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.

March 21, 2025

FTC Releases Top Scams of 2024

Did you or someone you know report a scam to the FTC in 2024? Thank you! Those reports help the FTC bring enforcement cases and educate people about scams. Let's jump into the top 2024 scams.

The headline is this: even though the number of fraud reports is roughly the same as last year, more people lost a lot more money to fraud. One in three people who reported fraud said they lost money (up from one in four last year), adding up to $12.5 billion (up $2.5 billion from 2023). People lost over $3 billion to scams that started online, compared to approximately $1.9 billion lost to more "traditional" contact methods like calls, texts, or emails. However, people lost more money per person (a median of $1,500) when they interacted with scammers on the phone. And, once again, imposter scams topped the list of scams reported.

Here are some other things to know:

- **The biggest scam losses happened by bank transfer or payment.** Among all payment methods, people reported losing more money through a bank transfer or payment ($2 billion), followed by cryptocurrency at $1.4 billion.
- **Investment scams led to big losses.** A majority (79%) of people who reported an investment-related scam lost money, with a median loss of over $9,000. The $5.7 billion losses in this category are up about $1 billion from last year.
- **People reported losing money more often when contacted through social media.** Most people (70%) reported a loss when contacted on a social media platform — and lost more money overall ($1.9 billion).
- **Job scams and fake employment agency losses jumped — a lot.** Between 2020-2024, reports nearly tripled and losses grew from $90 million to $501 million.
- **Younger people lost money more often.** People aged 20-29 reported losing money more often than people 70+. But when older adults lost money, they lost far more than any other age group.

The biggest takeaway? Your reports make a difference. If you see a fraud or scam, the FTC wants to hear about it: go to ReportFraud.ftc.gov.

Comment: The data from the commission reveals that consumers were swindled out of more than $12.5 billion in 2024 — a staggering new record that represents an increase of 25% over 2023 losses. And while the number of fraud reports hasn't increased, the percentage of fraud reports that came from individuals with financial losses grew tremendously — with 38% of people reporting losses versus 27% in 2023.

CBAK Insights (Ask Anything)

Q: We have a real estate closing tomorrow and the title company called and wants to add $810 to the HOA fees. Can those be added since we already provided a Closing Disclosure?

A: Section 1026.19(f)(2)(i) requires/permits creditors to provide corrected closing disclosures if the originals become inaccurate before consummation. Except as provided under section 1026.19(f)(2)(ii), the corrected disclosures can be provided at any time up to and at consummation. In other words, corrected disclosures provided pursuant to section 1026.19(f)(2)(i) require no new waiting period.

However, there are some instances where a new waiting period is required. Section 1026.19(f)(2)(ii) requires a new waiting period under the following three circumstances:

1) The annual percentage rate disclosed becomes inaccurate;

2) The loan product is changed such that the information disclosed under section 1026.38(a)(5)(iii) is inaccurate;

    a) Section 1026.38(a)(5)(iii) requires the disclosure of the information required to be disclosed under section 1026.37(a)(10); and

3) A prepayment penalty is added that was not previously disclosed.

HOA fees, property taxes, and homeowner's insurance, have no tolerance limit and can increase without restriction from the Loan Estimate to the Closing Disclosure and would not trigger a new waiting period. Note that HOA Dues paid at closing are disclosed in Section F of the Closing Disclosure, unlike HOA Transfer Fees that are disclosed in Section H.

Bank Management

OCC Hosts Virtual Innovation Office Hours (03/12/2025) – WASHINGTON—The Office of the Comptroller of the Currency (OCC) today announced virtual Office Hours with its Office of Financial Technology on May 6-8, 2025, to promote responsible innovation in the federal banking system.

Office Hours are an opportunity for banks and financial technology (fintech) companies to engage with OCC staff on matters related to bank-fintech partnerships, cryptocurrency activities, or other matters related to responsible innovation in the federal banking system.

"I strongly encourage banks to embrace 21st century technology to deepen their relationships with customers and meet today's evolving financial needs," said Acting Comptroller of the Currency Rodney E. Hood. "Ensuring regulators have a seat at the table while innovation is ongoing results in new products that have been tested, comply with regulations, are safe for consumers, and are ready to serve their intended purpose when launched."

Interested parties may request a meeting with OCC staff who will provide feedback on topics discussed and respond to questions. The OCC will provide specific meeting times to selected participants following a review of all requests. Each meeting will be scheduled for 50 minutes.

Information on how to request a meeting is available on the Office Hours event page. To be considered, submit a request by March 31, 2025.

The OCC is planning additional Office Hours in 2025.

Deposit / Retail Operations

FTC What Are The Signs of a Scam? (03/13/2025) – Scammers tell all kinds of stories to try to get your money or information. They might call, pretend to be from a government agency, and say you owe a fine. Or they may pose as a friend or love interest online who supposedly needs money for an emergency. A scammer might offer you a (fake) job, but say you need to pay a fee before you get hired. Or they might tell a different lie.

Though the details might change, scams usually have some things in common. And knowing what they are can help you recognize — and then avoid — scams that come your way.

- **Scammers contact you unexpectedly.** Don’t respond to unexpected calls, emails, texts, or social media messages that ask for money or personal information. If you’re not sure if a call or message is real, reach out to the business, organization, or person — even if they’re claiming to be a friend or relative — using contact information you looked up yourself and know to be true.
- **Scammers tell you to hurry.** They don’t want you to have time to think or to check out their story. So slow down. Talk to someone you trust.
- **Scammers tell you to pay — and HOW to pay**. Don’t pay anyone who contacts you out of the blue and insists you can only pay with cash, a gift card, a wire transfer, cryptocurrency, or a payment app. Scammers want you to pay these ways because once you do, it’s hard to track and hard to get your money back.

