

Presented by Aldrich & Bonnefin, PLC*, counsel to Bankers' Compliance Group®



Monthly Telephone BRIEFING

Friday, October 18, 2024 – 12:00 - 1:30 p.m.

Bank-Fintech Partnerships Under Scrutiny: Recent Guidance, Enforcement Actions, and the Proposed Rule on Custodial Deposit Accounts

Third party risk management remains an area of focus for the various banking regulators. Although this area encompasses a broad range of activities, the relationship between banks and nonbank financial technology (Fintech) companies has recently come under heavy scrutiny by federal regulators. There have been a number of recent public enforcement actions alleging that certain banks had deficient risk management practices to manage their relationships with Fintech companies.

Additionally, the federal regulators have recently issued new guidance, supervisory statements and proposals that seem to provide insight into regulatory expectations with respect to managing Fintech relationships. For instance, on October 2, 2024, the FDIC published a notice of proposed rulemaking that would create new recordkeeping requirements at banks for custodial deposit accounts from Fintech companies that establish deposit accounts on behalf of consumers and businesses. (Proposed Rule). 89 FR 80135. The Proposed Rule was published hot on the heels of an interagency request for information and supervisory statement on Fintech relationships.

This Handout will provide an overview of the recent guidance, enforcement actions and proposals and their impact on bank-fintech partnerships.



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* Janet Bonnefin has retired from the firm.

Aldrich & Bonnefin is hosting a Monthly Telephone Briefing for Bankers' Compliance Group® Members on **Friday, October 18, 2024, at 12 Noon**. This meeting will be presented live and will include at least one question and answer session per topic. Members can ask questions by telephone or email. Each BCG Member that registers for the Monthly Telephone Briefing will be given a password and instructions on how to join the Briefing.

ORGANIZE YOUR PARTICIPANTS

BCG Main or Registration Contacts are encouraged to organize multiple attendees to participate at one or more locations. All Briefing connections are included in your BCG Membership.

REGISTRATION

To register, please contact your institution's BCG Main or Registration Contact or, if authorized, log in at <http://register.bankerscompliancegroup.com/subadmin>, and select "Register for Events." Registration closes at noon **two business days** prior to the Briefing date. On the day before the Briefing, registrants will receive an email with call-in instructions and a single-use PIN.

DOWNLOAD THE HANDOUTS

The Handout(s) are *generally* posted on the BCG Website by noon on the business day before the Briefing. All registrants will receive an email notification when the Handout(s) are posted. To download a Handout, go to www.bankerscompliancegroup.com/monthly-telephone-briefing.php and click on the "Download Handout Here" link at the end of each Handout description.

CANCELLATION

It is not necessary for registrants to contact BCG if they cannot attend a Briefing and need to cancel their registration.

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Should you or others at your institution miss the Briefing, you can tune into our streaming audio available on the BCG website one week after the Briefing, at www.bankerscompliancegroup.com/listen-while-you-work.php.