



Capitol Comments August 2019

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

August is a month when if it is hot weather, it is really very hot! – Gertrude Stein

Joint federal agency issuances, actions and news

Interagency Final Rule to Simplify and Tailor the "Volcker Rule" (08.20.2019) 

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today approved an interagency final rule to simplify and tailor requirements relating to Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule." The Volcker Rule generally prohibits banking entities from engaging in proprietary trading and from owning or controlling hedge funds or private equity funds.

"One of the post-crisis reforms that has been most challenging to implement for regulators and industry is the Volcker Rule, which restricts banks from engaging in proprietary trading and from owning hedge funds and private equity funds. Distinguishing between what qualifies as proprietary trading and what does not has proven to be extremely difficult. Meanwhile, banks that do relatively little trading are required to go through substantial compliance exercises to ensure that activities that have long been considered traditional banking activities do not run afoul of the Volcker Rule," said FDIC Chairman Jelena McWilliams.

In July 2018, the FDIC, Office of the Comptroller of the Currency, Federal Reserve Board, Securities and Exchange Commission, and Commodity Futures Trading Commission published proposed amendments through a Notice of Proposed Rulemaking. The proposal would have simplified the 2013 rule by providing more certainty for banking entities and tailoring requirements to reflect the size and scope of a banking entity's trading activities, while still fulfilling the requirements of the law.

Today's action by the FDIC Board of Directors does not reflect any future action by the other agencies responsible for the implementation of the Volcker Rule.

The final rule will:

- Tailor the rule's compliance requirements based on the size of a firm's trading assets and liabilities, with the most stringent requirements applied to banking entities with the most trading activity;

- Retain the short-term intent prong of the "trading account" definition from the 2013 rule only for banking entities that are not, and do not elect to become, subject to the market risk capital rule prong;
- Replace the rebuttable presumption that instruments held for fewer than 60 days are covered under the short-term intent prong with a rebuttable presumption that instruments held for 60 days or longer are not covered;
- Clarify that banking entities that trade within internal risk limits set under the conditions in this final rule are engaged in permissible market making or underwriting activity;
- Streamline the criteria that apply when a banking entity seeks to rely on the hedging exemption from the proprietary trading prohibition;
- Limit the impact of the rule on the foreign activities of foreign banking organizations; and
- Simplify the trading activity information that banking entities are required to provide to the agencies.

Upon its publication in the Federal Register, the final rule will have an effective date of January 1, 2020, and a compliance date of January 1, 2021. However, a banking entity may voluntarily comply, in whole or in part, with the changes to the rule prior to January 1, 2021.

Attachments:

[Statement by FDIC Chairman Jelena McWilliams](#)

[Volcker Rule Fact Sheet](#)

[Final Rule](#)

Source [link](#).

Comment: Banks with limited trading assets and liabilities of less than \$1 billion will have a rebuttable presumption of compliance with the Volcker Rule. A win for community banks!

CFPB actions and news

CFPB Announces Thresholds Adjustments Under TILA (Regulation Z) (08.01.2019)

The Bureau has announced that it is issuing a final rule amending the official interpretations for Regulation Z, which implements the Truth in Lending Act (TILA). The Bureau is required to calculate annually the dollar amounts for several provisions in Regulation Z; this final rule reviews the dollar amounts for provisions implementing TILA and amendments to TILA, including 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 Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

These adjustments are applicable January 1, 2020, consistent with relevant statutory or regulatory provisions.

You can access the notice at: <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/truth-lending-regulation-z-annual-threshold-adjustments-card-act-hoepea/>

Source [link](#).

Comment: For open-end consumer credit plans under TILA, the threshold for disclosing an interest charge will remain unchanged at \$1. For open-end consumer credit plans under the CARD Act amendments, the adjusted dollar amount for the safe harbor for a first violation penalty fee will increase from \$28 to \$29, and the adjusted dollar amount for the safe harbor for a subsequent violation penalty fee will increase from \$39

to \$40. For HOEPA loans, the adjusted total loan amount threshold for high-cost mortgages will be \$21,980, and the adjusted points and fees dollar trigger for high-cost mortgages will be \$1,099. The maximum thresholds for total points and fees for qualified mortgages under the ATR/QM rule will be: (i) 3 percent of the total loan amount for loans greater than or equal to \$109,898; (ii) \$3,297 for loan amounts greater than or equal to \$65,939 but less than \$109,898; (iii) 5 percent of the total loan amount for loans greater than or equal to \$21,980 but less than \$65,939; (iv) \$1,099 for loan amounts greater than or equal to \$13,737 but less than \$21,980; and (v) 8 percent of the total loan amount for loan amounts less than \$13,737.

TILA-RESPA Integrated Disclosures FAQs (08.01.2019)

On July 31, 2019, the Bureau released frequently asked questions on providing Loan Estimates to consumers.

Source [link](#).

Comment: The FAQs mostly confirm guidance previously provided by the CFPB in various forms. The FAQs focus on the obligation of a creditor to issue a Loan Estimate once the consumer submits the six items of information specified in the definition of “application” applicable to the TRID rule.

HMDA NPRM Comment Period Reopening (07.31.2019)

The Bureau announced that it is reopening the comment period for certain aspects of the [May 2019 Notice of Proposed Rulemaking](#) relating to Regulation C, which implements the Home Mortgage Disclosure Act.

Specifically, the Bureau requests comments on (1) the Bureau’s proposed changes to the permanent coverage threshold for closed-end mortgage loans, (2) the Bureau’s proposed changes to the permanent coverage threshold for open-end lines of credit, and (3) the appropriate effective date for any change to the closed-end coverage threshold.

Comments must be received by October 15, 2019. The notice announcing the reopening of the comment period is available [here](#).

Source [link](#).

Comment: Many banks and trade associations filed comment letters during the initial period. If your bank has not filed a comment letter already, consider taking advantage of this expanded window.

Consumer Financial Protection Bureau Releases Qualified Mortgage ANPR (07.25.2019)

Washington, D.C. — The Consumer Financial Protection Bureau (Bureau) issued an Advance Notice of Proposed Rulemaking (ANPR) seeking information relating to the expiration of the temporary qualified mortgage provision applicable to certain mortgage loans eligible for purchase or guarantee by the Government Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac, in the Bureau’s Ability to Repay/Qualified Mortgage (ATR/QM) Rule. This provision, also known as the GSE patch, is scheduled to expire no later than Jan. 10, 2021.

The ANPR states that the Bureau currently plans to allow the GSE Patch to expire in January 2021 or after a short extension, if necessary, to facilitate a smooth and orderly transition away from the GSE Patch.

In the ANPR, the Bureau solicits comments on possible amendments to the ATR/QM Rule, including whether to revise Regulation Z's definition of a qualified mortgage in light of the GSE Patch's scheduled expiration. The ANPR seeks information and comment on whether the definition of qualified mortgage should retain a direct measure of a consumer's personal finances (for example, debt-to-income ratio), and whether the definition should include an alternative method for assessing financial capacity.

"Loans backed by Fannie Mae and Freddie Mac make up a large portion of the U.S. mortgage market," said CFPB Director Kathleen L. Kraninger. "The national mortgage market readjusting away from the Patch can facilitate a more transparent, level playing field that ultimately benefits consumers through stronger consumer protection. We want to hear all perspectives on how to move beyond the GSE Patch, the impact on credit, the role of the private mortgage market, and possible modifications to the definition of qualified mortgages and the rules governing the documentation of debt and income. The Bureau is committed to ensuring a smooth and orderly mortgage market throughout its consideration of these issues and any resulting transition away from the GSE Patch."

The Dodd-Frank Wall Street Reform and Consumer Protection Act amended the Truth in Lending Act (TILA) to establish ability-to-repay (ATR) requirements for most residential mortgage loans. TILA identifies factors a creditor must consider in making a reasonable and good faith assessment of a consumer's ATR. TILA also defines a category of loans called qualified mortgages for which creditors may presume compliance with the ATR requirements. The GSE Patch, adopted in the Ability to Repay/Qualified Mortgage Rule, expanded the definition of qualified mortgage to include certain mortgage loans eligible for purchase or guarantee by the GSEs, and in most cases these loans are granted a safe harbor from legal liability in connection with the ATR requirements. These Temporary GSE QM loans generally qualify for that safe harbor from legal liability even if their debt-to-income ratio exceeds the 43 percent threshold otherwise generally required for loans to obtain qualified mortgage status.

Earlier this year, the Bureau released an assessment of its Ability to Repay/Qualified Mortgage Rule and found that GSE QM loans represent a "large and persistent" share of originations in the conforming mortgage market and that creditors generally offered a Temporary GSE QM loan even when a General QM loan could be originated.

Click here to view the ANPR: https://files.consumerfinance.gov/f/documents/cfpb_anpr_qualified-mortgage-definition-truth-in-lending-act-reg-z.pdf

Source [link](#).

