

## OCC Enforcement Action Comparison for Blue Ridge Bank

This document includes OCC requirements in the BaaS-related 2022 [Written Agreement](#) and 2024 [Consent Order](#) issued to Blue Ridge Bank, noting key differences between the two actions. Compliance leaders and teams should read both full actions to understand the latest BaaS regulatory expectations.

Color key: Similar requirements; Expanded or modified requirements; New requirements

Written Agreement Requirements	Consent Order Requirements	Key Differences
Create a compliance committee composed of at least three of the Bank’s directors to monitor compliance with the Agreement and make quarterly progress reports to the Bank’s board of directors regarding actions the Bank has taken to comply with the Agreement and the results and status of such actions	Maintain a compliance committee of the Board to monitor and oversee compliance with the Order and regularly submit progress reports to the Board and the OCC regarding actions taken to comply with the Order	
n/a	Submit a written plan acceptable to the OCC detailing remedial actions needed to achieve and sustain compliance with the Bank Secrecy Act (the “BSA”) and the Order, and to address all Bank Secrecy Act/Anti-Money Laundering (“BSA/AML”) deficiencies, violations and corrective actions communicated to the Bank	New requirement for BSA/AML Action Plan to remediate all BSA/AML issues
Adopt, implement and adhere to a written program to effectively assess and manage the risks posed by the Bank’s third-party fintech relationships;	Adopt, review and monitor the Bank’s management in implementing and adhering to, a written program to effectively assess and manage the risks posed by the Bank’s third-party relationships	
Obtain an OCC non-objection prior to onboarding or signing a contract with a new third-party	Obtain the OCC’s written non-objection prior to onboarding or signing a contract with a new	

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fintech partner, or offering new products or services or conducting new activities with or through existing third-party fintech partners	third-party fintech relationship, or offering new products or services or conducting new activities with or through existing third-party fintech relationships	
n/a	Ensure that onboarding of new end user accounts within existing third-party fintech relationships and subpartners complies with BSA/AML requirements and submit supporting information to the OCC that BSA/AML risks are effectively controlled for each existing third-party fintech relationship and subpartner	New requirement to ensure new end user accounts comply with BSA/AML requirements and provide supporting information demonstrating to the OCC that BSA/AML risks are controlled for each partner
Adopt, implement and adhere to an effective written Bank Secrecy Act (“BSA”) risk assessment program to ensure BSA compliance risk assessments provide a comprehensive and accurate assessment of the Bank’s BSA compliance risk across all products, services, customers, entities, and geographies, including all activities provided by or through the Bank’s third-party fintech partners	Adopt, and review and monitor the Bank’s management in implementing and adhering to, an effective written BSA risk assessment program to ensure that compliance risk assessments provide a comprehensive and accurate assessment of the Bank’s BSA compliance risk across all products, services, customers, entities, geographic locations of customers and transactions, accounts and methods the Bank uses to interact with its customers	Expanded to reference risk related to geographic location of transactions, accounts, and methods used to interact with customers
Adopt a revised independent BSA audit program that includes an expanded scope and risk-based review of activities conducted through the Bank’s third-party fintech partners	Adopt a revised and expanded independent BSA audit program to test the Bank’s compliance with the BSA relative to its risk profile, and the overall adequacy of the Bank’s BSA/AML compliance program	Expanded to require testing of BSA compliance relative to risk profile and overall adequacy of the BSA/AML compliance program
Ensure that the Bank’s BSA department is appropriately staffed with personnel that have requisite expertise, training, skills and authority	Ensure that the Bank’s BSA department is appropriately staffed with personnel that have requisite expertise, training, skills and authority, including maintaining a permanent, qualified, and	Expanded to require qualified BSA officer

