



## Capitol Comments December 2016

***When there is a deadline associated with an item, you will see this graphic:*** 

### Joint federal agency issuances

#### Small loan appraisal threshold inflation adjustment

The CFPB, Federal Reserve, and OCC issued a [final rule](#) detailing the method that will be used to make annual inflation adjustments to the threshold for exempting small loans from special appraisal requirements. The final rule also applies the calculation method to the exemption threshold for 2017. The threshold will remain at \$25,500, based on the CPI-W in effect on June 1, 2016.

#### Reg. M and Reg. Z thresholds inflation adjustments

The Federal Reserve and CFPB issued final rules detailing the method that will be used to adjust the thresholds for exempting certain consumer credit and lease transactions from the Truth in Lending Act and Consumer Leasing Act. The thresholds will remain at \$54,600 based on the CPI-W in effect on June 1, 2016. [Regulation M](#). [Regulation Z](#).

*Comment: The protections of the Truth in Lending Act and the Consumer Leasing Act generally apply to consumer credit transactions and consumer leases at or below the thresholds. However, private education loans and loans secured by real property (such as mortgages) are subject to the Truth in Lending Act regardless of the amount of the loan.*

#### Joint agencies finalize rule on 18-month exam cycle

The FDIC, Federal Reserve, and OCC issued interagency [final rules](#) that increase the number of small banks and savings associations eligible for an 18-month examination cycle rather than a 12-month cycle. The interagency rules are intended to reduce regulatory compliance costs for smaller institutions, while maintaining safety and soundness protections. These rules have been in effect since February 29, 2016, pursuant to the interim final rules previously adopted by the agencies. [Announcement](#)

*Comment: Under the final rules, qualifying well-capitalized and well-managed banks and savings associations with less than \$1 billion in total assets are eligible for an 18-month examination cycle. Previously, only firms with less than \$500 million in total assets were eligible for the extended examination cycle.*

## Wells Fargo has not remedied all resolution plan deficiencies

The FDIC and the Federal Reserve Board [announced](#) that Bank of America, Bank of New York Mellon, JP Morgan Chase, and State Street adequately remediated deficiencies in their 2015 resolution plans. The agencies also announced that Wells Fargo did not adequately remedy all of its deficiencies and will be subject to restrictions on certain activities until the deficiencies are remedied.

## CFPB actions

### CFPB posts chart with Prepaid Rules effective dates

On October 5, 2016, the CFPB issued the Prepaid Rule amending Regulations E and Z to create consumer protections for prepaid accounts, including payroll card accounts and government benefit accounts. The Prepaid Rule imposes new requirements for prepaid accounts generally, and changes some existing requirements for payroll card accounts and government benefit accounts. These requirements will generally apply to existing accounts as well as those opened or acquired after the effective date. Most new requirements and changes are effective October 1, 2017, although the requirement to submit prepaid account agreements to the CFPB is effective October 1, 2018. The Prepaid Rule also provides some exceptions and accommodations to the general October 1, 2017 effective date. The CFPB distributed a [chart](#) highlighting the Prepaid Rule's effective dates and related exceptions and accommodations, but it is not a substitute for reviewing the Prepaid Rule.

### CFPB issues rural and underserved counties lists for 2017

There are several rules that refer to the “rural and underserved” and “rural” counties lists. Near the end of each year, the CFPB publishes [new lists for following year](#).

### CFPB requests information on access to financial records

The CFPB is seeking comments from the public about consumer access to such information, including access by entities acting with consumer permission, in connection with the provision of products or services that make use of that information. Submissions to the Request for Information are intended to assist market participants and policymakers to develop practices and procedures that enable consumers to realize the benefits associated with safe access to their financial records, assess necessary consumer protections and safeguards, and spur innovation.

*Comment: This request raises concerns for account security, data security, privacy, user authenticity, consent to disclosure, online banking limitations, Gramm Leach Bliley Act requirements, and Dodd Frank Act requirements that arise when financial services offered by third-party providers depends on access to consumer financial data from financial institutions. Developing a responsible framework will take time. A collaborative—rather than regulatory—environment is best for creating and testing such a framework. Hopefully, the CFPB will permit and encourage industry participation and collaboration in resolving these concerns, rather than issuing new, burdensome, and conflicting regulations.*

### Compliance bulletin on employee production incentives

The CFPB issued a bulletin outlining its supervisory expectations with respect to employee incentive programs. Those expectations are anchored by an expectation that a financial institution will have a robust compliance management system. [Compliance Bulletin 2016-13](#).

*Comment: This is a direct fall-out of the Wells Fargo sales incentive debacle from earlier in the year. Community banks do not need rules in this area. Hopefully, the CFPB will agree.*

## CFPB releases November complaint report

The CFPB released its [November complaint report](#) detailing complaint volume by product, state, and company; “other financial service” complaints by type, state, and company; and complaints from the state of Oklahoma. Other financial services consist of debt settlement, credit repair, check cashing, refund anticipation checks, money order, traveler’s/cashier’s checks, and foreign currency exchange.

## CFPB Ombudsman report

The CFPB Ombudsman’s Office, an independent, impartial, and confidential resource that assists consumers, financial entities, consumer groups, trade groups, and others in informally resolving process issues with the CFPB, is observing its fifth anniversary. It also delivered [its fifth annual report](#), to Director Cordray summarizing the office’s activities during fiscal year 2016.

## CFPB Fall 2016 rulemaking agenda

Under the Regulatory Flexibility Act, federal agencies must publish regulatory agendas twice a year. As an independent agency, the CFPB has voluntarily participated in the Unified Agenda, which is led by the Office of Management and Budget. To summarize the Bureau’s initiatives:

- Clarify and provide further regulatory guidance to facilitate implementation of the Know Before You Owe mortgage rule
- Work to facilitate implementation of the new HMDA requirements
- Continue to review comments on proposed arbitration rule
- Continue reviewing comments regarding proposed rule on payday, auto title, and similar lending products
- Continue to analyze results of survey and publish report on debt collection
- Further research and early work on overdraft practices

## CFPB blog

[Is 2017 the year you buy a home?](#)

[Who are the credit invisible?](#)

[Some people may experience refund delays this tax season](#)

[Technology is changing how people access their financial records. Share your story.](#)

## FDIC actions

### Enhancements to Money Smart for Business

The FDIC and the SBA announced enhancements to [Money Smart for Small Business](#), a resource that provides practical guidance for starting and managing a small business.

*Comment: This is a free curriculum that has been enhanced based on feedback from the small business community. New modules focus on managing cash flow, planning for a healthy business, and helping learners to determine if owning a business is a good fit.*

## FDIC approves reduced 2017 operating budget

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) approved a \$2.16 billion operating budget for 2017, down 2.4 percent from 2016 and 46 percent lower than the peak in 2010 at the height of the financial crisis. The Board also approved an authorized staffing level of 6,363 positions for 2017, a 2.6 percent decrease from 2016 and 32 percent lower than the peak in 2011.