Comment: In addition, the ANPR, acknowledges some of the problems associated with Appendix Q, such as its rigidity in documenting debt and income and the difficulty in applying its rules for making DTI calculations. The ANPR notes that bankers report that these problems are particularly acute for self-employed consumers, consumers with part-time employment, and consumers with irregular or unusual income streams.

FDIC actions and news

FDIC Issues Proposed Rule on Certain Assessment Credits (08.30.2019) 

The Federal Deposit Insurance Corporation (FDIC) approved a notice of proposed rulemaking that would amend the deposit insurance assessment regulations that govern the use of small bank assessment credits and

one-time assessment credits. Small bank credits were awarded to insured depository institutions (IDIs) that had less than \$10 billion in assets, and that contributed to the growth in the Deposit Insurance Fund (DIF) reserve ratio at some point between July 1, 2016, and September 30, 2018, when the reserve ratio was between 1.15 percent and 1.35 percent.

The proposal would require the FDIC to automatically apply small bank credits to quarterly assessments when the reserve ratio is at least 1.35 percent, rather than 1.38 percent, as required under current regulation. After applying credits for eight quarters, the FDIC would remit to IDIs the nominal value of any remaining small bank credits.

The proposal would not change the total amount of credits awarded, but it could affect when the FDIC would apply the credits. The proposed changes intend to make the application of small bank credits to quarterly assessments more predictable for IDIs with these credits, and to simplify the FDIC's administration of these credits without materially impairing the ability of the FDIC to maintain the required minimum reserve ratio of 1.35 percent.

Comments on the proposed rule will be accepted for 30 days after publication in the Federal Register.

Source [link](#).

Comment: This change should provide modest relief to smaller banks, which were not responsible for the banking crisis!

FDIC Issues Proposed Rule on Interest Rate Restrictions Applicable to Less Than Well Capitalized Institutions (08.20.2019)

The Federal Deposit Insurance Corporation (FDIC) issued a notice of proposed rulemaking (NPR) related to interest rate restrictions that apply to less than well capitalized insured depository institutions.

Under the proposed rule, the FDIC would amend the methodology for calculating the national rate and national rate cap for specific deposit products to provide a more balanced, reflective, and dynamic national rate cap. The national rate would be the weighted average of rates offered on a given deposit product by all reporting institutions weighted by domestic deposit share. The national rate cap for particular products would be set at the higher of (1) the 95th percentile of rates paid by insured depository institutions weighted by each institution's share of total domestic deposits, or (2) the proposed national rate (i.e., the weighted average) plus 75 basis points.

The proposed rule would also greatly simplify the current local rate cap calculation and process by allowing less than well capitalized institutions to offer up to 90 percent of the highest rate paid on a particular deposit product in the institution's local market area. Additionally, the proposed rule would seek comment on alternative approaches to setting the national rate caps, including setting the national rate cap at the higher of the current rate cap or the previous rate cap.

The statutory interest rate restrictions generally limit a less than well capitalized institution from offering rates on deposits that significantly exceed the prevailing rates in its normal market area. The proposed approach would provide more balance, compared to the current methodology, in that it provides less than well capitalized institutions additional flexibility to compete for funds in different interest rate environments, and yet continues to satisfy the statutory restrictions.

In February 2019, the FDIC published an advance notice of proposed rulemaking in the Federal Register seeking comment on its regulations for the interest rate restrictions and brokered deposits. The FDIC received nearly 60 comments from individuals, banking organizations, and trade groups.

Comments are now requested on the proposed approach, as well as alternative approaches. Comments will be accepted for 60 days after the NPR is published in the Federal Register.

Attachment:

[Notice of Proposed Rulemaking on Interest Rate Restrictions Applicable to Less Than Well Capitalized Banks](#)

Source [link](#).

Comment: Community bankers have argued that the current rules make it harder for them to compete with larger institutions for funds. In addition, community bankers and trade associations will continue to press for acknowledgement of credit union pricing as part of the rate determination.

Recordkeeping for Timely Deposit Insurance Determination (07.30.2019)

The FDIC is amending its rule entitled "Recordkeeping for Timely Deposit Insurance Determination" to clarify the rule's requirements, better align the burdens of the rule with the benefits and make technical corrections.

Source [link](#).

FDIC Annual Publication Examines Potential Credit and Market Risks (07.30.2019)

The Federal Deposit Insurance Corporation (FDIC) published its 2019 Risk Review, an annual publication highlighting emerging risks and exposures in the banking system. The publication will be of particular interest to financial institutions, policymakers, analysts, and regulators.

"The FDIC is committed to transparency and accountability, and the publication of our 2019 Risk Review provides an opportunity for us to communicate data and our analysis on key risks facing the banking system," said FDIC Chairman Jelena McWilliams.

This issue of Risk Review provides a summary of conditions in the U.S. economy, financial markets, and banking industry. It also presents key risks to banks in two broad categories: credit risk and market risk. The credit risk areas discussed are agriculture, commercial real estate, energy, housing, leveraged lending and corporate debt, and nonbank lending. The market risk areas discussed are interest rate risk and deposit competition, and liquidity.

The FDIC intends to publish its next Risk Review in the spring of 2020.

Attachment:

[2019 Risk Review](#)

Source [link](#).

Comment: Credit risk, particularly among banks with high concentrations of credit, and market risk in an interest-rate environment present earnings and funding challenges to banks and are the key hazards for banks in the months ahead, especially as the leading economic indicators point to a downturn.

FDIC Announces Meeting of Advisory Committee on Community Banking (07.24.2019)

The Federal Deposit Insurance Corporation (FDIC) announced that it will hold a meeting of the Advisory Committee on Community Banking on Tuesday, July 30. FDIC senior staff will provide an update on various supervisory policy issues and the FDIC Subcommittee on Supervision Modernization, as well as brief Committee members on minority and community development financial institutions, Money Smart financial education materials, and de novo institutions. In addition, the FDIC Ombudsman will provide a briefing to the Committee, and a panel will discuss FDIC and U. S. Small Business Administration collaboration efforts. The Committee will also discuss local banking conditions.

Established in May 2009, the Advisory Committee on Community Banking provides input to the FDIC on a range of issues that impact the nation's community banks, including examination policies and procedures, credit and lending practices, deposit insurance assessments, insurance coverage, and regulatory compliance.

The meeting is open to the public and will be held from 9 a.m. to 3:30 p.m. EDT in the FDIC's main building located at 550 17th Street, N.W., Washington, D.C. The meeting also will be webcast live.

The agenda for the meeting and a link to the webcast are available at [FDIC's Advisory Committee on Community Banking website](#).

Source [link](#).

OCC actions and news

Comptroller of the Currency Visits Areas of Washington, D.C., to Discuss Community Reinvestment Success and Opportunities (08.19.2019)

WASHINGTON — Comptroller of the Currency Joseph Otting, led a tour of Washington, D.C., areas that have benefitted from Community Reinvestment Act (CRA) activity and discussed how CRA regulations can be strengthened to promote more lending, investment, and services, where they are needed most.

“CRA has help stabilize and revitalize neighborhoods across our country for more than 40 years,” Comptroller Otting said following the tour. “Today, we had the opportunity to see some of those reinvestment success stories here in our nation’s capital and continued the discussion of how important it is to modernize CRA regulation to bring even more lending, investment, and services to underserved, low- and moderate-income communities.”

The Comptroller was joined by more than 50 community advocates, community development professionals, and bankers engaged in CRA activity in the district. The tour was supported by MANNA and the Latino Economic Development Center (LEDC), which shared information about their work supporting the D.C. communities.

“LEDC is pleased to have had the opportunity to showcase our small business clients who are contributing to the local economy and creating jobs in their communities,” said LEDC Executive Director Marla Bilonick. “CRA is critical to channeling bank funds through local CDFIs to business owners who are unable to access financing through traditional commercial channels. We are grateful for this opportunity to demonstrate the importance of CRA. We hope these real-life examples can positively influence changes to CRA that could result in driving even greater levels of bank funding into the launch, stabilization, and expansion of our local small businesses.”

“I am excited to be on the tour with Comptroller Otting, and others, to showcase some of the affordable housing Manna, Inc. has developed as a result, in part, due to the Community Reinvestment Act,” said Jim Dickerson, Founder and CEO of Manna, Inc. “I hope the tour will show the importance of strengthening and expanding the CRA so more much-needed affordable housing will be the result.”

“As the Comptroller, I support a strong CRA and believe we can do more for our underserved communities by clarifying what counts for CRA credit, updating where activity qualifies, making evaluations of bank CRA performance more objective, and reporting results in a more timely and transparent manner,” the Comptroller said. “These changes have the potential to encourage billions more in CRA activity each year.”

The OCC continues to work with other federal banking regulators to develop a modern CRA regulatory framework. The Comptroller will continue to meet with stakeholders and visit areas throughout the country to see CRA success stories first-hand and hear directly how regulators can make CRA work better for everyone while fulfilling its statutory purpose more effectively.

Source [link](#).

Comment: In June, 2019 Deputy Comptroller of the Currency for Bank Supervision Policy Grovetta Gardineer said the federal banking agencies expect to issue a notice of proposed rulemaking to revise their Community Reinvestment Act regulations by the end of summer. The end of the summer is nigh.