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	experienced BSA officer of the Bank who shall be vested with sufficient executive authority, time, and resources to fulfill the duties and responsibilities of the position and ensure compliance with BSA/AML and OFAC laws and regulations and safe and sound operation of the Bank	
Adopt, implement and adhere to revised and expanded risk-based policies, procedures, and processes (including specific requirements for the Bank’s fintech businesses) to obtain and analyze appropriate customer due diligence, enhanced due diligence, and beneficial ownership information for bank customers at the time of account opening and on an ongoing basis, and to effectively use this information to monitor and investigate suspicious or unusual activity	Adopt, and review and monitor the Bank’s management in implementing and adhering to, revised and expanded risk-based policies, procedures and processes to obtain and analyze appropriate customer due diligence, enhanced due diligence and beneficial ownership information for all Bank customers at the time of account opening and on an ongoing basis, and to effectively use this information to monitor and investigate suspicious or unusual activity	Expanded to require additional CDD policies and procedures
Develop, implement and adhere to an enhanced written risk-based program to ensure the timely identification, analysis, and suspicious activity monitoring and reporting for all lines of business, including activities provided by and through the Bank’s third-party fintech relationship accounts and sub-accounts	Ensure that the Bank’s management develops, implements and adheres to an enhanced written risk-based program for all lines of business, including accounts and sub-accounts provided by and through the Bank’s third-party relationships, to ensure compliance with OCC regulations in the filing of suspicious activity reports	Expanded for additional suspicious activity monitoring requirements for third-party relationships
Submit to the OCC an action plan to conduct a review and provide a written report of the Bank’s suspicious activity monitoring, including with respect to high risk customer activity involving the Bank’s third-party fintech partners, and thereafter conduct such review and provide the	Submit to the OCC, for review and prior written non-objection, a revised action plan to conduct an expanded review and provide a written report of the Bank’s suspicious activity monitoring, including with respect to high risk customer activity involving the Bank’s third-party	Expanded to require revised action plan for SAR Look-Back

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written report to the OCC	relationships	
Implement and adhere to an acceptable written program to effectively assess and manage the Bank's information technology activities, including those activities conducted through and by the Bank's third-party fintech partners	The Bank's management shall implement and adhere to an acceptable written program to effectively assess and manage the Bank's information technology activities, including those activities conducted through and by the Bank's third-party relationships	
n/a	Submit to the OCC, for review and prior written non-objection, an acceptable written strategic plan, covering at least a three-year period, establishing objectives for the Bank's overall risk profile, use of third-party relationships, earnings performance, growth, balance sheet mix, liability structure, capital and liquidity adequacy, product line development and market segments that the Bank intends to promote or develop. Any action that would significantly deviate from the strategic plan must receive prior non-objection from the OCC.	New requirement to submit a Strategic Plan covering a three-year period and objectives for, among other items, risk profile, use of third-party relationships, product line development, and market segments, for OCC review and prior written non-objection. Any deviation from the Strategic Plan must receive prior OCC non-objection.
n/a	Maintain a leverage ratio of 10.00% and a total capital ratio of 13.00%. As a result, pursuant to 12 C.F.R. § 6.4, the Bank may not be deemed to be "well capitalized" for purposes of the bank regulatory framework for prompt corrective action. If the Bank fails to achieve and maintain such capital ratio, the OCC may deem the Bank to be "undercapitalized" under such regulatory provisions.	New capital ratio requirements

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n/a	<p>Submit to the OCC, for review and prior written non-objection, an acceptable written capital plan, consistent with the Bank’s strategic plan required under the Order, covering at least a three-year period. The capital plan must include specific plans for the achievement and maintenance of adequate capital no less than that required by the Order. The Bank may declare or pay a dividend or make a capital distribution only: (i) when the Bank is in compliance with its Board-approved Capital Plan and would remain in compliance with such Capital Plan immediately following the declaration or payment of any dividend or capital distribution; (ii) when the dividend or capital distribution would comply with 12 U.S.C. §§ 56, 60 and 1831o(d)(1) and 12 C.F.R. § 3.11(a)(4); and (iii) following the receipt of the OCC’s prior written non-objection to the dividend or capital distribution.</p>	<p>New requirement to submit a Capital Plan covering a three-year period for OCC review and prior written non-objection, as well as restrictions on dividend and capital distributions</p>
n/a	<p>As a result of the Order, Bank is deemed to be in “troubled condition,” and will not be an “eligible bank” for purposes of 12 C.F.R. § 5.3, unless otherwise informed in writing by the OCC. The loss of eligible bank status under 12 C.F.R. § 5.3 limits the Bank’s ability to receive expedited OCC review of certain filings. Furthermore, based on the troubled condition determination, the Bank is now subject to the following restrictions on its operations: (1) the Bank must notify the OCC prior to adding or replacing a member of its board of directors, or employing or promoting any existing</p>	<p>Troubled condition determination results in loss of expedited OCC reviews for certain filings; OCC notice requirements before adding or replacing board members, or employing or promoting existing employees as senior executive officers; and OCC and FDIC prior approval requirements for agreements for golden parachute and</p>

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	<p>employee as a senior executive officer, and (2) the Bank may not, without prior approval of the OCC and the Federal Deposit Insurance Corporation, enter into any agreements to make severance or indemnification payments or make any such payments to “institution-affiliated parties” as defined in 12 C.F.R. Part 359.</p>	<p>indemnification payments to institution-affiliated parties.</p>