*Comment: This is the seventh consecutive reduction in the FDIC's annual operating budget.*

## OCC actions

### OCC revised Bank Premises and Equipment booklet

OCC issued the “[Bank Premises and Equipment](#)” booklet of the Comptroller’s Handbook. This revised booklet replaces the booklet of the same name issued in March 1990. The revised booklet also replaces the “Investment in Bank Premises” booklet of the Comptroller’s Licensing Manual issued in December 2005 and section 252, “Fixed Assets,” of the former Office of Thrift Supervision Examination Handbook. Section 252 was issued in 1999 and 2011.

### OCC’s 2017 fees and assessments

OCC issued a bulletin regarding fees and assessments charged by the OCC for calendar year 2017. The OCC adjusted rates for all asset categories for inflation. [OCC Bulletin 2016-43](#)

### OCC moving toward fintech charter

During a speech at Georgetown University Law Center, the Comptroller [announced](#) that the OCC will move forward with chartering financial technology companies that provide banking products and services and meet the OCC’s standards and chartering requirements. The OCC published a [paper](#) discussing several important issues associated with the approval of a national bank charter and is seeking comment.

*Comment: While regulatory oversight of fintech firms is a necessity for consumer protection and a level playing field with other financial service providers, chartering fintech firms poses potential risks to the financial system and taxpayers.*

### OCC releases efforts to enhance large bank supervision

OCC [released](#) a third-party review of its efforts to enhance the agency’s supervision of large and midsize national banks and federal savings associations. The review assessed the OCC’s implementation of recommendations from the 2013 International Peer Review of the agency’s approach to supervising large and midsize institutions. According to the report, the review team believes that large and midsize bank supervision is more effective than three years ago.

## OCC revises Comptroller's Handbook

The OCC issued the "[Consigned Items and Other Customer Services](#)" booklet of the Comptroller's Handbook. This revised booklet replaces the booklet of the same name issued in June 1996 and the examination procedures issued in February 1998. This booklet provides updated guidance to examiners assessing the risks associated with consigned items and other customer services. Consigned items include traveler's checks, money orders, and U.S. commemorative coins. Other customer services include safe deposit boxes and messenger services.

The revised booklet

- updates statutory and regulatory citations to reflect changes since the last publication and the integration of the former Office of Thrift Supervision into the OCC.
- provides revised examination procedures to guide examiners.

## OCC regulatory relief announced

The OCC [announced](#) the release of a final rule to remove outdated or unnecessary provisions of certain rules to reduce regulatory burden on national banks and federal savings associations. While the federal financial regulatory agencies are conducting the EGRPRA review jointly, this final rule affects regulations exclusive to the OCC and its supervision of national banks and federal savings associations.

*Comment: The final rule offers some relief – mostly for federal savings associations.*

## Federal Reserve actions

### Fed revise post-employment restrictions on senior examiners

By law, senior bank examiners are prohibited for one year from accepting paid work from a financial institution that they had primary responsibility for examining in their last year of Reserve Bank employment. This has applied primarily to central points of contacts (CPCs) at firms with more than \$10 billion in assets. The Fed issued a revised policy expanding the number of Reserve Bank examiners subject to this one-year post-employment restriction to include CPCs, deputy CPCs, senior supervisory officers (SSOs), deputy SSOs, enterprise risk officers, and supervisory team leaders. The new policy will more than double the number of senior examiners subject to this post-employment restriction from about 100 employees to about 250 employees.

In addition, a new policy prohibits former Federal Reserve Bank officers from representing financial institutions and other third parties before current Federal Reserve System employees for one year after leaving their Federal Reserve position. The new policy also imposes a one-year ban on current Reserve Bank employees discussing official business with these former officers.

The restriction on former officers will be effective on December 5, 2016, and the revised senior examiner policy will be effective on January 2, 2017.

## Consumer Compliance Outlook

The second issue of [Consumer Compliance Outlook](#) in 2016 contains the following:

- An Overview of the Regulation E Requirements for Foreign Remittance Transfers
- Revised Interagency Questions and Answers Regarding Community Reinvestment
- Compliance Alerts
- News from Washington: Regulatory Updates

- On the Docket: Recent Federal Court Opinions
- Regulatory Calendar
- Calendar of Events

## Procedures for requesting an extended transition period for illiquid funds

The Federal Reserve Board announced additional details regarding how banking entities may seek an extension to conform their investments in a narrow class of funds that qualify as "illiquid funds" to the Volcker Rule. The Board expects that the illiquid funds of banking entities will generally qualify for extensions, though extensions may not be granted in certain cases--for example, where the banking entity has not demonstrated meaningful progress to conform or divest its illiquid funds, has a deficient compliance program under the Volcker Rule, or where the Board has concerns about evasion. [SR Letter](#). [2016 Banking and Consumer Regulatory Policy](#).

## Fed Banks announce change to check adjustments

The Federal Reserve Banks [announced](#) they are planning changes in the second quarter of 2017 to Check Adjustment requirements and edits to eliminate several investigation types (ITYPs) and two message types (MTYPs) that are outdated and have minimal usage. In addition, a new deadline for receiving same day entry or same day acknowledgement for electronic adjustments submitted via the FedLine Web® and FedLine Advantage® access solutions will be implemented. The effective date for these changes will be announced in the first quarter of 2017, and the changes will be reflected in the online [Check Adjustments Quick Reference Guide](#) on their effective dates.

## FOMC raises federal funds rate

In view of realized and expected labor market conditions and inflation, the Committee decided to raise the target range for the federal funds rate to 1/2 to 3/4 percent. The stance of monetary policy remains accommodative, thereby supporting some further strengthening in labor market conditions and a return to 2 percent inflation. [Implementation Note](#). [Press Release](#).

## Other federal items of interest

### Overtime rules halted

A United States District Court has put a halt on new overtime pay rules which were slated to take effect this week. The rule would have significantly expanded the number of people eligible to receive overtime pay by nearly doubling the minimum salary requirements for exemption.

In his decision, U.S. District Judge Amos L. Mazzant III maintained that in requiring employers to pay overtime wages based on salary, rather than employees' duties, the Labor Department had exceeded its authority under the Fair Labor Standards Act and disregarded Congress's intent.

"If Congress intended the salary requirement to supplant the duties test, then Congress and not the department should make that change," Mazzant said. With the injunction, the current salary test of \$455/week remains in effect, along with the duties test for exemption.

***Comment: Contact your legal counsel, human resources professional, and/or accountant to discuss how to react to this development.***

## FHFA increases Fannie/Freddie maximum conforming loan limits

The FHFA [announced](#) that the maximum conforming loan limits for mortgages acquired by Fannie Mae and Freddie Mac in 2017 will increase. In most of the country, the 2017 maximum loan limit for one-unit properties will be \$424,100, an increase from \$417,000. This will be the first increase in the baseline loan limit since 2006. In higher-cost areas, higher loan limits will be in effect.

## FHA announces loan limits schedule

The FHA [announced](#) the agency's new schedule of loan limits, and due to an increase in housing prices, most areas in the country will see a slight increase in loan limits in 2017. These loan limits are effective for case numbers assigned on or after January 1, 2017, and will remain in effect through the end of the year.