If you’ve lost money to a scam, reach out to the company you used to send the money right away and see if there’s a way to get it back. Then report the scammer at ReportFraud.ftc.gov.

Comment: Accountholders often resist when you tell them they are being victimized. Keep this sort of information to help persuade your accountholders.

FRB Business Use of Wires Grew Sharply from 2018 to 2021 (03/10/2025) – Business payments are concentrated in wires, ACH credit transactions, and (still) checks, according to 2021 data released by the Federal Reserve Payments Study (FRPS) last month. Of these payment types, wires grew most by both number and value from 2018.

In 2021, most wire payments were made by businesses, 89 percent of all wires by number and almost 100 percent by value. Payments made by businesses using wires grew by double digits from 2018 to 2021. By number, business wires increased 11.9 percent per year to 345.8 million payments. By value, business wires were up 10.9 percent to $1,436.83 trillion.

Most ACH credit transfers were made by businesses in 2021, 95 percent of ACH credits by number and 97 percent by value. Business ACH credits increased at a slower rate than wire transfers over the three-year period, 8.5 percent per year by number and 8.3 percent by value.

	Perhaps surprisingly, most check payments were made by businesses in 2021, 52 percent by number and 76 percent by value. This is the first year for which the FRPS found that the number of business checks exceeded the number of consumer checks. In addition, check use by value increased from 2018 to 2021; the total value of business checks increased by 2.7 percent per year to $20.64 trillion. ACH business debits, while only one in five ACH debit transfers, made up 70 percent of these transfers by value. The number of these transfers declined from 2018 to 2021; the value increased 6.5 percent per year. Average values for business and consumer payments differ as you might expect, with values of business payments dwarfing those for consumer payments. The average value of a business wire is more than 40 times the value of a consumer wire. Even the average business check is three times the value of a consumer check. For more data, visit the Federal Reserve Payments Study website.

Lending

	Joint Agencies issue 2024 Shared National Credit Program Report (03/10/2025) – Federal bank regulatory agencies today reported in the 2024 Shared National Credit (SNC) report that credit risk associated with large, syndicated bank loans remains moderate. However, the agencies noted weakened credit quality trends continue due to the pressure of higher interest rates on leveraged borrowers and compressed operating margins in some industry sectors. The agencies also noted that the magnitude and direction of risk in 2025 is likely to be impacted by borrowers' ability to manage interest expenses, real estate conditions, and other macroeconomic factors. The 2024 review reflects the examination of SNC loans originated on or before June 30, 2024. The review focused on leveraged loans and stressed borrowers from various industry sectors and assessed aggregate loan commitments of $100 million or more that are shared by multiple regulated financial institutions. The 2024 SNC portfolio included 6,699 borrowers totaling $6.5 trillion in commitments, an increase in commitments of 1.8 percent from a year ago. The percentage of loans that deserve management's close attention ("non-pass" loans comprised of SNC commitments rated "special mention" and "classified") increased from 8.9 percent of total commitments to 9.1 percent year over year. While U.S. banks hold 45 percent of all SNC commitments, they hold only 23 percent of non-pass loans. Nearly half of total SNC commitments are leveraged, and leveraged loans comprise 79 percent of non-pass loans.

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.

01.10.2025 **CFPB** Electronic Fund Transfers Through Accounts Established Primarily for Personal, Family, or Household Purposes Using Emerging Payment Mechanisms SUMMARY: In light of interest by electronic fund transfer system market participants to offer new types of products to transfer funds and make purchases through accounts established primarily for personal, family, or household purposes, the Consumer Financial Protection Bureau (CFPB) is proposing this interpretive rule to assist companies, investors, and other market participants evaluating existing statutory and regulatory requirements governing electronic fund transfers (EFTs). **DATES: Comments must be received by March 31, 2025.**

01.10.2025 **CFPB** Request for Information Regarding the Collection, Use, and Monetization of Consumer Payment and Other Personal Financial Data SUMMARY: The Consumer Financial Protection Bureau (CFPB) is seeking comments from the public to better understand how companies that offer or provide consumer financial products or services collect, use, share, and protect consumers' personal financial data, such as data harvested from consumer payments. The submissions in response to this request for information will serve to assist the CFPB and policymakers in further understanding the current state of the business practices at these companies and the concerns of consumers as the CFPB exercises its enforcement, supervision, regulatory, and other authorities. **DATES: Comments must be received on or before April 11, 2025.**

01.13.2025 **CFPB** Prohibited Terms and Conditions in Agreements for Consumer Financial Products or Services (Regulation AA) SUMMARY: The Consumer Financial Protection Bureau (CFPB) is proposing to prohibit certain contractual provisions in agreements for consumer financial products or services. The proposal would prohibit covered persons from including in their contracts any provisions purporting to waive substantive consumer legal rights and protections (or their remedies) granted by State or Federal law. The proposal would also prohibit contract terms that limit free expression, including with threats of account closure, fines, or breach of contract claims, as well as other contract terms. The proposal would also codify certain longstanding prohibitions under the Federal Trade Commission's (FTC) Credit Practices Rule. **DATES: Comments must be received on or before April 1, 2025.**