CBA Community Bankers Association of Kansas

# Regulatory Dispatch

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

**June 4, 2025**

## *FDIC-Insured Institutions Reported Return on Assets of 1.16 Percent and Net Income of $70.6 Billion in the First Quarter*

FDIC-Insured Institutions Reported Return on Assets of 1.16 Percent and Net Income of $70.6 Billion in the First Quarter

- Net Income Increased From the Prior Quarter, Led by Higher Noninterest Income
- Community Bank Net Income Increased From the Prior Quarter
- Quarterly Net Interest Margin Ticked Down From the Prior Quarter
- Asset Quality Metrics Remained Generally Favorable, Though Weakness in Certain Portfolios Persisted
- Loan Growth Remained Modest
- Domestic Deposits Increased for the Third Consecutive Quarter
- The Deposit Insurance Fund Reserve Ratio Increased Three Basis Points to 1.31 Percent

WASHINGTON— The Federal Deposit Insurance Corporation (FDIC) released the results of its latest Quarterly Banking Profile, a comprehensive summary of financial results based on reports from 4,462 insured commercial banks and savings institutions. In the first quarter 2025, Insured depository institutions reported a return on assets (ROA) ratio of 1.16 percent and aggregate net income of $70.6 billion, an increase of $3.8 billion (5.8 percent) from the prior quarter. An increase in noninterest income drove the quarterly increase in net income.

***Comment: – Bank in December of 2024, reports forecast that community banks' net interest margins were expected expand and support earnings growth in 2025 even as the group faces higher loan losses.***

## CBAK Insights (Ask Anything)

**Q:** Are the HMDA Act Notice handouts required? Wolters Kluwer sold us the pads of them back in 2017. We have the poster in the lobby. Can I add the link to our website and refer anyone who requests our HMDA information to the link, or do we need to physically hand them the information?

**A:** 'Yes' you are required to have a 'written notice; 'Yes' you are required to have a 'posted notice;' and 'Yes' you may (but are not required to) make your 'disclosure statement or its loan/application register' available and that would include providing a link on your web site for the 'disclosure statement or its loan/application disclosure.'

Below are the statutory citations that you should find helpful. The underlined passages are added for emphasis.

***(1)*** *A financial institution shall make available to the public upon request at its home office, and each branch office physically located in each MSA and each MD, a written notice that clearly conveys that the institution's loan/application register, as modified by the Bureau to protect applicant and borrower privacy, may be obtained on the Bureau's Web site at* ***www.consumerfinance.gov/hmda****.*
***(2)*** *A financial institution shall make available the notice required by paragraph (c)(1) of this section following the calendar year for which the data are collected.*

***(d) Availability of written notices.***

***(1)*** *A financial institution shall make the notice required by paragraph (c) of this section available to the public for a period of three years and the notice required by paragraph (b)(2) of this section available to the public for a period of five years. An institution shall make these notices available during the hours the office is normally open to the public for business.*

***(2)*** *A financial institution may make available to the public, at its discretion and in addition to the written notices required by paragraphs (b)(2) or (c)(1) of this section, as applicable, its disclosure statement or its loan/application register, as modified by the Bureau to protect applicant and borrower privacy. A financial institution may impose a reasonable fee for any cost incurred in providing or reproducing these data.*

***(e) Posted notice of availability of data.*** *A financial institution shall post a general notice about the availability of its HMDA data in the lobby of its home office and of each branch office physically located in each MSA and each MD. This notice must clearly convey that the institution's HMDA data is available on the Bureau's Web site at www.consumerfinance.gov/hmda.*

Source link.

## Bank Management

**CSBS** 2025 CSBS Annual Survey of Community Banks (05/30/2025) – If your institution has less than $10 billion in total assets, we encourage you to participate in this year's survey before it closes on June 30.

This survey provides community bankers with a unique opportunity to share your perspectives with state and federal policymakers. Now in its 13th year, the Annual Survey results offer valuable information on the community bank ecosystem and have been featured in Congressional hearings, industry publications, and academic papers. Survey results will be presented at the Community Banking Research Conference, co-sponsored by CSBS, the Federal Reserve System, and the FDIC, on October 7-8.