## HUD unveils tool to check on HUD investing

HUD unveiled the [Community Assessment Reporting Tool \(CART\)](#) – an innovative reference and mapping tool created to help answer the question, "How is HUD investing in my community?" CART provides a snapshot of HUD investments across a community, cutting the time it takes to generate this information from several business days to minutes.

## FTC issues FY 2016 National Do Not Call Registry Data Book

The FTC issued the [National Do Not Call Registry Data Book for Fiscal Year 2016](#). Consumers can use the National Do Not Call Registry to choose not to receive telemarketing calls. Now in its eighth year of publication, the Data Book contains a wealth of information about the Registry for FY 2016.

*Comment: According to the Data Book, there are just over 226 million registered phone numbers. The number of complaints about unwanted telemarketing calls increased from just under 3.6 million during FY 2015 to just over 5.3 million during FY 2016. (The FTC's fiscal year is from October 1 to September 30.)*

## FHFA final rule implementing Duty to Serve provisions

The FHFA issued a final rule to implement the Duty to Serve provisions mandated by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008. The statute requires Fannie Mae and Freddie Mac (the Enterprises) to serve three specified underserved markets – manufactured housing, affordable housing preservation, and rural housing – by improving the distribution and availability of mortgage financing in a safe and sound manner for residential properties that serve very low-, low-, and moderate-income families in these markets.

The final rule creates complementary processes for the Enterprises to establish plans for their Duty to Serve activities to submit to FHFA, and for FHFA to annually evaluate, rate, and report to Congress each Enterprise's compliance with its Duty to Serve obligations as required by the statute.

The final rule sets forth specific activities that the Enterprises may consider undertaking, at their discretion, to receive Duty to Serve credit, and provides that the Enterprises may propose additional activities. The final rule does not mandate any particular activities, but requires the Enterprises to consider ways to better serve families in the three underserved markets. [Final Rule](#). [Fact Sheet](#).

## FHA shifts timeframe for loan review

FHA published a [notice](#) that it is shifting the timeframe for FHA's review of loans prior to endorsement from pre-closing to post-closing. A lender applying for unconditional Direct Endorsement authority will therefore submit required loan files, required in accordance with HUD regulations, only after closing. After determining that the mortgage is acceptable and meets all FHA requirements, FHA will notify the lender that the loan has been endorsed. Effective Date: January 13, 2017

## HUD requires certification of housing counselors

HUD announced it will require that housing counselors participating in HUD programs to be certified to offer counseling services to consumers. In order to become certified, housing counselors must pass a standardized written examination and work for a HUD-approved housing counseling agency (HCA). Counselors must demonstrate competency in each of the following areas of housing counseling: (1) financial management; (2) property maintenance; (3) responsibilities of homeownership and tenancy; (4) fair housing laws and requirements; (5) housing affordability; and (6) avoidance of, and responses to, rental and mortgage delinquency and avoidance of eviction and mortgage default. [Read HUD's final rule.](#)

## Fannie and Freddie multifamily lending caps unchanged

The [Federal Housing Finance Agency](#) said the 2017 multifamily lending caps for Fannie Mae and Freddie Mac will remain at \$36.5 billion, the same level as in 2016. Each enterprise will be subject to the cap on multifamily purchase volume next year. The caps are based on projections of the overall size of the 2017 multifamily finance market, which FHFA expects to be roughly the same as it was in 2016.

# Publications, articles, reports, studies, testimony & speeches

## HARP refinances decline in 3rd quarter

The FHFA reported that 15,597 borrowers refinanced their mortgages through the Home Affordable Refinance Program (HARP) from July through September. FHFA's third quarter Refinance Report also shows that while total refinance volume increased in September, as mortgage interest rates hovered at lows last seen in 2013, HARP refinances represented 2 percent of total refinances. Total HARP refinances now stand at 3,434,451. According to new data released, 242,512 borrowers are still eligible for HARP as of the second quarter of 2016. These borrowers could save, on average, \$2,400 per year by refinancing their mortgage through HARP. [Refinance Report](#)

*Comment: Nine states and one U.S. territory accounted for more than 60 percent of borrowers who remain eligible for HARP and have a financial incentive to refinance: Florida, Illinois, Michigan, Ohio, Georgia, New Jersey, Pennsylvania, Puerto Rico, New York and California.*

## New residential construction statistics

HUD and the Census Bureau jointly announced the following new [residential construction statistics for October 2016](#).

*Comment: Privately owned housing units authorized by building permits in October were at a seasonally adjusted annual rate of 1,229,000. This is 0.3 percent ( $\pm 2.0\%$ ) above the revised September rate of 1,225,000, but is 4.6 percent ( $\pm 1.4\%$ ) above the October 2015 estimate of 1,175,000. Privately owned housing starts in October were at a seasonally adjusted annual rate of 1,323,000. This is 25.5 percent ( $\pm 12.6\%$ ) above the revised September estimate of 1,054,000, but is 23.3 percent ( $\pm 14.4\%$ ) above the October 2015 rate of 1,073,000. Privately owned housing completions in*

*October were at a seasonally adjusted annual rate of 1,055,000. This is 5.5 percent ( $\pm 10.1\%$ )\* above the revised September estimate of 1,000,000 and is 7.2 percent ( $\pm 12.3\%$ )\* above the October 2015 rate of 984,000.*

## October data on sales of new single family houses

Sales of new single-family houses in October 2016 were at a seasonally adjusted annual rate of 563,000, according to estimates released jointly by HUD and the Census Bureau. This is 1.9 percent ( $\pm 13.1\%$ )\* below the revised September rate of 574,000, but is 17.8 percent ( $\pm 16.9\%$ ) above the October 2015 estimate of 478,000. [New Residential Sales](#).

The median sales price of new houses sold in October 2016 was \$304,500; the average sales price was \$354,900. The seasonally adjusted estimate of new houses for sale at the end of October was 246,000. This represents a supply of 5.2 months at the current sales rate.

## Interest rates on conventional purchase-money mortgages flat

According to [FHFA indices](#), nationally, interest rates on conventional purchase-money mortgages were nearly flat from September to October, according to several indices of new mortgage contracts. The National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders Index was 3.62 percent for loans closed in late October, up 1 basis point from 3.61 percent in September. The average interest rate on all mortgage loans was 3.60 percent, unchanged from September. The average interest rate on conventional, 30-year, fixed-rate mortgages of \$417,000 or less was 3.76 percent, up 3 basis points from 3.73 in September. The effective interest rate on all mortgage loans was 3.72 percent in October, down 1 basis point from 3.73 in September. The effective interest rate accounts for the addition of initial fees and charges over the life of the mortgage. The average loan amount for all loans was \$312,700 in October, up \$9,800 from \$302,900 in September.