Comptroller of the Currency Visits Baltimore Affordable Housing Event (08.14.2019)

BALTIMORE — Comptroller of the Currency Joseph Otting and senior staff visited an event promoting affordable and sustainable homeownership in Baltimore.

The free “Achieve the Dream” event hosted by the non-profit Neighborhood Assistance Corporation of America (NACA) was part of a series the organization hosts around the country that provides counseling to potential homebuyers, helps them prepare for homeownership, and works to qualify them with an affordable mortgage.

“Knowledge is power,” said Comptroller of the Currency Joseph Otting. “The education provided to these potential homebuyers through programs like these can unlock the door to achieving what is the American dream for many. The sort of community service and support provided through these programs is an example of what we envision when we talk about encouraging more investment, lending, and services through modernizing the Community Reinvestment Act.”

During the visit, the Comptroller and staff sat down with more than a dozen recent homebuyers who achieved homeownership through the NACA program. The homeowners shared their personal stories and how they overcame the many barriers that underserved and low- and moderate-income individuals face when considering purchasing a house. Some of the barriers faced include high savings requirements, unaffordable terms, restrictive underwriting, and bias.

NACA is the largest counseling organization certified by the Department of Housing and Urban Development with more than 2.7 million members. The organization has provided affordable solutions for more than a quarter million homeowners. Mortgages are provided in partnership with national banks who have committed \$15 billion to support the program.

Source [link](#).

OCC to Host Innovation Office Hours in Washington, D.C (08.12.2019)

WASHINGTON — The Office of the Comptroller of the Currency (OCC) announced it will hold Innovation Office Hours, October 8-10, in Washington, D.C., to promote responsible innovation in the federal banking system.

Office Hours are one-on-one meetings with Office of Innovation staff to discuss financial technology (fintech), new products or services, partnering with a bank or fintech company, or other matters related to responsible innovation in the federal banking system. OCC staff will provide feedback and respond to questions. Each meeting will last no longer than one hour.

Interested parties should request an Office Hours session by August 23, 2019, and are asked to provide information on why they are interested in meeting with the OCC. Specific meeting times and arrangements will be determined after the OCC receives and accepts the request.

Related Links

[OCC's Responsible Innovation Web Page](#)

[OCC Office of Innovation: A General Guide](#) (PDF)

Source [link](#).

Comment: In 2017, Comptroller Curry said 'At the OCC, we fully recognize that the opportunities for consumers of financial services are changing for the better, and you are a part of that change. That's not to say that I don't see risks as a regulator, I do. But, the promise of responsible innovation can outweigh that downside risk and better serve the needs of consumers, businesses, and communities nationwide.'

Prohibition Against Interstate Deposit (08.09.2019)

Summary

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) issued on May 28, 2019, the host state loan-to-deposit (LTD) ratios. The OCC is issuing this bulletin to inform national banks about how these ratios are used to determine compliance with section 109 of the Riegle–Neal Interstate Banking and Branching Efficiency Act of 1994 (IBBEA).

Note for Community Banks

Section 109 of the IBBEA applies to community banks that have covered interstate branches. Section 109 does not apply to federal savings associations.

Highlights

These ratios

- provide host state LTD ratios using data as of June 30, 2018. The data exclude banks designated for Community Reinvestment Act (CRA) purposes as wholesale or limited purpose banks, credit card banks, and special purpose banks.
- are used to compare a bank's statewide LTD ratio with the host state LTD ratio for banks in a particular state.
- update data last released on June 15, 2018.

Background

The OCC regulation that implements the CRA prohibits the use of interstate branches primarily for deposit production. Specifically, 12 CFR 25, subpart E, “Prohibition Against Use of Interstate Branches Primarily for Deposit Production,” implements the requirements of IBBEA section 109. The regulation includes specific tests for determining whether an interstate bank is lending appropriately in host states where it has branches.

Section 109 of the IBBEA provides a process to test compliance with the statutory requirements. The first step in the process involves an LTD ratio test that compares a bank’s statewide LTD ratio with the host state LTD ratio for banks in a particular state. A second step is conducted if a bank’s statewide LTD ratio is less than one-half of the published ratio for that state or if data are not available at the bank to conduct the first step. The second step requires the OCC to determine whether the bank is reasonably helping to meet the credit needs of the communities served by the bank’s interstate branches. A bank that fails both steps is subject to sanctions by the OCC.

Further Information

Please contact your supervisory office or the OCC’s CRA and Fair Lending Policy Division at (202) 649-5470.

Source [link](#).

Comptroller of the Currency Tours Atlanta Areas Where the Community Reinvestment Act Has Benefitted the Community and Where More Can Be Done (08.09.2019)

ASHINGTON — Comptroller of the Currency Joseph Otting, visited Atlanta to tour neighborhoods that have benefitted from activities encouraged by the Community Reinvestment Act (CRA) and areas that could benefit from additional CRA activity.

“Today, we saw what great things can be accomplished when banks, civil rights organizations, nonprofit groups, and local advocates work together to meet the needs of their communities,” Comptroller Otting said following the tour. “We also discussed how current CRA regulations hamstringing efforts that could revitalize these areas and bring even more lending, investment, and service to where they are needed most.”

The Comptroller was joined on the tour by John Hope Bryant, CEO and Founder of [Operation HOPE](#), Ambassador and former Atlanta Mayor Andrew Young, and representatives from area community groups, redevelopment organizations, and banks. The group began their tour of Atlanta from the [Martin Luther King Sr. Community Resources Collaborative](#) and visited a HOPE Inside office at the MLK Shopping Center/Historic Westside Village, the Wheat Street Gardens Redevelopment, the Auburn Avenue Historic Redevelopment, the Russell Center for Innovation and Entrepreneurship, the historic Butler Street YMCA Redevelopment, and other economic development sites.

“The places we visited today confirm how CRA has been a force for good for the past 40 years,” the Comptroller said. “Our goal now is to strengthen CRA so that it continues to encourage the flow of billions of dollars into our communities and neighborhoods each year. We can modernize CRA regulations to encourage banks to do even more by clarifying what counts for CRA credit, updating where activity qualifies, making evaluations of bank CRA performance more objective, and reporting results in a more timely and transparent manner.”

The OCC continues to work with other federal banking regulators to develop a modern CRA regulatory framework. The Comptroller will continue to meet with stakeholders and visit areas throughout the country to

see CRA success stories first hand and hear directly how regulators can make CRA work better for everyone while fulfilling the statutory purpose of the CRA.

“It has been an impactful afternoon revisiting a very essential conversation around opportunity and uplift in Atlanta,” John Hope Bryant said. “We are pleased to work with the Comptroller and local leaders to ensure that our collaborative efforts result in the inclusion and empowerment of our underserved communities.”

Source [link](#).

OCC Hosts Nashville Workshop for Board Directors and Bank Management (08.08.2019)

WASHINGTON — The Office of the Comptroller of the Currency (OCC) will host a workshop in Nashville, Tenn., at the Spring Hill Suites Nashville Downtown, September 24-25, for directors, senior management team members, and other key executives of national community banks and federal savings associations supervised by the OCC.

The Building Blocks: Keys to Success for Directors and Senior Management workshop combines lectures, discussion, and exercises to provide practical information on the roles and responsibilities of board participation. Taught by seasoned OCC supervision staff, the workshop focuses on duties and core responsibilities of directors and management, discusses major laws and regulations, and increases familiarity with the examination process.

The workshop fee is \$99. Participants receive course materials, assorted supervisory publications, and lunch. The workshop is limited to the first 35 registrants.

The workshop is one of 24 offered nationwide to enhance and expand the skills of national community bank and federal savings association directors. To register for this workshop, visit www.occ.gov/occworkshops.

Source [link](#).

Comment: These are excellent educational opportunities for both board members and senior management.

OCC Hosts Compliance and Operational Risk Workshops in Virginia (08.07.2019)

WASHINGTON — The Office of the Comptroller of the Currency (OCC) will host two workshops in Williamsburg, Va., at the DoubleTree Hotel Williamsburg, September 24 and 25, for directors of national community banks and federal savings associations supervised by the OCC.

The Compliance Risk workshop on September 24 combines lectures, discussion, and exercises on the critical elements of an effective compliance risk management program. The workshop also focuses on major compliance risks and critical regulations. Topics of discussion include the Bank Secrecy Act, Flood Disaster Protection Act, Fair Lending, Home Mortgage Disclosure Act, Community Reinvestment Act, and other compliance hot topics.

The Operational Risk workshop on September 25 focuses on the key components of operational risk—people, processes, and systems. The workshop also covers governance, third-party risk, vendor management, internal fraud, and cybersecurity.

The workshop fee is \$99 and open to directors of national community banks and federal savings associations supervised by the OCC. Participants receive course materials, assorted supervisory publications, and lunch. The workshop is limited to the first 35 registrants.