The survey takes approximately 30 minutes to complete, and responses may be entered across multiple sessions. A PDF version of the 2025 Annual Survey questions is available here for your reference. Before you begin, we recommend gathering the amount of 2024 costs for the following items and the amount of each item that is directly associated with regulatory compliance (Call Report Schedule RI-E):

Personnel expenses

Data processing expenses

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| | Legal fees and expenses<br><br>Accounting and auditing expenses<br><br>Consulting and advisory expenses<br><br>***Comment: We encourage all community banks with less than $10 billion in total assets to take the survey.*** |
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| | **FRB** Releases Results of Survey of Senior Financial Officers at Banks About Their Strategies and Practices for Managing Reserve Balances (05/30/2025) – The Federal Reserve Board released results of a survey of senior financial officers at banks about their strategies and practices for managing reserve balances. The Senior Financial Officer Survey is used by the Board to obtain information about banks' reserve balance management strategies and practices, their expectations for potential changes in both the size and composition of their balance sheets, their deposit pricing strategies, and their views regarding Federal Reserve facilities. The most recent survey was conducted in collaboration with the Federal Reserve Bank of New York between March 21 2025, and March 31, 2025, and includes responses from banks that held around three-fourths of total banking system reserve balances at the time of the survey.<br><br>***Comment: 'Nearly three-fourths of respondents reported that their bank expects the size of its balance sheet to remain roughly unchanged (plus or minus 2 percent) over the next six months. One fourth of respondents reported that their bank expects the size of its balance sheet to increase over the same period.'*** |
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| | **FRB** Federal Reserve Board Issues Economic Well-Being of U.S. Households in 2024 Report (05/28/2025) – The Federal Reserve Board on Wednesday issued its Economic Well-Being of U.S. Households in 2024 report, which examines the financial circumstances of U.S. adults and their families. Overall, the report shows that financial well-being was similar to the previous two years as concerns about prices persisted and labor market conditions remained solid.<br><br>The report draws from the Board's annual Survey of Household Economics and Decisionmaking (SHED), which was fielded in October 2024. It analyzes a wide variety of topics including financial well-being, handling expenses, employment, and gig work.<br><br>This year's report finds that 73 percent of adults reported either doing okay or living comfortably financially, similar to recent years but lower than a high of 78 percent in 2021. The share who would cover a $400 emergency expense using cash or its equivalent was also nearly unchanged from recent years at 63 percent.<br><br>Inflation and prices continued to be the top financial concern. A majority of adults said that changes in the prices they paid over the prior year had made their finances worse, but the share saying so declined from 2023. In response to higher prices, most people reported taking actions such as adjusting their spending.<br><br>Responses indicated that the labor market remained solid. Similar shares of people started new jobs in 2024 compared with 2023. Additionally, the shares of people who were laid off or voluntarily left a job were each unchanged from the prior year. Yet, the survey also found that job changes were less likely to lead to better jobs. In 2024, 62 percent of people who had a different job than a year earlier said that their new job was better overall, which was down from a peak of 72 percent in 2022 and 67 percent in 2023. When asked |

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| | about specific job characteristics, job changers were less likely to say that pay and benefits, opportunities for advancement, interest in the work, and work-life balance were better in their new job.<br><br>"The financial well-being of American households and businesses is essential to our nation's overall economic vitality," said Federal Reserve Board Governor Michael S. Barr. "It is critical for the Federal Reserve to understand the challenges households and businesses face as we work to promote a healthy economy and strong financial system."<br><br>Survey results also highlighted the risk of financial fraud facing consumers. Twenty-one percent of adults experienced financial fraud in 2024, with credit card fraud as the most common type. The 8 percent of adults who experienced fraud not related to their credit card incurred an estimated $63 billion in total unrecovered losses.<br><br>The report, fact sheet, downloadable data, data visualizations, and a video summarizing the report's findings are available here. |

## Deposit / Retail Operations

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| | **FDIC** Summary of Deposits Survey and Filing for June 30, 2025 (01/24/2025) – SUMMARY: The Summary of Deposits (SOD) is the annual survey of branch office deposits as of June 30, 2025, for all FDIC-insured institutions, including insured U.S. branches of foreign banks. All institutions with branch offices are required to submit the survey; institutions with only a main office are exempt. All survey responses are required by July 31, 2025. No filing extensions will be granted.<br><br>STATEMENT OF APPLICABILITY:<br>This Financial Institution Letter (FIL) applies to all FDIC-insured institutions. |
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| | **FRB** Community Pulse on Payments: May (05/29/2025) – From instant payments momentum, evolving fraud mitigation approaches and the benefits of payments standards, to opportunities with artificial intelligence and APIs, explore the trends that are transforming the payments industry.<br><br>Engaging on Innovation: Highlights from 2025 Spring Conferences<br><br>***Comment: From the Fed - 'Survey results also highlighted the risk of financial fraud facing consumers. Twenty-one percent of adults experienced financial fraud in 2024, with credit card fraud as the most common type. The 8 percent of adults who experienced fraud not related to their credit card incurred an estimated $63 billion in total unrecovered losses.'*** |
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| | **FTC** No, FTC "Agents" With Badge Numbers Aren't Calling You (05/27/2025) – Scammers impersonating the government — including the Federal Trade Commission (FTC) — is nothing new. But here's a twist: scammers are now calling themselves FTC "agents" and supplying fake badge numbers and ID cards to try to convince you they are who they say they are. (…They're not who they say they are. The FTC doesn't have "agents.") So how do you avoid scams like this? |

## Selected federal rules – proposed

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

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.**