## Quarterly Banking Profile: Banking net income rises

Financial results for the third quarter of 2016 are included in the FDIC's latest [Quarterly Banking Profile](#). Commercial banks and savings institutions insured by the Federal Deposit Insurance Corporation (FDIC) reported aggregate net income of \$45.6 billion in the third quarter of 2016, up \$5.2 billion (12.9 percent) from a year earlier. The increase in earnings was mainly attributable to a \$10 billion (9.2 percent) increase in net interest income and a \$1.2 billion (1.9 percent) rise in noninterest income. One-time accounting and expense items at three institutions had an impact on the growth in income. Banks increased their loan-loss provisions by \$2.9 billion (34 percent) from a year earlier.

*Comment: According to the [Community Bank Performance, Third Quarter 2016](#) section of the FDIC Quarterly Banking Profile, close to 60% of community banks increased their quarterly net income.*

## Beige Book – November 30, 2016

Reports from the twelve Federal Reserve Districts indicate that the economy continued to expand across most regions from early October through mid-November. Activity in the Boston, Minneapolis, and San Francisco Districts grew at a moderate pace, while Atlanta, Chicago, St. Louis, and Dallas cited modest growth. Philadelphia, Cleveland, and Kansas City cited a slight pace of growth. Richmond characterized economic activity as mixed, and New York said activity has remained flat since the last report. Outlooks were mainly positive, with six Districts expecting moderate growth.

## Fed report on interchange revenue, costs, and fraud losses

Federal Reserve Board published a [report](#) on debit card transactions in 2015, including summary information on the volume and value, interchange fee revenue, certain issuer costs, and fraud losses. The report is the fourth in a series to be published every two years pursuant to section 920 of the Electronic Fund Transfer Act.

## FDIC state profiles

The FDIC released [state profiles](#) for the 3rd quarter of 2016

## FedFocus focuses on malware

[FedFocus](#) is the source for the latest Federal Reserve Financial Services news. Each edition keeps you informed about hot topics in the industry, as well as provides insight into the value of Federal Reserve Financial Services. In this month's edition:

- [Help your organization close the door on malware](#)
- [Same Day ACH today: UMB shares its experience to date](#)
- [Fed Facts: Year one wrap-up ... What is the Fed?](#)
- [Another year of FEDucation in the books](#)

## FedFlash

[FedFlash](#) is your source for the latest Federal Reserve Financial Services operational news. Each bulletin keeps you informed of issues critical to your day-to-day operations, providing you with National and District updates regarding the Fed's products and services, processes, technical protocols and contact information. In this month's edition:

- [2017 seasonal credit applications are now available](#)
- [Report on 2016 FedACH activity with the \*ACH Routing Number Activity Report\*](#)
- [New Fedwire Funds Service tag now available in FedTransaction Analyzer tool](#)
- [Do you need additional liquidity to meet your customers' seasonal credit needs? The Fed can help!](#)

## Selected federal rules proposed

Proposed rules are included only when community banks may want to comment.

### COMMENTS

CLOSE	SUMMARY OF PROPOSED RULE
12.29.2016	The CFPB is adding a consumer rating system for its complaint database. Comments were <a href="#">solicited</a> and continue to be invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the Bureau, including whether the information will have practical utility; (b) The accuracy of the Bureau's estimate of the burden of the collection of information, including the validity of the methods and the assumptions used; (c) Ways to enhance the quality, utility, and clarity of the information to be collected; and (d) Ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology
01.06.2017	The OCC, the Federal Reserve, the FDIC, the Farm Credit Administration (FCA), and the NCUA issued a <a href="#">new proposal</a> to amend their regulations regarding loans in areas having special flood hazards to implement the private flood insurance provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act). Specifically, the proposed rule would require regulated lending institutions to accept policies that meet the statutory definition of private flood insurance in the Biggert-Waters Act and

permit regulated lending institutions to accept flood insurance provided by private insurers that does not meet the statutory definition of “private flood insurance” on a discretionary basis, subject to certain restrictions.

- 01.15.2017 The OCC issued a paper entitled [Exploring Special Purpose National Bank Charters for Fintech Companies](#) in which it asked for public comment to help inform its consideration of the issues and specific questions raised therein.
- 02.21.2017 The CFPB is [seeking comments](#) from the public about consumer access to such information, including access by entities acting with consumer permission, in connection with the provision of products or services that make use of that information. Submissions to this Request for Information will assist market participants and policymakers to develop practices and procedures that enable consumers to realize the benefits associated with safe access to their financial records, assess necessary consumer protections and safeguards, and spur innovation.

#### COMMENTS CLOSED

- 10.18.2016 The CFPB released a proposal to update its [TILA-RESPA Integrated Disclosure rule](#) to memorialize informal guidance and offer clarifications. Among the proposed changes are updates to the tolerance provisions for the total of payments, clarification that recording fees and transfer taxes may be charged in connecting with housing-assistance lending, an extension of the rules coverage to all cooperative units, and clarification about how a creditor may provide separate disclosure forms to the consumer and seller. The proposal may be most notable for the issues it didn't address—technical error resolution and simultaneous issue of title policies. Comments will be accepted until October 18, 2016. [Federal Register entry](#).
- 10.07.2016 [Payday, Vehicle Title, and Certain High-Cost Installment Loans](#). The CFPB proposed to establish 12 CFR part 1041, which would contain regulations creating consumer protections for certain consumer credit products. The proposal generally would cover two categories of loans. First, the proposal generally would cover loans with a term of 45 days or less. Second, the proposal generally would cover loans with a term greater than 45 days, provided that they (1) have an all-in annual percentage rate greater than 36 percent; and (2) either are repaid directly from the consumer's account or income or are secured by the consumer's vehicle. For both categories of covered loans, the proposal would identify it as an abusive and unfair practice for a lender to make a covered loan without reasonably determining that the consumer has the ability to repay the loan. The proposal generally would require that, before making a covered loan, a lender must reasonably determine that the consumer has the ability to repay the loan. The proposal also would impose certain restrictions on making covered loans when a consumer has or recently had certain outstanding loans. The proposal would provide lenders with options to make covered loans without satisfying the ability-to-repay requirements, if those loans meet certain conditions. The proposal also would identify it as an unfair and abusive practice to attempt to withdraw payment from a consumer's account for a covered loan after two consecutive payment attempts have failed, unless the lender obtains the consumer's new and specific authorization to make further withdrawals from the account. The proposal would require lenders to provide certain notices to the consumer before attempting to withdraw payment for a covered loan from the consumer's account. The proposal would also prescribe processes and criteria for registration of information systems, and requirements for furnishing loan information to and obtaining consumer reports from those registered information systems. The CFPB is proposing to adopt official interpretations to the proposed regulation. [Comments](#) were due on or before October 7, 2016.
- 08.22.2016 [Arbitration Agreements](#). The CFPB proposed to establish 12 CFR part 1040, which would contain regulations governing two aspects of consumer finance dispute resolution. First, the proposed rule would prohibit covered providers of certain consumer financial products and services from using an agreement with a consumer that provides for arbitration of any future dispute between the parties to bar the consumer from filing or participating in a class action with respect to the covered consumer financial product or service. Second, the proposal would require a covered provider that is involved in an arbitration pursuant to a pre-dispute arbitration agreement to submit specified arbitral records to the CFPB. The CFPB proposes that the rulemaking would apply to certain consumer financial products and services. The CFPB is also proposing to adopt official interpretations to the proposed regulation.

