



Monthly Telephone BRIEFING

Friday, July 19, 2024 – 12:00 - 1:30 p.m.

Supreme Court Imposes New Limits on Authority of Administrative Agencies

In June 2024, the U.S. Supreme Court issued two rulings that could have a significant impact on the regulatory and enforcement authority of administrative agencies.

First, in the case of *SEC v. Jarkesy* (2024 U.S. LEXIS 2847), the U.S. Supreme Court held that the SEC's in-house adjudication process was unconstitutional. As a result, the SEC is now required to file a lawsuit against a defendant in federal court when pursuing civil money penalties for securities fraud.

Subsequently, in the case of *Loper Bright Enters. v. Raimondo* (2024 U.S. LEXIS 2882), the U.S. Supreme Court overturned the longstanding precedent set forth in *Chevron, U.S.A., Inc. v. Natural Res. Def. Council, Inc.* (467 U.S. 837 (1984)). The *Chevron* case established the framework that courts must follow when reviewing an agency's interpretation of a statute (referred to as the "Chevron standard"). Under the Chevron standard, courts were required to grant a broad amount of deference to an agency's interpretation of a statute. In light of the *Loper Bright* decision, courts will no longer be required to adhere to the Chevron standard when reviewing an agency's interpretation of a statute.

The U.S. Supreme Court's decisions in *Jarkesy* and *Loper Bright* are anticipated to have enduring repercussions on all federal administrative agencies, including banking regulators. We invite you to join us at the July Monthly Telephone Briefing, where we will discuss the implications of the *Loper Bright* and *Jarkesy* cases on the banking industry. Questions are encouraged.

Agencies Release Additional Guidance on Third-Party Risk Management

Third-party risk management has been a hot button issue for bank examiners. Last year, regulatory agencies issued guidance aimed at assisting financial institutions in managing risks associated with their third-party relationships, titled "Interagency Guidance on Third-Party Relationships: Risk Management" (the "TPRM Guidance"). 88 FR 37920.

On May 3, 2024, the FRB, FDIC, and OCC jointly issued guidance titled "Third-Party Risk Management, A Guide for Community Banks" (Guide). The Guide is intended to help institutions develop and implement their third-party risk management programs, policies, and practices. While the Guide does not replace or substitute the TPRM Guidance, it supplements the information and guidance set forth in the TPRM Guidance. The Guide provides potential considerations, resources, and examples through each stage of the third-party risk management life cycle.

Please join us at the July BCG Monthly Telephone Briefing, where we will explore the Guide and its impact on your third-party risk management program.



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Aldrich & Bonnefin is hosting a Monthly Telephone Briefing for Bankers' Compliance Group[®] Members on **Friday, July 19, 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.

SIGN UP ONE TIME FOR ALL 2024 BRIEFINGS

Sign up one time for all the 2024 BCG Monthly Telephone Briefings! If you like attending the Briefings, but don't want to register every month, you can have your institution's Registration Contact sign you up for the entire year.

MISSED THE BRIEFING?

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.