a less optimistic outlook for a lighter regulatory environment and moderated expectations for higher expected profitability. However, the overall index remains well above the neutral level of 100 and is among the highest three readings recorded since its inception in 2019.

Additionally, the "I don't know/unsure" responses for all seven components fell from 14 points to 23 as concerns over tariffs and inflation appear to have subsided somewhat.

"Even though the economic outlook still remains clouded by uncertainties arising from tariff talks, immigration reforms, and fiscal and monetary policy decisions, overall

community banker sentiment remains mostly optimistic and similar to the last two quarterly surveys,” said CSBS Chief Economist Tom Siems.

The CBSI canvasses community bankers nationwide in the last month of each quarter to capture their thoughts on future economic conditions in seven areas. An index reading of 100 indicates a neutral sentiment. Anything above 100 indicates a positive sentiment, and anything below 100 indicates a negative sentiment. Quarterly results are included in the Federal Reserve Economic Data, the online database maintained by the Federal Reserve Bank of St. Louis known informally as the FRED.

A total of 250 community bankers from 43 states responded to the second quarter 2025 CBSI survey. The profitability, operations, and franchise value indicators fell slightly but are at near record high levels. Expected future business conditions was the only component to drag the index lower for the second straight quarter, although this component improved slightly to 91 from last quarter’s reading of 86.

The regulatory burden component had the greatest quarterly change, falling 16 points to 114 from the first quarter survey. However, it stayed above 100 for only the second time in the survey’s history and is up 94 points from one year ago.

At 114, the monetary policy component improved 8 points from 106 last quarter and remains in positive territory for the fifth straight quarter.

Sixty-one percent of community bankers believe the U.S. economy is at the start of or already in a recession, up slightly from 59% last quarter. Community bankers rated their top concerns as cyberattacks, bank fraud, the federal debt/deficit, the cost and availability of labor, and competition.

***Comment: According to a recent ABA survey, more than half (54%) of community bank executives say their biggest challenge in 2025 is growing deposits. Just 17% said making more loans is their top priority.***

## BSA / AML

**FinCEN [Treasury Extends Effective Dates of Orders Issued Under New Authority to Counter Fentanyl](#)** (07/09/2025) – WASHINGTON—Today, the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) extended the effective dates for [orders](#) issued on June 25, 2025, prohibiting certain transmittal of funds involving three Mexico-based financial institutions. Covered financial institutions will now have an additional 45 days—until September 4, 2025—to implement the orders prohibiting certain transmittal of funds involving **CIBanco S.A., Institución de Banca Multiple (CIBanco), Intercam Banco S.A., Institución de Banca Multiple (Intercam), and Vector Casa de Bolsa, S.A. de C.V. (Vector)**, each of which FinCEN found to be of primary money laundering concern in connection with illicit opioid trafficking pursuant to the Fentanyl Sanctions Act and the FEND Off Fentanyl Act.

“For months, Treasury and the Government of Mexico have been jointly coordinating to safeguard our financial institutions from terrorist cartels and their money laundering operations, which culminated in the historic orders issued against these institutions,” said FinCEN Director Andrea Gacki. “Treasury will continue to take every action necessary to protect the U.S. financial system from abuse by illicit actors and target the financing of transnational criminal organizations and narcotics traffickers.”

This extension reflects that the Government of Mexico has taken further steps to address the concerns raised in FinCEN's orders, including by assuming temporary management of the affected institutions to promote regulatory compliance and the prevention of illicit finance. Treasury will continue to coordinate closely with the Government of Mexico on these matters and will carefully consider all facts and circumstances in considering any further extensions to the implementation date of the orders. Today's order by FinCEN can be found [here](#). Links to FinCEN's original orders regarding **CIBanco**, **InterCam**, and **Vector** can be found [here](#). Frequently Asked Questions can be found [here](#). Questions about the orders should be directed to [www.fincen.gov/contact](http://www.fincen.gov/contact).

***Comment: Use the extra time wisely to inform your account holders who may have sent money in the past to those three banks and to identify ways to block those transactions in the future.***

## Deposit / Retail Operations

**FDIC [Consumer News - July 2025 Edition](#)** (07/10/2025) – Spot and Prevent Elder Financial Abuse

Each year, older adults in this country fall victim to financial abuse, costing seniors an estimated \$27 billion. Financial exploitation can take many forms such as theft of money or property by a family member, caregiver, or scammer. It is vital to take precautions to prevent exploitation against older Americans.

Here are suggestions for protecting yourself and your loved ones:

Closely monitor your credit card and bank account activity. Review your account statements as soon as you receive them and look for unauthorized or suspicious transactions. If you find any, report them to your bank immediately.