The workshops are taught by experienced OCC staff and are two of the 24 offered nationwide to enhance and expand the skills of national community bank and federal savings association directors. To register for this workshop, visit www.occ.gov/occworkshops.

Source [link](#).

Comment: These are excellent educational opportunities for both board members and senior management.

OCC Consolidates Supervision Support Functions, Announces New Units (07.31.2019)

WASHINGTON — The Office of the Comptroller of the Currency announced realignment of approximately 150 staff members to create two new units, consolidating bank supervision support, risk analysis, and oversight of national trust banks and significant service providers.

“This realignment will improve the agency’s ability to supervise the federal banking system by aligning like work, eliminating redundancies, and ensuring the OCC presents a single voice to supervised institutions,” said Comptroller of the Currency Joseph Otting. “In addition, this work will contribute to our strategic goal of operating the agency as effectively and efficiently as possible.”

The announcement follows several months of work by cross-functional teams, analyzing functions and looking for opportunities to enhance support provided to OCC bank supervision.

The first unit, Supervision System and Analytical Support, will pull together supervisory information system teams, data management, business intelligence, risk analysis, and supervision risk management staff from other OCC supervisory and policy units. The team will provide support across the agency and provide broad national perspective to the agency’s work. Bob Phelps, who currently serves as the Deputy Comptroller for Supervision Risk Management, will head this new unit.

The second unit, Systemic Risk Identification Support and Specialty Supervision, will bring together lead experts from Large Bank Supervision and Midsize Bank Supervision as well as teams responsible for the supervision of trust companies from the Northeastern District National Trust Banks team and significant service providers from Bank Supervision Policy. The agency has not yet identified the person to fill this Deputy Comptroller role.

While both units will report to the Chief Operating Officer, the OCC’s Committee on Bank Supervision will provide strategic direction and oversight to both units, and will review and approve strategic plans and initiatives, annual business plans or operating plans, and major projects and initiatives. This will promote greater coordination and collaboration across the supervision business units. The Committee on Bank Supervision is made up of senior executives who oversee OCC units that supervise the majority of institutions that make up the federal banking system. Strategic direction from the Committee on Bank Supervision ensures the units’ activity supports the supervisory needs of the federal banking system.

Although this realignment consolidates certain supervision and supervision-support functions, Midsize and Community Bank Supervision and Large Bank Supervision will retain primary responsibility for overseeing the banks, savings associations, and federal branches and agencies of foreign banks that compose the federal banking system.

The vast majority of employees who will make up the new units will be reassigned from other OCC divisions. A limited number of new positions will be advertised later this year. These changes take effect October 1, 2019.

Source [link](#).

CRA - Guidelines for Requesting Designation as a Wholesale, Limited Purpose, or Special Purpose Bank (07.31.2019)

Summary

The Office of the Comptroller of the Currency (OCC) is issuing this bulletin to inform national banks, federal savings associations, and federal branches of foreign banking organizations (collectively, banks) subject to the Community Reinvestment Act (CRA) about guidelines for requesting a designation as a wholesale or limited purpose bank for CRA purposes or requesting confirmation of its exemption as a special purpose bank under CRA regulations. This bulletin rescinds and replaces an attachment to OCC Bulletin 1996-11, "Community Reinvestment Act: Guidelines for Requesting Designation as a Wholesale or Limited-Purpose Institution."¹

Note for Community Banks

These guidelines apply to all OCC-supervised banks that request a designation as a wholesale or limited purpose bank for CRA purposes or that request an exemption from CRA regulations as a special purpose bank.

Highlights

These guidelines summarize the OCC's process for addressing bank requests for designation as a wholesale or limited purpose bank for CRA purposes or requests for confirmation of its exemption from the CRA as a special purpose bank, including

- information that a bank should provide to substantiate its request.
- instructions on how to submit requests.
- the OCC's review and approval processes, as applicable.

Source [link](#).

CRA - Guidelines for Requesting Approval of a Strategic Plan (07.31.2019)

Summary

The Office of the Comptroller of the Currency (OCC) is issuing this bulletin to inform national banks, federal savings associations, and federal branches of foreign banking organizations (collectively, banks) about current guidelines for requesting approval to be evaluated under the Community Reinvestment Act (CRA) using the strategic plan option or to request approval to amend an approved CRA strategic plan. This bulletin rescinds

- OCC Bulletin 1996-11, "Community Reinvestment Act: Guidelines for Approval for a Strategic Plan & Wholesale or Limited Purpose Institution."
- Office of Thrift Supervision CEO Memo 268, "Strategic Plan and Wholesale/Limited Purpose Designations Under the CRA."

Note for Community Banks

These guidelines apply to all OCC-supervised banks subject to the CRA that wish to request CRA evaluation based on a strategic plan or to request approval to amend an approved strategic plan.

Highlights

These guidelines do not represent new requirements but instead summarize the OCC's process for addressing bank requests for approval or amendment of a CRA strategic plan, including

- information that a bank should provide to substantiate its request.
- the email address for banks to submit requests.
- the OCC's review and approval processes.

Source [link](#).

Fraud Risk Management Principles (07.24.2019)

Summary

The Office of the Comptroller of the Currency (OCC) is issuing this bulletin to inform national banks, federal savings associations, and federal branches and agencies (collectively, banks) of sound fraud risk management principles. This bulletin supplements other OCC and interagency issuances on corporate and risk governance, including the references listed in appendix A of this bulletin.

Note for Community Banks

This guidance applies to all OCC-supervised banks.

Highlights

The risk management principles addressed in this bulletin include the following:

- A bank should have sound corporate governance practices that instill a corporate culture of ethical standards and promote employee accountability.
- A bank's risk management system should include policies, processes, personnel, and control systems to effectively identify, measure, monitor, and control fraud risk consistent with the bank's size, complexity, and risk profile.
- A bank's risk management system and system of internal controls should be designed to
 - prevent and detect fraud.
 - appropriately respond to fraud, suspected fraud, or allegations of fraud.
- Bank management should assess the likelihood and impact of potential fraud schemes and use the results of this assessment to inform the design of the bank's risk management system.
- Senior management and the board of directors should measure, monitor, and understand fraud losses across the enterprise and employ tools that appropriately quantify and assess loss experience and exposure.
- Control reviews and audits should include fraud risk as part of their assessments.

Fraud risk management principles can be implemented in a variety of ways and may not always be structured within a formal fraud risk management program. Regardless of the structure, fraud risk management should be commensurate with the bank's risk profile. Banks with significant and far-reaching retail-oriented business activities should have well-documented fraud risk management programs with appropriate monitoring, measurements and reporting, and mitigation.

Source [link](#).

Comment: Banks with significant and far-reaching retail-oriented business activities should have well-documented fraud risk management programs with appropriate monitoring, measurements and reporting, and mitigation.

Federal Reserve actions and news

Federal Reserve announces plan to develop a new round-the-clock real-time payment and settlement service to support faster payments (08.05.2019)

The Federal Reserve Board on Monday announced that the Federal Reserve Banks will develop a new round-the-clock real-time payment and settlement service, called the FedNowSM Service, to support faster payments in the United States.

The rapid evolution of technology presents a pivotal opportunity for the Federal Reserve and the payment industry to modernize the nation's payment system and establish a safe and efficient foundation for the future. The Federal Reserve believes faster payment services, which enable the near-instantaneous transfer of funds day and night, weekend and weekdays, have the potential to become widely used and to yield economic benefits for individuals and businesses by providing them with more flexibility to manage their money and make time-sensitive payments.

Since its founding more than a century ago, the Federal Reserve has provided payment and settlement services, alongside and in cooperation with the private sector, as part of its core function of promoting an accessible, safe, and efficient U.S. payment system. The Federal Reserve has established over its history a broad reach as a provider of payment and settlement services to the more than 10,000 financial institutions across the country. That reach will help the FedNow Service support a nationwide infrastructure on which the financial services industry may develop innovative faster payment services for the benefit of all Americans.

"Everyone deserves the same ability to make and receive payments immediately and securely, and every bank deserves the same opportunity to offer that service to its community," said Federal Reserve Board Governor Lael Brainard. "FedNow will permit banks of every size in every community across the country to provide real-time payments to their customers."

In 2018, the Board requested public comment on potential services that could be developed by the Federal Reserve to support faster payments. Of the more than 350 comments that took a position on whether the Federal Reserve should develop a new service for faster payments, over 90 percent supported the Federal Reserve operating a round-the-clock real-time payment and settlement service alongside services provided by the private sector.

The Board is now requesting comment on how the new service might be designed to most effectively support the full set of payment system stakeholders and the functioning of the broader U.S. payment system. The Board anticipates the FedNow Service will be available in 2023 or 2024.

In addition, the Board is announcing its intention to explore the expansion of Fedwire Funds Service and National Settlement Service hours, up to 24x7x365, to facilitate liquidity management in private-sector real-time gross settlement services for faster payments and to support a wide range of payment activities, beyond those related to faster payments.

The Board's Federal Register notice and a list of frequently asked questions are attached. Comments are requested within 90 days of publication in the Federal Register, which is expected shortly

Source [link](#).