## Selected federal rules recently adopted



Not all final rules are included. Only rules affecting community banks are reported, but we make no guarantees that these are all the final rules your bank needs to know about.

EFFECTIVE

DATE:

SUMMARY OF FINAL RULE:

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We found no federal rules adopted since the last issue of Capitol Comments that require the attention of community bankers.

## Selected federal rules - upcoming effective dates

Not all final rules are included. Only rules affecting community banks are reported, but we make no guarantees that these are all the final rules your bank needs to know about.

EFFECTIVE  
DATE:

SUMMARY OF FINAL RULE:

- 12.24.2016 [Credit Risk Retention](#). The OCC, Board, FDIC, Commission, FHFA, and HUD (the agencies) are adopting a joint final rule (the rule, or the final rule) to implement the credit risk retention requirements of section 15G of the Securities Exchange Act of 1934, as added by section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act or Dodd-Frank Act). Section 15G generally requires the securitizer of asset-backed securities to retain not less than 5 percent of the credit risk of the assets collateralizing the asset-backed securities. Section 15G includes a variety of exemptions from these requirements, including an exemption for asset-backed securities that are collateralized exclusively by residential mortgages that qualify as “qualified residential mortgages,” as such term is defined by the agencies by rule. The final rule was effective February 23, 2015. Compliance with the rule with respect to asset-backed securities collateralized by residential mortgages is required beginning December 24, 2015. **Compliance with the rule with regard to all other classes of asset-backed securities is required beginning December 24, 2016.**
- 01.01.2017 [New HMDA reporting requirements](#). The CFPB amended Regulation C to implement amendments to the HMDA made by section 1094 of the Dodd-Frank Act. Consistent with section 1094 of the Dodd-Frank Act, the CFPB added several new reporting requirements and clarified several existing requirements. The CFPB also modified the institutional and transactional coverage of Regulation C. The final rule also provides extensive guidance regarding compliance with both the existing and new requirements.
- Comment: In 2017, all banks covered by Regulation C that originated at least 25 home purchase loans (including the refinancing of home purchase loans) in each of the two preceding calendar years (2015 and 2016) must report. Those reports are due in 2018.*
- 01.01.2017 Reg. Z Annual Threshold Adjustments (CARD Act, HOEPA and ATR/QM). The CFPB issued a [final rule](#) amending the regulatory text and official interpretations for Regulation Z. The CFPB is required to calculate annually the dollar amounts for several provisions in Reg. Z; this final rule revises, as applicable, the dollar amounts for provisions implementing amendments to TILA under the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act), the Home Ownership and Equity Protection Act of 1994 (HOEPA), and the Dodd-Frank Act. In addition to adjusting these amounts, where appropriate, based on the annual percentage change reflected in the Consumer Price Index in effect on June 1, 2016, the CFPB corrected a calculation error pertaining to the 2016 subsequent violation penalty safe harbor fee.
- 09.30.2017 [Joint Agencies: Loans in Areas Having Special Flood Hazards](#). A lender that loses the small lender exemption shall mail or deliver to the borrower no later than September 30 of the first calendar year in which the lender loses its small lenders exemption a notice in writing, or if the borrower agrees, electronically, informing the borrower of the option to escrow all premiums and fees for any required flood insurance and the method(s) by which the borrower may request escrow, using language similar to the model clause in appendix B. A lender loses the exemption when its assets are  $\geq$  \$1 billion. This applies to any loan secured by residential improved real estate or a mobile home that is outstanding on July 1 of the first calendar year in which the lender no longer qualifies for the small lender exemption (exception is for lenders with  $<$ \$1 billion in assets). **Also, see January 1, 2016 above and September 30, 2017 below.**
- 10.01.2017 [Prepaid Accounts under the Electronic Fund Transfer Act \(Regulation E\) and the Truth In Lending Act \(Regulation Z\)](#). The CFPB is issuing this final rule to create comprehensive consumer protections for prepaid accounts under Regulation E, which implements the Electronic Fund Transfer Act; Regulation Z, which implements the Truth in Lending Act; and the official interpretations to those regulations. The final rule modifies general Regulation E requirements to create tailored provisions governing disclosures, limited liability and error resolution, and periodic statements, and adds new requirements regarding the posting of account agreements. Additionally, the final rule regulates overdraft credit features that may be offered in conjunction with prepaid accounts. Subject to certain exceptions, such credit features will be covered under Regulation Z where the credit feature is offered by the prepaid account issuer, its affiliate, or its business partner and credit can be accessed in the course of a transaction conducted with a prepaid card. DATES: This rule is effective on October 1, 2017. The requirement in § 1005.19(b) to submit prepaid account agreements to the Bureau is delayed until October 1, 2018. See the CFPB’s [prepaid rule implementation page](#).
- Comment: The prepaid rules affect Regulation E relating to payroll cards, which were working quite well. The prepaid rule amended Regulations E and Z to create consumer protections for prepaid financial products, including payroll cards. The rules also apply to government benefit cards but not to gift cards or health savings account cards. The rules are effective October 1, 2017, although the requirement to submit account agreements to the CFPB is effective October 1, 2018.*
- 10.03.2017 Although the Military Lending Act was effective October 3, 2016, credit cards are exempt until October 3, 2017. [80 Fed Reg 43560](#)
- 10.19.2017 [Mortgage Servicing Rules](#). The CFPB updated its mortgage servicing rules and expanded foreclosure protections. The final rule provides protections when a mortgage is transferred between servicers. Mortgage servicers must now offer mitigation services more than once if a borrower brings their mortgage current, then again becomes delinquent. The rule provides additional protections to mortgagors who acquired the mortgage, often through death or divorce. The rules require servicers to provide periodic statements to borrowers in bankruptcy in certain circumstances. The statements must contain specific information tailored for bankruptcy and about loss mitigation options. The CFPB published a summary for consumers on its website. **Servicers have a full year from the October 19, 2016, publication date (and for some changes 18 months) to implement the rules.**
- 10.19.2017 [Safe harbors from FDCPA liability for actions complying with mortgage servicing rules under RESPA and Reg. Z](#). The CFPB specified mortgage servicing rules in Regulations X and Z. This interpretive rule constitutes an advisory opinion for purposes of the FDCPA and provides safe harbors from liability for servicers acting in compliance with specified mortgage servicing rules in three situations: Servicers do not violate FDCPA section 805(b) when communicating about the mortgage loan with confirmed successors in interest in compliance with specified mortgage servicing rules in Regulation X or Z; servicers do not violate FDCPA section 805(c) with respect to the mortgage loan when providing the written early intervention notice required by Regulation X to a borrower who has invoked the cease communication right under FDCPA section 805(c); and servicers do not violate FDCPA section 805(c) when

responding to borrower-initiated communications concerning loss mitigation after the borrower has invoked the cease communication right under FDCA section 805(c).