Protect your personal financial information. Never give out your bank account numbers, Social Security number, personal identification numbers (PINs), passwords, or other sensitive information unless you initiate the contact through a legitimate webpage or phone number. Also, be aware that scam requests may come from an unsolicited phone call, text, letter, email, or a person who shows up at your door.

Keep your checkbook, account statements, and other sensitive information in a safe place. Shred paper documents containing sensitive information that are no longer needed.

**Be careful with powers of attorney.** At some point, you may want to have a power of attorney, a legal document that authorizes another person to transact business on your behalf. While powers of attorney can be very helpful, be careful who you name as your representative.

**Review your credit report.** Check to make sure all the information on your credit report is accurate and complete. Check to see if companies you don't recognize have obtained your credit report; and contact the credit-reporting agency if you see anything suspicious.

**Take Your Time When Deciding on a Major Financial Decision or Investment.** Make sure you understand the transaction and ask questions. Consider getting a lawyer or financial advisor to help you understand the documents and discuss what is best for you. Walk away from anyone who says you must decide or otherwise do something right now.

***Comment: Find ways to share with your account holders.***

	<p><b>FTC</b> <a href="#">Help the people affected by flooding in Texas — not a scammer</a> (07/10/2025) – In response to the devastating flash flooding in central Texas, many are looking for ways to get and give help. And scammers are looking to prey on people’s generosity. So how can you make sure your donations go to the people who need them and not to a scammer?</p> <ul style="list-style-type: none"> <li>• <b>Donate to charities you know and trust</b> with a proven track record of dealing with disasters.</li> <li>• <b>Before you give, research the charity yourself</b> — especially if the donation request comes on social media. Check out the charity on the Better Business Bureau’s <a href="#">Give.org</a>, or <a href="#">Charity Watch</a>. Find out exactly how much of your donation will go directly to the people the charity says it helps.</li> <li>• <b>Don’t donate to anyone who insists you must pay by cash, gift card, wiring money, or cryptocurrency.</b> That’s how scammers tell you to pay. If you decide to donate, paying by credit card gives you more protections.</li> <li>• <b>Be cautious about giving to individuals on crowdfunding sites.</b> Know that money raised in a crowdfunding campaign goes to the campaign organizer, not directly to the people or cause it’s set up to help. Review the platform’s policies — does it take measures to verify postings that ask for help after a disaster? And know that donating via crowdfunding is not tax deductible.</li> <li>• <b>Confirm the number before you text to donate.</b> If someone asks you to donate by text, call the number on the charity’s website to confirm you have the right number to donate by text.</li> </ul> <p>To learn more about how to donate safely, go to <a href="#">ftc.gov/charity</a>. For advice to help you prepare for, deal with, and recover from</p> <p><i><b>Comment: You can help by educating your customers and bank staff on ways to identify scammers.</b></i></p>

## Lending

	<p><b>FFIEC</b> <a href="#">CRA Alert - 2025 Census Data Products and Geocoding System are Now Available</a> (07/11/2025) – The FFIEC released the <a href="#">2025 Census flat file</a>. The <a href="#">FFIEC Census Online</a> and <a href="#">FFIEC Geocoding and Mapping System</a> were also updated for 2025.</p> <p>You can view or update your subscriptions or e-mail address at any time on your <a href="#">User Profile Page</a>. All you will need is your e-mail address.</p> <p>If you have any questions or problems visit <a href="#">subscriberhelp.govdelivery.com</a> for assistance.</p>
	<p><b>Poyner Spruill</b> <a href="#">Enemy of a Lender: Ambiguity in Loan Documents</a> (07/11/2025) – Loan document terms are ambiguous when they are reasonably capable of being interpreted in more than one manner. Contract law often provides that an ambiguous term in a loan document is interpreted against the drafting party. This is especially true in a situation where the parties have unequal bargaining power. For lenders, this means that if a loan document contains ambiguous language, a court might interpret the disputed language in a way that favors the borrower and results in a disastrous or costly outcome for the lender.</p>

Even in situations where the above principle is inapplicable, such as a loan involving a sophisticated commercial borrower being represented by sophisticated counsel, loan document ambiguities may mean that the “best case” outcome for a lender still requires long, contentious and costly litigation in order to achieve.