Comment: This proposal is a win for community banks and should allow them to be competitive with the mega banks, which currently control the fast payment systems.

Other federal action and news

HUD Proposed Rule on Disparate Impact (08.16.2019)

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) published a proposed rule to amend the HUD interpretation of the Fair Housing Act's disparate impact standard. The proposed rule as amended would provide more appropriate guidance on what constitutes unlawful disparate impact to better reflect the Supreme Court's 2015 ruling in Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc. [Read HUD's proposed rule.](#)

"There is a lack of affordable housing in America today," said HUD Secretary Ben Carson. "This proposed rule is intended to increase legal clarity and promote the production and availability of housing in all areas while making sure every person is treated fairly under the law. As we have shown time and again, we will challenge any practice that discriminates against people that the law protects. At the end of the day, this rule not only increases Americans' access to fair and affordable housing, but also permits businesses and local governments to make valid policy choices."

The HUD proposed disparate impact rule provides a framework for establishing legal liability for facially neutral practices that have unintended discriminatory effects on classes of persons protected under the Fair Housing Act. The rule has no impact on determinations of intentional discrimination. In its 2015 decision, the Supreme Court upheld the use of a 'disparate impact' theory to establish liability under the Fair Housing Act for business policies and local ordinances even if the policy or ordinance is neutral - in intent and application - if it disproportionately affects a protected class without a legally sufficient justification.

Source [link](#).

Comment: The rule should clarify how the Supreme Court's decision will be applied, setting appropriate standards.

FS-ISAC Exercise - Cyber-Attack Against Payment Systems (CAPS) (08.15.2019)

The threat landscape of the electronic payments system is continuously evolving. To test your incident response team's ability to defend your organization against a cyber-attack in this dynamic environment, register for this fall's [Cyber Attack Against Payment Systems \(CAPS\) \(Off-site\)](#) exercises. Hosted by the Financial Services Information Sharing and Analysis Center (FS-ISAC), these two-day tabletop exercises are virtual, confidential sessions designed to simulate an attack on payment systems and processes. Teams will be put into a high-pressure situation that will encourage quick mobilization and execution of business continuity practices.

Source [link](#).

Comment: The Financial Services Information Sharing and Analysis Center (FS-ISAC), a national industry forum, regularly conducts these Cyber Attack Against Payment Processes (CAPP) exercises to measure the

ability of financial institutions, payment processors, businesses and retailers to respond and recover from major cyber incidents.

URLA February 1, 2020 Mandate Rescheduled; New Requirements Provided (08.14.2019) 

At the direction of the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac (the GSEs) announced in June 2019 that the optional use period for the redesigned Uniform Residential Loan Application (URLA) and automated underwriting system (AUS) implementations would be postponed. FHFA has now directed the GSEs to make specific modifications to the URLA form. To allow industry participants time to make the necessary changes, FHFA and the GSEs will be extending the deadlines for implementation of the URLA and AUS datasets; the mandatory use of the redesigned form and data will no longer begin on February 1, 2020.

Source [link](#).

Comment: Significantly, the form will not include language regarding preferred language. That provision inappropriately could have created the impression that lenders could communicate in a variety of languages!

AARMR and CSBS to Hold National Mortgage Policy Summit (07.30.2019) 

The American Association of Residential Mortgage Regulators (AARMR) and CSBS will host a summit to bring together policymakers, regulators and the industry to elevate the discussion around mortgage policy on November 13 in Washington, DC.

The summit event will include keynote presentations and panels representing viewpoints on mortgage policy at the national level. Invited speakers include members of Congress, federal agency leadership, industry leaders, consumer advocates, state regulators and other policy stakeholders.

Press registration: contact [Catherine Pickels](#)

Background

The US housing market is experiencing an all-time high valued at \$27.5 trillion, 15% higher than the pre-crisis peak, marked by growing household equity, delayed purchaser entry, historically low interest rates and recovered housing values. However, the market has been constrained by supply and an increasing lack of affordability, impacting low to moderate income and minority home buyers and adding pressure to loosen underwriting standards. The mortgage loan market itself has held steady in the \$10 to \$11 trillion range for the last 12 years, indicating stability in this crucial sector of the US economy. But, since the end of the financial crisis the industry has seen a dramatic shift in market share of both mortgage originations and servicing from banks to nonbanks, coupled with increased borrower risk profiles and potential credit quality concerns in certain sectors.

Regulators, policy makers and other stakeholders are publicly and privately acknowledging and studying structural shifts in the industry. At the same time, Fannie Mae and Freddie Mac have been in conservatorship as federal policy makers and Congress remain focused on addressing the GSEs as part of larger reforms of the housing finance system.

State regulators have an important role and stake in these policy discussions. During the summit, CSBS and AARMR will share how state regulators approach risk management, enhanced prudential standards for nonbank servicers, the use of technology in compliance and supervision and the future of the secondary market.

Source [link](#).

Publications, articles, reports, studies, testimony & speeches

A Decade of Building Stronger Communities - Vice Chair for Supervision Randal K. Quarles (08.20.2019)

Thank you for the kind introduction and for this opportunity to recognize the contributions of the Utah Center for Neighborhood Stabilization (UCNS) to the vitality of our state's communities. Over its 10 years, UCNS has improved the lives of many aspiring homeowners, renters, and small business owners and helped to build a more healthy and vibrant Utah.¹

As some of you may know, I grew up in Roy, not too far from here, and have lived in either the Ogden or Salt Lake City areas for many decades. Although I spent a lot of my professional career in New York and London, and these days spend a good deal of my time in Washington, D.C., this is still my home, as it is yours. Like many others, I'm thankful for the work of UCNS and its affiliates, which are investing in the betterment of this city and other Utah communities and working to ensure that the benefits of those investments extend to everyone living here.

I've spent most of my career in the private sector, and as I think about the approach of UCNS as a nonprofit organization, I am struck by the extent of entrepreneurship you bring to your work. Like many kinds of businesses, you deploy technical expertise and management skill to make investments, with either debt or equity financing, to generate healthy returns. Some of those returns, measured in dollars, help you continue to carry out your mission, but some of them also come in the form of promoting small businesses, affordable housing, and community facilities such as recreation centers, health-care clinics, and childcare facilities, among other things that build stronger communities. Private- and public-sector partners who support community development value entrepreneurship, and it also makes for a healthier and more sustainable organization, which allows you to continue your important work.

Source [link](#).

GDP Gain Realized in Shale Boom's First 10 Years (08.20.2019)

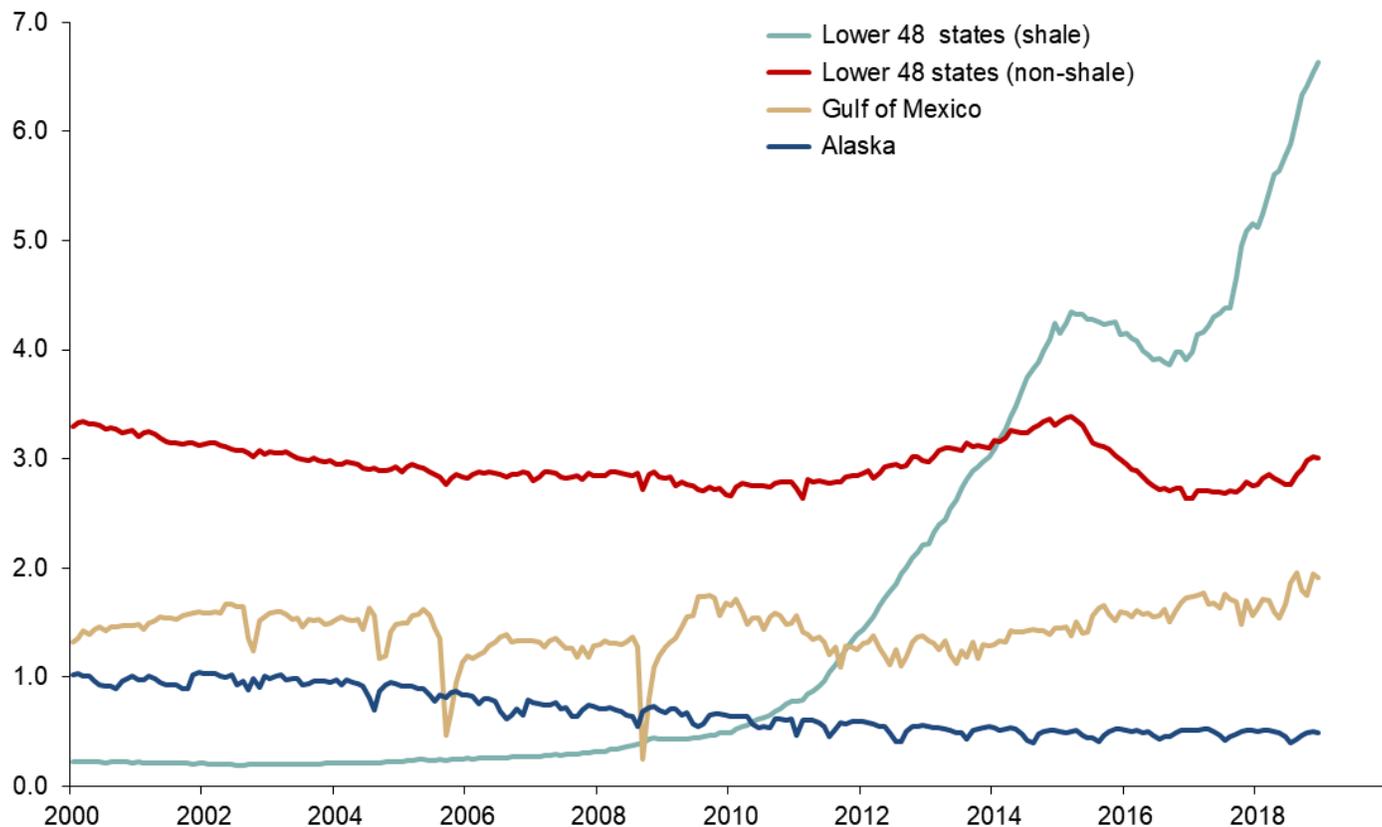
The U.S. shale boom—a product of technological advances in horizontal drilling and hydraulic fracturing that unlocked new stores of energy—has benefited the nation's oil trade balance and oil-producing regions and led to unusually large employment and output gains.