- 01.01.2018 [Home Mortgage Disclosure \(Regulation C\)](#). The CFPB amended Regulation C to implement amendments to HMDA made by section 1094 of the Dodd-Frank Act. Consistent with section 1094 of the Dodd-Frank Act, the CFPB is adding several new reporting requirements and clarifying several existing requirements. The CFPB is also modifying the institutional and transactional coverage of Regulation C. The final rule also provides extensive guidance regarding compliance with both the existing and new requirements.
- Comment: In 2018, all banks covered by Regulation C that originated at least 25 covered closed-end mortgage loans in each of the two preceding calendar years (2016 and 2017), OR all banks covered by Regulation C that originated at least 100 covered open-end lines in each of the two preceding calendar years (2016 and 2017) must report. Those reports are due in 2019. For HMDA data collected on or after January 1, 2018, bank's will collect, record, and report additional information about originations of, purchases of, and applications for covered loans. Data collection and reporting applies to most residential mortgage loan applications regardless of their ultimate disposition; it is not limited to loans that are approved.*
- 05.11.2018 FinCEN is issued [final rules](#) under the Bank Secrecy Act to clarify and strengthen customer due diligence requirements for: Banks; brokers or dealers in securities; mutual funds; and futures commission merchants and introducing brokers in commodities. The rules contain explicit customer due diligence requirements and include a new requirement to identify and verify the identity of beneficial owners of legal entity customers, subject to certain exclusions and exemptions.
- 10.01.2018 [Prepaid Accounts under the Electronic Fund Transfer Act \(Regulation E\) and the Truth In Lending Act \(Regulation Z\)](#). Although the CFPB's rule regarding prepaid accounts is effective 10.01.2017, the requirement to submit account agreements to the CFPB is effective 10.03.2018. See the CFPB's [prepaid rule implementation page](#).

## Selected federal rules – recent effective dates

Our list of effective dates of past final federal rules is limited to approximately 12 months.

### EFFECTIVE DATE:

### SUMMARY OF FINAL RULE:

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- 11.04.2016 [Technical amendments to various BSA regulations](#). FinCEN issued a final rule to make a number of technical amendments. This final rule updates various sections of the regulations implementing the Bank Secrecy Act (“BSA”) by removing or replacing outdated references to obsolete BSA forms, removing references to outdated recordkeeping storage media, and replacing several other outdated terms and references
- 10.03.2016 [Limitations on Terms of Consumer Credit Extended to Service Members and Dependents](#). The Department of Defense issued a final rule amending the implementing regulations of the Military Lending Act of 2006. The final rule expands specific protections provided to service members and their families under the MLA and addresses a wider range of credit products than the DOD's previous regulation. **FDIC-supervised institutions and other creditors must comply with the rule for new covered transactions beginning October 3, 2016.** For credit extended in a new credit card account under an open-end consumer credit plan, compliance is required beginning October 3, 2017. [FIL-37-2015](#)
- 09.30.2016 Call Reports. As part of its community bank Call Report burden-reduction initiative, the Federal Financial Institutions Examination Council (FFIEC) has approved a number of burden-reducing changes to the Consolidated Reports of Condition and Income (Call Report) as well as certain new and revised data items and instructional revisions. Subject to approval by the U.S. Office of Management and Budget, these Call Report revisions will take effect September 30, 2016, or March 31, 2017, depending on the change.
- Comment: Institutions should review [FIL-44-2016](#) for further information about the Call Report revisions taking effect in September 2016 and March 2017.*
- 08.30.2016 [Fed CMP inflation adjustments](#). The Board of Governors of the Federal Reserve System (the “Board”) is issuing an interim final rule amending its rules of practice and procedure to adjust the amount of each civil monetary penalty (“CMP”) provided by law within its jurisdiction to account for inflation as required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.
- 08.01.2016 [OCC CMP inflation adjustments](#). The OCC adopted an interim final rule amending its rules of practice and procedure for national banks and its rules of practice and procedure in adjudicatory proceedings for Federal savings associations to publish the maximum amount, adjusted for inflation, of each civil money penalty within its jurisdiction to administer. These actions are required under the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. The OCC is accepting comments on the interim final rule through August 30, 2016.
- 08.01.2016 [FDIC adjustment of maximum CMPs](#). This interim final rule adjusts the maximum limit for CMPs according to inflation as mandated by Congress in the 2015 Adjustment Act. The intended effect of annually adjusting maximum civil money penalties in accordance with changes in the Consumer Price Index is to minimize any distortion in the real value of those maximums due to inflation, thereby promoting a more consistent deterrent effect in the structure of CMPs. Other technical changes to 12 CFR part 308 are intended to

improve the transparency of the regulation and to assist readers in quickly identifying the applicable CMP amounts. The FDIC is accepting comments on the interim final rule through September 1, 2016.