Lenders should take the following steps to avoid the above outcomes:

- Avoid cutting and pasting summaries of key requirements contained in credit approvals directly into loan documents;
- Be careful not to overly complicate important loan terms, such as financial covenants, payment structures, release terms, default provisions and rights and remedies;
- Define important terms within the loan documents themselves or refer to a credible and commonly used outside source (such as GAAP or the UCC) for definitions;
- Ensure consistency within each loan document and across multiple loan documents;
- Ask a colleague to review and provide their interpretation of key points or provisions;
- Consider having loan documents (or certain key provisions) drafted or reviewed by legal counsel to help identify any potential ambiguities; and
- Maintain records of communications and negotiations with the borrower to support the intended meaning of key terms.

***Comment: Good reminder for those involved in drafting loan agreements.***

**FFIEC [Publishes 2024 Data on Mortgage Lending](#)** (07/08/2025) – The Federal Financial Institutions Examination Council (FFIEC) recently published data on 2024 mortgage lending transactions reported under the Home Mortgage Disclosure Act (HMDA) by 4,908 U.S. financial institutions. The Snapshot National Loan-Level Dataset released contains the national HMDA datasets as of May 19, 2025.

The FFIEC released [several data products](#) to serve a variety of data users, including the 2024 Snapshot National Loan-Level Dataset, the HMDA Dynamic National Loan-Level Dataset, and Aggregate and Disclosure Reports. The One-Year National Loan Level Dataset for 2023 and the Three-Year National Loan Level Dataset for 2021 were released as well. Users can use the [Data Browser Dataset Filtering tool](#) to download customized reports based on the updated data.

**FRB [Consumer Credit - G.19](#)** (07/08/2025) – Beginning with the May 2025 G.19 Consumer Credit statistical release, published on July 8, 2025, consumer credit estimates for the nonfinancial business sector are discontinued beyond 2019. Total balances of consumer credit include the estimates of nonfinancial business holdings through 2019. For more information, please see the announcement posted on April 7, 2025.



May 2025

In May, consumer credit increased at a seasonally adjusted annual rate of 1.2 percent. Revolving credit decreased at an annual rate of 3.2 percent, while nonrevolving credit increased at an annual rate of 2.8 percent.

## Selected federal rules – proposed

Proposed rules are included only when community banks may want to comment. The date posted may not be the same as the Federal Register Date.

- 06.18.2025      **CFPB** [Small Business Lending Under the Equal Credit Opportunity Act \(Regulation B\); Extension of Compliance Dates](#) **SUMMARY:** In light of court orders in ongoing litigation, the Consumer Financial Protection Bureau (CFPB or Bureau) is amending Regulation B to extend the compliance dates set forth in its 2023 small business lending rule, as amended by a 2024 interim final rule, and to make other date-related conforming adjustments. **DATES: This interim final rule is effective July 18, 2025. Comments must be received on or before July 18, 2025.**
- 06.16.2025      **Joint** [Request for Information on Potential Actions to Address Payments Fraud](#) **SUMMARY:** The Office of the Comptroller of the Currency (OCC), Treasury; the Board of Governors of the Federal Reserve System (Board); and the Federal Deposit Insurance Corporation (FDIC) seek public input on questions related to payments fraud. This request for information (RFI) offers the opportunity for interested stakeholders to identify ways that the OCC, the Federal Reserve System (FRS), and the FDIC could take actions collectively or independently in their varying respective roles to help consumers, businesses, and financial institutions mitigate check, automated clearing house (ACH), wire, and instant payments fraud. **DATES: Comments must be received by September 18, 2025.**
- 05.22.2025      **FinCEN** [Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of Prohibition on Correspondent Accounts for Foreign Shell Banks; Records Concerning Owners of Foreign Banks and Agents for Service of Legal Process](#) **SUMMARY:** As part of its continuing effort to reduce paperwork and respondent burden, FinCEN invites comments on the proposed renewal, without change, of certain existing information collection requirements found in Bank Secrecy Act (BSA) regulations applicable to certain covered financial institutions. Under these regulations, among other requirements, a covered financial institution is prohibited from establishing, maintaining, administering, or managing correspondent accounts in the United States for or on behalf of a foreign shell bank. The regulations require that a covered financial institution take reasonable steps to ensure that any correspondent account that it establishes, maintains, administers, or manages in the United States for a foreign bank is not used by the foreign bank to indirectly provide banking services to a foreign shell bank. The regulations also mandate that a covered financial institution that maintains a correspondent account in the United States for a foreign bank retain records in the United States identifying the owners of each such foreign bank whose shares are not publicly traded, unless the foreign bank files a Form FR-Y with the Federal Reserve Board identifying the current owners of the foreign bank, and the name and street address of a person who resides in the United States and is authorized, and has agreed to be an agent to accept service of legal process for records regarding each such correspondent account. This request for comments is made pursuant to the Paperwork Reduction Act of 1995. **DATES: Written comments are welcome and must be received on or before July 21, 2025.**