While quantifying the boom's benefits is difficult, we show in a working paper analyzing the shale boom during 2010–15 that the benefits extended to the overall economy, adding perhaps 1 percent to U.S. gross domestic product (GDP) during that time.

Source [link](#).

Chart 1 Shale Oil Production Growth Eclipses Other U.S. Sources

Million barrels per day



SOURCE: U.S. Energy Information Administration.

Federal Reserve Bank of Dallas

Production and Capacity Utilization - G.17 (08.15.2019)

Industrial production declined 0.2 percent in July. Manufacturing output decreased 0.4 percent last month and has fallen more than 1-1/2 percent since December 2018. In July, mining output fell 1.8 percent, as Hurricane Barry caused a sharp but temporary decline in oil extraction in the Gulf of Mexico. The index for utilities rose 3.1 percent. At 109.2 percent of its 2012 average, total industrial production was 0.5 percent higher in July than it was a year earlier. Capacity utilization for the industrial sector decreased 0.3 percentage point in July to 77.5 percent, a rate that is 2.3 percentage points below its long-run (1972–2018) average.

Source [link](#).

CSBS - Financial Education Helps High Schoolers Make Better Decisions About Paying for College (08.13.2019)

A recent study shows that state-mandated personal finance education requirements cause high school students to make better decisions about how to pay for college. It increases applications for aid, federal aid taken, and grants and decreased credit card use. The research was funded by The National Endowment for Financial Education (NEFE) and conducted by Montana State University.

Key findings

State-mandated financial education graduation requirements ...

- Increase the likelihood that students will apply for financial aid
- Increase acceptance of both grants and subsidized federal loans
- Decrease private loan amounts for borrowers
- Decrease the likelihood of carrying a credit card balance

On average, exposure to financial education ...

- Increases applications for aid by 3.5 percent
- Increases the likelihood of having a grant by 1.4 percent
- Decreases the likelihood of carrying a credit card balance by 21 percent
- Reduces private loan balances by roughly \$1,300 for borrowers

Students with a lower family expected financial contribution ...

- Increase their acceptance of subsidized Stafford loans at a rate three times larger than more affluent students
- Exhibit a decrease in holding a credit card balance
- Exhibit a decrease in working while enrolled

Students with a higher family expected financial contribution ...

- Decrease private loan borrowing by roughly \$2,400 (among those who borrow loans)
- Are no more or less likely to hold a credit card balance or work while enrolled

See the full study [here](#).

The National Endowment for Financial Education and CSBS are both active in the [Jump\\$tart Coalition](#), a group of more than 100 national organizations and a network of 51 independent, affiliated state coalitions that share a commitment to advancing youth financial literacy. CSBS President and CEO John Ryan serves on the board of Jump\$tart. Learn more about John's commitment to encouraging savings [here](#).

Source [link](#).

Consumer Price Index – July 2019 (08.13.2019)

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3 percent in July on a seasonally adjusted basis after rising 0.1 percent in June, the U.S. Bureau of Labor Statistics reported. Over the last 12 months, the all items index increased 1.8 percent before seasonal adjustment.

Increases in the indexes for gasoline and shelter were the major factors in the seasonally adjusted all items monthly increase. The energy index rose in July as the gasoline and electricity indexes increased, though the natural gas index declined. The index for food was unchanged for the second month in a row, as a decline in the food at home index was offset by an increase in the food away from home index.

The index for all items less food and energy rose 0.3 in July, the same increase as in June. The July rise was broad-based, with increases in the indexes for shelter, medical care, airline fares, household furnishings and operations, apparel, and personal care all contributing to the increase. The index for new vehicles was one of the few to decline in July.

The all items index increased 1.8 percent for the 12 months ending July, a larger increase than the 1.6-percent rise for the period ending June. The index for all items less food and energy rose 2.2 percent over the last 12

months, slightly more than the 2.1-percent increase for the period ending June. The food index rose 1.8 percent over the last year while the energy index declined 2.0 percent.

Source [link](#).

Consumer Credit - G.19 (08.07.2019)

Consumer credit increased at a seasonally adjusted annual rate of 5 percent during the second quarter. Revolving credit increased at an annual rate of 5-1/4 percent, while nonrevolving credit increased at an annual rate of 4-3/4 percent. In June, consumer credit increased at an annual rate of 4-1/4 percent.

Source [link](#).

The July 2019 Senior Loan Officer Opinion Survey on Bank Lending Practices (08.05.2019)

The July 2019 Senior Loan Officer Opinion Survey on Bank Lending Practices addressed changes in the standards and terms on, and demand for, bank loans to businesses and households over the past three months, which generally corresponds to the second quarter of 2019.¹

Regarding loans to businesses, banks indicated that, on balance, they left their standards basically unchanged on commercial and industrial (C&I) loans to large and middle-market firms, while standards eased for such loans to small firms.² Most terms were reportedly eased on C&I loans across firm size categories. In addition, banks reportedly tightened standards over the past three months across all three major commercial real estate (CRE) loan categories—construction and land development loans, nonfarm nonresidential loans, and multifamily loans.

Meanwhile, banks reported basically unchanged demand for C&I loans from large and middle-market firms and weaker demand from small firms. Loan demand for construction and land development loans reportedly weakened, while demand for other CRE loan types remained basically unchanged during the same period.

For loans to households, banks reported that standards on credit card loans tightened, on net, while standards reportedly remained basically unchanged on auto loans and most categories of residential real estate (RRE) loans. Banks reported stronger demand for credit card loans, auto loans, and almost all categories of RRE loans.

Banks also responded to a set of special questions inquiring about the current level of lending standards relative to the midpoint of the range over which banks' standards have varied since 2005. Banks, on balance, reported that their lending standards on C&I loans are currently at the easier end of the range of standards between 2005 and the present. For CRE loans, most RRE loans, subprime credit card loans, and subprime auto loans, banks reported currently having relatively tighter levels of lending standards on net.

Source [link](#).

Delivering Fast Payments for All - Governor Lael Brainard (08.05.2019)

It is a pleasure to be here in Kansas City with Federal Reserve Bank President Esther George to talk about the future of America's payment system.

Our payment system is a vital part of America's infrastructure that touches everyone. The choices we make about our payment infrastructure today will affect all Americans many years into the future. Today I am excited to announce the Federal Reserve will invest in a new service to help ensure that real-time payments are available to everyone. The Federal Reserve will develop the FedNow ServiceSM, a real-time payment and settlement service for the future. Everyone deserves the same ability to make and receive payments immediately and securely, and every bank deserves the same opportunity to offer that service to its community. FedNow will permit banks of every size in every community across the country to provide real-time payments to their customers.

Today, whether you are relying on ACH, a debit card, or a check, it can take as much as a few days to get access to your funds. With a Federal Reserve real-time retail payment infrastructure, the funds would be available immediately—to pay utility bills or split the rent with roommates, or for small business owners to pay their suppliers. Immediate access to funds could be especially important for households on fixed incomes or living paycheck to paycheck, when waiting days for the funds to be available to pay a bill can mean overdraft fees or late fees that can compound. Similarly, getting immediate access to funds from a sale in order to pay for supplies can be a game changer for small businesses, potentially avoiding the need for costly short-term financing.

Last November, we asked the public about possible actions the Federal Reserve could take to support interbank settlement of faster payments. We received more than 350 comments on a Federal Reserve faster payment service, representing nearly 800 organizations. Fully 90 percent of these comments called for the Federal Reserve to operate a real-time service for faster payments. Support came from a wide range of stakeholders, including individuals, merchants, fintech firms, and banks.⁴ Commenters noted that the Federal Reserve would ensure equitable access to banks of all sizes nationwide by operating a real-time service for faster payments alongside the private-sector system. Commenters highlighted the importance of safety in faster payments and noted the Federal Reserve's record of resiliency, especially during periods of stress. Commenters observed that a Federal Reserve real-time retail payment service would increase competition, decrease market concentration, and provide a neutral platform for innovation

Source [link](#).