- 08.01.2016 [FinCEN adjustment of maximum CMPs](#). FinCEN is amending the regulations under the Bank Secrecy Act to adjust the maximum amount or range, as set by statute, of certain civil monetary penalties within its jurisdiction to account for inflation. This action is being taken to implement the requirements of the Federal Civil Penalties Inflation Adjustment Act of 1990, as further amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. FinCEN is accepting comments on the interim final rule through September 1, 2016.
- 07.11.2016 FinCEN issued [final rules](#) under the Bank Secrecy Act clarifying and strengthening customer due diligence requirements for: Banks; brokers or dealers in securities; mutual funds; and futures commission merchants and introducing brokers in commodities. The rules contain explicit customer due diligence requirements and include a new requirement to identify and verify the identity of beneficial owners of legal entity customers, subject to certain exclusions and exemptions.
- 07.01.2016 The Secretary of Education amended the cash management regulations and other sections of the Student Assistance General Provisions regulations issued under the Higher Education Act of 1965, as amended. These final regulations are intended to ensure that students have convenient access to their title IV, HEA program funds, do not incur unreasonable and uncommon financial account fees on their title IV funds, and are not led to believe they must open a particular financial account to receive their Federal student aid. In addition, the final regulations update other provisions in the cash management regulations and otherwise amend the Student Assistance General Provisions. The final regulations also clarify how previously passed coursework is treated for title IV eligibility purposes and streamline the requirements for converting clock hours to credit hours.
- Comment: This rule amendment is meant to stop educational institutions from prioritizing the deposits of financial aid into institutional-sponsored accounts. Marketing material must be presented in a neutral way that enables the student to choose either his or her existing account or a campus account.***
- 07.01.2016 [Registration of Securities Transfer Agents](#). The FDIC issued a final rule requiring insured State savings associations and subsidiaries of such State savings associations that act as transfer agents for qualifying securities to register with the FDIC, similar to the registration requirements applicable to insured State nonmember banks and subsidiaries of such banks. Second, the final rule revises the definition of qualifying securities to reflect statutory changes to the '34 Act made by the Jumpstart Our Business Startups Act.
- 07.01.2016 [Assessments](#). Pursuant to the requirements of the Dodd-Frank Act and the FDIC's authority under section 7 of the Federal Deposit Insurance Act (FDI Act), the FDIC is imposing a surcharge on the quarterly assessments of insured depository institutions with total consolidated assets of \$10 billion or more. The surcharge will equal an annual rate of 4.5 basis points applied to the institution's assessment base (with certain adjustments). **If the Deposit Insurance Fund (DIF or fund) reserve ratio reaches 1.15 percent before July 1, 2016, surcharges will begin July 1, 2016.** If the reserve ratio has not reached 1.15 percent by that date, surcharges will begin the first day of the calendar quarter after the reserve ratio reaches 1.15 percent. (Lower regular quarterly deposit insurance assessment (regular assessment) rates will take effect the quarter after the reserve ratio reaches 1.15 percent.) Surcharges will continue through the quarter that the reserve ratio first reaches or exceeds 1.35 percent, but not later than December 31, 2018. The FDIC expects that surcharges will commence in the second half of 2016 and that they should be sufficient to raise the DIF reserve ratio to 1.35 percent in approximately eight quarters, i.e., before the end of 2018. If the reserve ratio does not reach 1.35 percent by December 31, 2018 (provided it is at least 1.15 percent), the FDIC will impose a shortfall assessment on March 31, 2019, on insured depository institutions with total consolidated assets of \$10 billion or more. **The FDIC will provide assessment credits (credits) to insured depository institutions with total consolidated assets of less than \$10 billion for the portion of their regular assessments that contribute to growth in the reserve ratio between 1.15 percent and 1.35 percent. The FDIC will apply the credits each quarter that the reserve ratio is at least 1.38 percent to offset the regular deposit insurance assessments of institutions with credits.**
- 06.30.2016 [Joint Agencies: Loans in Areas Having Special Flood Hazards](#). A lender who doesn't qualify for the small lender exemption shall mail or deliver to the borrower no later than June 30 a notice in writing, or if the borrower agrees, electronically, informing the borrower of the option to escrow all premiums and fees for any required flood insurance and the method(s) by which the borrower may request escrow, using language similar to the model clause in appendix B. A lender with  $\geq$  \$1 billion in assets does not qualify for the exemption. This applies to any loan secured by residential improved real estate or a mobile home that is outstanding on January 1, 2016. **Also, see January 1, 2016 above. For lenders that lose the exemption, see September 30, 2017 below.**
- 03.31.2016 [Operations in Rural Areas Under the Truth in Lending Act Interim Final Rule](#). This interim final rule amends certain provisions of Regulation Z in light of title LXXXIX of the Fixing America's Surface Transportation Act, entitled the Helping Expand Lending Practices in Rural Communities Act, Public Law 114-94. The amendments to Regulation Z concern two matters: The eligibility of certain small creditors that operate in rural or underserved areas for special provisions that permit the origination of balloon-payment qualified mortgages and balloon-payment high cost mortgages and for an exemption from the requirement to establish an escrow account for higher-priced mortgage loans and the determination of whether an area is rural for the purposes of Regulation Z. DATES: This final rule is effective on March 31, 2016. Comments may be submitted on or before April 25, 2016.
- 01.01.2016 [Joint Agencies: Loans in Areas Having Special Flood Hazards](#). Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) relating to the escrowing of flood insurance payments and the exemption of certain detached structures from the mandatory flood insurance purchase requirement. The final rule also implements provisions in the Biggert-Waters Flood Insurance Reform Act of 2012 (the Biggert-Waters Act) relating to the force placement of flood insurance. In accordance with HFIAA, the final rule requires regulated lending institutions to escrow flood insurance premiums and fees for loans secured by residential improved real estate or mobile homes that are made, increased, extended or renewed on or after January 1, 2016, unless the loan qualifies for a statutory exception. In addition, certain regulated lending institutions are exempt from this escrow requirement if they have total assets of less than \$1 billion. Further, the final rule requires institutions to provide borrowers of residential loans outstanding as of January 1, 2016,

the option to escrow flood insurance premiums and fees. The final rule includes new and revised sample notice forms and clauses concerning the escrow requirement and the option to escrow. The final rule includes a statutory exemption from the requirement to purchase flood insurance for a structure that is a part of a residential property if that structure is detached from the primary residence and does not also serve as a residence. However, under HFIAA, lenders may nevertheless require flood insurance on the detached structures to protect the collateral securing the mortgage. (**Lenders with assets < \$1 billion, see June 30, 2016 and September 30, 2017.**)

- 01.01.2016 [CFPB: Reg. Z Annual Threshold Adjustments \(CARD ACT, HOEPA and ATR/QM\)](#) The CFPB issued this final rule amending the regulatory text and official interpretations for Regulation Z. The CFPB is required to calculate annually the dollar amounts for several provisions in Reg. Z; this final rule reviews the dollar amounts for provisions implementing amendments to TILA under the CARD Act, HOEPA, and the Dodd-Frank Act. These amounts are adjusted, where appropriate, based on the annual percentage change reflected in the Consumer Price Index in effect on June 1, 2015. The minimum interest charge disclosure thresholds will remain unchanged in 2016
- 01.01.2016 [Amendments Relating to Small Creditors and Rural or Underserved Areas Under the Truth in Lending Act \(Regulation Z\)](#) The CFPB amended certain mortgage rules issued by the CFPB in 2013. The final rule revises the CFPB's regulatory definitions of small creditor, and rural and underserved areas, for purposes of certain special provisions and exemptions from various requirements provided to certain small creditors under the CFPB's mortgage rules.
- 01.01.2016 The OCC, the Board, and the FDIC [amended their CRA regulations](#) to adjust the asset-size thresholds used to define "small bank" or "small savings association" and "intermediate small bank" or "intermediate small savings association." As required by the CRA regulations, the adjustment to the threshold amount is based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers. The agencies also propose to make technical edits to remove obsolete references to the OTS and update cross-references to regulations implementing certain Federal consumer financial laws in their CRA regulations.
- 01.01.2016 [Federal Reserve Bank Services](#). The Board of Governors of the Federal Reserve System (Board) has approved the private sector adjustment factor (PSAF) for 2016 of \$13.1 million and the 2016 fee schedules for Federal Reserve priced services and electronic access. These actions were taken in accordance with the Monetary Control Act of 1980, which requires that, over the long run, fees for Federal Reserve priced services be established on the basis of all direct and indirect costs, including the PSAF.
- 01.01.2018 [Home Mortgage Disclosure \(Regulation C\)](#) The CFPB amended Regulation C to implement amendments to HMDA made by section 1094 of the Dodd-Frank Act. Consistent with section 1094 of the Dodd-Frank Act, the CFPB is adding several new reporting requirements and clarifying several existing requirements. The CFPB is also modifying the institutional and transactional coverage of Regulation C. The final rule also provides extensive guidance regarding compliance with both the existing and new requirements.
- 12.31.2015 [Cyber-related sanctions regulations](#). OFAC issued regulations to implement [Executive Order 13694](#) of April 1, 2015 ("Blocking the Property of Certain Persons Engaging in Significant Malicious Cyber-Enabled Activities"). OFAC intends to supplement this part 578 with a more comprehensive set of regulations, which may include additional interpretive and definitional guidance and additional general licenses and statements of licensing policy.
- 12.24.2015 [Credit Risk Retention](#). The OCC, Board, FDIC, Commission, FHFA, and HUD (the agencies) are adopting a joint final rule (the rule, or the final rule) to implement the credit risk retention requirements of section 15G of the Securities Exchange Act of 1934, as added by section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act or Dodd-Frank Act). Section 15G generally requires the securitizer of asset-backed securities to retain not less than 5 percent of the credit risk of the assets collateralizing the asset-backed securities. Section 15G includes a variety of exemptions from these requirements, including an exemption for asset-backed securities that are collateralized exclusively by residential mortgages that qualify as "qualified residential mortgages," as such term is defined by the agencies by rule. The final rule was effective February 23, 2015. **Compliance with the rule with respect to asset-backed securities collateralized by residential mortgages is required beginning December 24, 2015.** Compliance with the rule with regard to all other classes of asset-backed securities is required beginning December 24, 2016.
- 12.24.2015 [CFPB corrections to TRID rules](#). The CFPB made technical corrections to Reg. Z and the Official Interpretations of Reg. Z. These corrections republish certain provisions of Reg. Z and the Official Interpretations that were inadvertently removed from or not incorporated into the CFRs by the TRID TILA-RESPA Final Rule. Specifically, this final rule makes the following corrections to reinsert existing regulatory text that was inadvertently deleted from Reg. Z and its commentary:
- o Amends § 1026.22(a)(5) to restore subparagraphs (i) and (ii).
  - o Amends the commentary to § 1026.17 at paragraph 17(c)(1)-2 to restore subparagraphs i, ii, and iii.
  - o Amends commentary paragraph 17(c)(1)-4 to restore subparagraphs i.A, and i.B.
  - o Amends commentary paragraph 17(c)(1)-10 to restore introductory text and subparagraphs iii, iv, and vi.
  - o Amends commentary paragraph 17(c)(1)-11 to restore subparagraphs i, ii, iii, and iv.
  - o Amends commentary paragraph 17(c)(1)-12 to restore subparagraphs i, ii, and iii.
  - o Amends commentary paragraph 17(c)(4)-1 to restore subparagraphs i and ii.
  - o Amends commentary paragraph 17(g)-1 to restore subparagraphs i and ii.
  - o Amends the commentary to § 1026.18 at paragraph 18(g)-4 to restore text to subparagraph i.