New Federal Reserve Bank of Kansas City Report to Help Bridge Digital Divide (07.31.2019)

KANSAS CITY, MISSOURI —The Federal Reserve Bank of Kansas City announced a new report, [Disconnected: Seven Lessons on Fixing the Digital Divide](#), focused on broadband access, economic impact and solutions for communities to narrow the digital divide. The digital divide refers to the gap between those with and without access to affordable, reliable broadband and the skills and equipment to utilize it.

Many parts of the U.S. are still left without broadband. Nearly 68 percent of people without broadband at home live in rural communities.

“The report further illustrates that the digital divide effects every aspect of community and economic development. Digital access is an issue every community leader should be mindful of, as digital inclusion has become economic inclusion,” said Jeremy Hegle, senior community development advisor at the KC Fed.

The report, around the digital divide and how to fix it: awareness, change, rural broadband, increasing broadband adoption, computer skills, equipment and program evaluation.

Three key findings include:

- Rural broadband expansion – In the U.S. more than a third of all rural residents lack broadband access, versus four percent of the metro population. In the Tenth District, Oklahoma has the most underserved broadband population at 30 percent.
- Increased digital skills training - Training for basic digital literacy is the highest priority for most nonprofit organizations. The study shares that roles with baseline digital skills pay 17 percent more than non-digital roles.
- Device needs, affordable equipment – Donating used computers can be a low-cost, high-impact way to contribute to the solution. The report found that in Boley, Oklahoma, one computer donation led the town to re-establish a public library, after it was closed for a decade. In turn, it also offered free internet.

Source [link](#).

Comment: XXX.

Midwest Economy Index (07.31.2019)

The Midwest Economy Index (MEI) decreased to -0.31 in June from -0.22 in May. Contributions to the June MEI from three of the four broad sectors of nonfarm business activity and three of the five Seventh Federal Reserve District states decreased from May. The relative MEI declined to -0.09 in June from +0.08 in May. Contributions to the June relative MEI from three of the four sectors and four of the five states decreased from May.

Source [link](#).

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.

PROPOSED DATE	SUMMARY OF PROPOSED RULE
08.21.2019	Proposed Rule on Certain Assessment Credits - The Federal Deposit Insurance Corporation (FDIC) invites public comment on a notice of proposed rulemaking that would amend the deposit insurance assessment regulations that govern the use of small bank assessment credits (small bank credits) and one-time assessment credits (OTACs) by certain insured depository institutions (IDIs). Under the proposal, once the FDIC begins to apply small bank credits to quarterly deposit insurance assessments, such credits would continue to be applied as long as the Deposit Insurance Fund (DIF) reserve ratio is at least 1.35 percent (instead of, as currently provided, 1.38 percent). In addition, after small bank credits have been applied for eight quarterly assessment periods, and as long as the reserve ratio is at least 1.35 percent, the FDIC would remit the full nominal value of any remaining small bank credits in lump-sum payments to each IDI holding such credits in the next assessment period in which the reserve ratio is at least 1.35 percent, and would simultaneously remit the full nominal value of any remaining OTACs in lump-sum payments to each IDI holding such credits. Comments must be received 30 days after publication in the Federal Register.
08.20.2019	Interest Rate Restrictions on Institutions That Are Less Than Well Capitalized - The FDIC is seeking comment on proposed revisions to its regulations relating to interest rate restrictions that apply to less than well capitalized insured depository institutions. Under the proposed rule, the FDIC would amend the methodology for calculating the national rate and national rate cap for specific deposit products. The national rate would be the weighted average of rates paid by all insured depository institutions on a given deposit product, for which data are available, where the weights are each institution's market share of domestic deposits. The national rate cap for particular products would be set at the higher of (1) the 95th percentile] of rates paid by insured depository institutions weighted by each institution's share of total domestic deposits, or (2) the proposed national rate plus 75 basis points. The proposed rule would also greatly simplify the current local rate cap calculation and process by allowing less than well capitalized institutions to offer up to 90 percent of the highest rate paid on a particular

deposit product in the institution's local market area. **Comments must be received 60 days after publication in the Federal Register.**

- 08.16.2019 [HUD's Implementation of the Fair Housing Act's Disparate Impact Standard](#)- Title VIII of the Civil Rights Act of 1968, as amended (Fair Housing Act or Act), prohibits discrimination in the sale, rental, or financing of dwellings and in other housing-related activities on the basis of race, color, religion, sex, disability, familial status, or national origin. HUD has long interpreted the Act to create liability for practices with an unjustified discriminatory effect, even if those practices were not motivated by discriminatory intent. This rule proposes to amend HUD's interpretation of the Fair Housing Act's disparate impact standard to better reflect the Supreme Court's 2015 ruling in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.*, and to provide clarification regarding the application of the standard to State laws governing the business of insurance. This rule follows a June 20, 2018, advance notice of proposed rulemaking, in which HUD solicited comments on the disparate impact standard set forth in HUD's 2013 final rule, including the disparate impact rule's burden-shifting approach, definitions, and causation standard, and whether it required amendment to align with the decision of the Supreme Court in *Inclusive Communities Project, Inc.* **Comments must be received 60 days after publication in the Federal Register.**
- 08.02.2019 [Debt Collection Practices \(Regulation F\); Extension of Comment Period](#) - On May 21, 2019, the Bureau of Consumer Financial Protection (Bureau) published in the Federal Register a Notice of Proposed Rulemaking (NPRM) requesting comment on the Bureau's proposed amendments to Regulation F which implements the Fair Debt Collection Practices Act (FDCPA). The proposed amendments would prescribe Federal rules governing the activities of debt collectors, as that term is defined in the FDCPA. The NPRM provided a 90-day comment period that was set to close on August 19, 2019. **To allow interested persons more time to consider and submit their comments, the Bureau has determined that an extension of the comment period until September 18, 2019, is appropriate.**
- 07.31.2019 [Qualified Mortgage Definition under the Truth in Lending Act \(Regulation Z\)](#) - With certain exceptions, Regulation Z requires creditors to make a reasonable, good faith determination of a consumer's ability to repay any residential mortgage loan, and loans that meet Regulation Z's requirements for "qualified mortgages" obtain certain protections from liability. One category of qualified mortgages (QMs) is loans that are eligible for purchase or guarantee by either the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac). Under Regulation Z, this category of QMs (Temporary GSE QM loans) is scheduled to expire no later than January 10, 2021. The Bureau currently plans to allow the Temporary GSE QM loan category to expire in January 2021 or after a short extension, if necessary, to facilitate a smooth and orderly transition away from the Temporary GSE QM loan category. The Bureau is considering whether to propose revisions to Regulation Z's general qualified mortgage definition in light of that planned expiration and is issuing this ANPR to request information about possible revisions. **Comments close September 16, 2019.**
- 07.23.2019 [Capital Treatment of Land Development Loans](#) - The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) are issuing a notice of proposed rulemaking (proposal) to seek comment on the treatment of loans that finance the development of land for purposes of the one- to four-family residential properties exclusion in the definition of high volatility commercial real estate (HVCRE) exposure in the agencies' regulatory capital rule. This proposal expands upon the notice of proposed rulemaking (HVCRE NPR) issued on September 28, 2018, which proposed to revise the definition of HVCRE exposure in the regulatory capital rule to conform to the statutory definition of "high volatility commercial real estate acquisition, development, or construction (HVCRE ADC) loan," in accordance with section 214 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). **Comments close August 22, 2019.**
- 07.03.2019 [Home Mortgage Disclosure \(Regulation C\) Data Points and Coverage; Extension of Comment Period](#) - On May 8, 2019, the Bureau of Consumer Financial Protection (Bureau) published in the Federal Register an Advance Notice of Proposed Rulemaking (ANPR) soliciting comments relating to the data points the Bureau's October 2015 final rule implementing the Home Mortgage Disclosure Act (HMDA) added to Regulation C or revised to require additional information. The ANPR also solicits comments relating to the requirement that institutions report certain business- or commercial-purpose transactions under Regulation C. The ANPR provided a 60-day comment period that will end on July 8, 2019. To allow interested persons more time to consider and submit their responses, the Bureau has determined that an extension of the comment period until October 15, 2019 is appropriate. **The comment period for the ANPR published May 8, 2019, at 84 FR 20049, is extended. Responses must now be received on or before October 15, 2019.**

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.