This rule also amends the commentary to appendix D to Reg. Z to add paragraph 7 that had been included in the TILA-RESPA Final Rule published in the Federal Register but that was inadvertently omitted from the commentary to appendix D in the CFR.

12.22.2015

The Federal Reserve [Amended Reg. D](#) (Reserve Requirements of Depository Institutions) to revise the rate of interest paid on balances maintained to satisfy reserve balance requirements (“TORR”) and the rate of interest paid on excess balances (“IOER”) maintained at Federal Reserve Banks by or on behalf of eligible institutions. The final amendments specify that IORR is 0.50 percent and IOER is 0.50 percent, a 0.25 percentage point increase from their prior levels. The amendments are intended to enhance the role of such rates of interest in moving the Federal funds rate into the target range established by the Federal Open Market Committee.

## Common words, phrases, and acronyms

APOR	“Average Prime Offer Rates” are derived from average interest rates, points, and other pricing terms offered by a representative sample of creditors for mortgage transactions that have low-risk pricing characteristics.
CARD Act	<a href="#">Credit Card Accountability Responsibility and Disclosure Act of 2009</a>
CFPB	<a href="#">Consumer Financial Protection Bureau</a>
CFR	<a href="#">Code of Federal Regulations</a> . Codification of rules and regulations of federal agencies.
CRA	<a href="#">Community Reinvestment Act</a> . This Act is designed to encourage loans in all segments of communities.
CRE	Commercial Real Estate
CSBS	<a href="#">Conference of State Bank Supervisors</a>
CTR	<a href="#">Currency Transaction Report</a> . Filed for each deposit, withdrawal, exchange of currency that involves a transaction in currency of more than \$10,000.
Dodd-Frank Act	<a href="#">The Dodd–Frank Wall Street Reform and Consumer Protection Act</a>
DOJ	<a href="#">Department of Justice</a>
FDIC	<a href="#">Federal Deposit Insurance Corporation</a>
EFTA	<a href="#">Electronic Fund Transfer Act</a>
Federal bank regulatory agencies	FDIC, FRB, and OCC
Federal financial institution regulatory agencies	CFPB, FDIC, FRB, NCUA, and OCC
FEMA	<a href="#">Federal Emergency Management Agency</a>
FFIEC	<a href="#">Federal Financial Institutions Examination Council</a>
FHFA	<a href="#">Federal Housing Finance Agency</a>
FHA	<a href="#">Federal Housing Administration</a>
FinCEN	<a href="#">Financial Crime Enforcement Network</a>

FR	<a href="#">Federal Register</a> . U.S. government daily publication that contains proposed and final administrative regulations of federal agencies.
FRB, Fed or Federal Reserve	<a href="#">Federal Reserve Board</a>
FSOC	<a href="#">Financial Stability Oversight Council</a>
FTC	<a href="#">Federal Trade Commission</a>
GAO	<a href="#">Government Accountability Office</a>
HARP	<a href="#">Home Affordable Refinance Program</a>
HAMP	<a href="#">Home Affordable Modification Program</a>
HMDA	<a href="#">Home Mortgage Disclosure Act</a>
HOEPA	<a href="#">Home Ownership and Equity Protections Act of 1994</a>
HPML	<a href="#">Higher Priced Mortgage Loan</a>
HUD	<a href="#">U.S. Department of Housing and Urban Development</a>
IRS	<a href="#">Internal Revenue Service</a>
MLO	Mortgage Loan Originator
MOU	Memorandum of Understanding
NFIP	<a href="#">National Flood Insurance Program</a> . U.S. government program to allow the purchase of flood insurance from the government.
NMLS	<a href="#">National Mortgage Licensing System</a>
OCC	<a href="#">Office of the Comptroller of the Currency</a>
OFAC	<a href="#">Office of Foreign Asset Control</a>
OREO	<a href="#">Other Real Estate Owned</a>
QRM	Qualified Residential Mortgage
Reg. B	<a href="#">Equal Credit Opportunity</a>
Reg. C	<a href="#">Home Mortgage Disclosure</a>

Reg. DD	<a href="#">Truth in Savings</a>
Reg. E	<a href="#">Electronic Fund Transfers</a>
Reg. G	<a href="#">S.A.F.E. Mortgage Licensing Act</a>
Reg. P	<a href="#">Privacy of Consumer Financial Information</a>
Reg. X	<a href="#">Real Estate Settlement Procedures Act</a>
Reg. Z	<a href="#">Truth in Lending</a>
RESPA	<a href="#">Real Estate Settlement Procedures Act</a>

SAR	<a href="#">Suspicious Activity Report</a> – Report financial institutions file with the U.S. government (FinCEN) regarding activity that may be criminal in nature.
SDN	Specially Designated National
TILA	<a href="#">Truth in Lending Act</a>
TIN	Tax Identification Number
Treasury	<a href="#">U.S. Department of Treasury</a>

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