EFFECTIVE

DATE: SUMMARY OF FINAL RULE:

- 03.06.2019 [Limited Exception for a Capped Amount of Reciprocal Deposits from Treatment as Brokered Deposits](#) - The FDIC is amending its regulations that implement brokered deposits and interest rate restrictions to conform with recent changes to section 29 of the Federal Deposit Insurance Act made by section 202 of the Economic Growth, Regulatory Relief, and Consumer Protection Act related to reciprocal deposits, which took effect on May 24, 2018. The FDIC is also making conforming amendments to the FDIC's regulations governing deposit insurance assessments. This rule will be effective March 6, 2019.
- 04.01.2019 [CFPB - Final Rule: Rules Concerning Prepaid Accounts Under the Electronic Fund Transfer Act \(Regulation E\) and the Truth in Lending Act \(Regulation Z\)](#) - Summary: The Bureau of Consumer Financial Protection (Bureau) is amending Regulation E, which implements the Electronic Fund Transfer Act, and Regulation Z, which implements the Truth in Lending Act, and the official interpretations to those regulations. This rulemaking relates to a final rule published in the Federal Register on November 22, 2016, as amended on April 25, 2017, regarding prepaid accounts under Regulations E and Z. The Bureau is finalizing modifications to several aspects of that rule, including with respect to error resolution and limitations on liability for prepaid accounts where the financial institution has not successfully completed its consumer identification and verification process; application of the rule's credit-related provisions to digital wallets that are capable of storing funds; certain other clarifications and minor adjustments; technical corrections; and an extension of the overall effective date to April 1, 2019. The amendments in this final rule are effective on April 1, 2019. The effective date of the final rule published on November 22, 2016 (81 FR 83934), as delayed on April 25, 2017 (82 FR 18975), is further delayed from April 1, 2018 to April 1, 2019. The effective date of the final rule published on April 25, 2017 (82 FR 18975), is delayed from April 1, 2018 to April 1, 2019. The effective date for the addition of § 1005.19(b), published on November 22, 2016 (81 FR 83934), as confirmed on April 25, 2017 (82 FR 18975), is delayed from October 1, 2018 to April 1, 2019.
- 04.01.2019 [Three-Year Regulatory Capital Phase in for New Current Expected Credit Losses \(CECL\)](#) - The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) are adopting a final rule to address changes to credit loss accounting under U.S. generally accepted accounting principles, including banking organizations' implementation of the current expected credit losses methodology (CECL). The final rule provides banking organizations the option to phase in over a three-year period the day-one adverse effects on regulatory capital that may result from the adoption of the new accounting standard. In addition, the final rule revises the agencies' regulatory capital rule, stress testing rules, and regulatory disclosure requirements to reflect CECL, and makes conforming amendments to other regulations that reference credit loss allowances. The final rule is effective on April 1, 2019. Banking organizations may early adopt this final rule prior to that date. The final rule is effective on April 1, 2019. Banking organizations may early adopt this final rule prior to that date.
- 04.15.2019 [Limited Exception for a Capped Amount of Reciprocal Deposits From Treatment as Brokered Deposits; Technical Amendment](#) - The FDIC is making technical amendments to the preamble of a final rule published in the Federal Register on February 4, 2019. The final rule relates to a limited exception for a capped amount of reciprocal deposits from treatment as brokered deposits. As published, several industry participants raised concerns about the meaning of a sentence in the preamble of the final rule. To avoid potential confusion, the FDIC is amending the language, as explained below. The technical amendments are effective April 15, 2019.
- 04.17.2019 [Disclosure of Financial and Other Information by FDIC-Insured State Nonmember Banks](#) - The Federal Deposit Insurance Corporation (FDIC) is amending its regulations by rescinding and removing its regulations entitled Disclosure of Financial and Other Information By FDIC-Insured State Nonmember Banks. Upon the removal of the regulations, all insured state nonmember banks and insured state-licensed branches of foreign banks (collectively, "banks") would no longer be subject to the annual disclosure statement requirement set out in the existing regulations. The financial and other information that has been subject to disclosure by individual banks under the regulations is publicly available through the FDIC's website. This rule will be effective April 17, 2019.
- 07.01.2019 [Loans in Areas Having Special Flood Hazards \(Private Insurance\)](#) - The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), the Farm Credit Administration (FCA), and the National Credit Union Administration (NCUA) are amending 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 final rule requires regulated lending institutions to accept policies that meet the statutory definition of "private flood insurance" in the Biggert-Waters Act; and permits regulated lending institutions to exercise their discretion to accept flood insurance policies issued by private insurers and plans providing flood coverage issued by mutual aid societies that do not meet the statutory definition of "private flood insurance," subject to certain restrictions. This rule will be effective July 1, 2019.
- 07.01.2019 [Delay of Effective Date; Regulatory Capital Rule: Implementation and Transition of the Current Expected Credit Losses Methodology for Allowances and Related Adjustments to the Regulatory Capital Rule and Conforming Amendments to Other Regulations](#) - On February 14, 2019, the Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) (collectively, the agencies) published in the Federal Register a final rule to address changes to credit loss accounting under U.S. generally accepted accounting principles, including banking organizations' implementation of the current expected credit losses methodology (CECL) (final rule). The final rule had an effective date of April 1, 2019, and provides that banking organizations may early adopt the final rule prior to that date. The agencies have determined that a delay of the effective date to July 1, 2019, is appropriate.
- 07.22.2019 [Revisions to Prohibitions and Restrictions on Proprietary Trading and Certain Interests In, and Relationships With, Hedge Funds and Private Equity Funds](#) - The OCC, Board, FDIC, SEC, and CFTC are adopting final rules to amend the regulations implementing

the Bank Holding Company Act's prohibitions and restrictions on proprietary trading and certain interests in, and relationships with, hedge funds and private equity funds (commonly known as the Volcker Rule) in a manner consistent with the statutory amendments made pursuant to certain sections of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The EGRRCPA amendments and the final rules exclude from these prohibitions and restrictions certain firms that have total consolidated assets equal to \$10 billion or less and total trading assets and liabilities equal to five percent or less of total consolidated assets. The EGRRCPA amendments and the final rules also revise the restrictions applicable to the naming of a hedge fund or private equity fund to permit an investment adviser that is a banking entity to share a name with the fund under certain circumstances. [These final rules are effective on July 22, 2019.](#)

- 07.22.2019 [Reduced Reporting for Covered Depository Institutions](#) - The OCC, the Board, and the FDIC (collectively, the agencies) are issuing a final rule to implement section 205 of the Economic Growth, Regulatory Relief, and Consumer Protection Act by expanding the eligibility to file the agencies' most streamlined report of condition, the FFIEC 051 Call Report, to include certain insured depository institutions with less than \$5 billion in total consolidated assets that meet other criteria, and establishing reduced reporting on the FFIEC 051 Call Report for the first and third reports of condition for a year. The OCC and Board also are finalizing similar reduced reporting for certain uninsured institutions that they supervise with less than \$5 billion in total consolidated assets that otherwise meet the same criteria. This document also includes a Paperwork Reduction Act notice to further reduce the amount of data required to be reported on the FFIEC 051 Call Report for the first and third calendar quarters, and other related changes. The agencies are committed to exploring further burden reduction and are actively evaluating further revisions to the FFIEC 051 Call Report, consistent with guiding principles developed by the FFIEC. The agencies also are considering ways to simplify the Call Report forms and instructions. [This rule is effective July 22, 2019.](#)
- 08.19.2019 [Payday, Vehicle Title, and Certain High-Cost Installment Loans](#) - The Bureau of Consumer Financial Protection (Bureau or CFPB) is issuing this final rule establishing regulations creating consumer protections for certain consumer credit products and the official interpretations to the rule. First, the rule identifies it as an unfair and abusive practice for a lender to make covered short-term or longer-term balloon-payment loans, including payday and vehicle title loans, without reasonably determining that consumers have the ability to repay the loans according to their terms. The rule exempts certain loans from the underwriting criteria prescribed in the rule if they have specific consumer protections. Second, for the same set of loans along with certain other high-cost longer-term loans, the rule identifies it as an unfair and abusive practice to make attempts to withdraw payment from consumers' accounts after two consecutive payment attempts have failed, unless the consumer provides a new and specific authorization to do so. Finally, the rule prescribes notices to consumers before attempting to withdraw payments from their account, as well as processes and criteria for registration of information systems, for requirements to furnish and obtain information from them, and for compliance programs and record retention. The rule prohibits evasions and operates as a floor leaving State and local jurisdictions to adopt further regulatory measures (whether a usury limit or other protections) as appropriate to protect consumers. [Effective Date: This regulation is effective January 16, 2018. Compliance Date: Sections 1041.2 through 1041.10, 1041.12, and 1041.13 have a compliance date of August 19, 2019. A federal court granted the Bureau of Consumer Financial Protection's request to delay the effective date of its rule on small-dollar loans. The decision delays the August 2019 compliance date. On June 6, 2019 the bureau issued a Final Rule delaying the compliance date until November 19, 2020 and included correcting amendments.](#)
- 08.21.2019 [Joint Ownership Deposit Accounts](#) - The FDIC is amending its deposit insurance regulations to update one of the requirements that must be satisfied for an account to be separately insured as a joint account. Specifically, the final rule provides an alternative method to satisfy the "signature card" requirement. Under the final rule, the signature card requirement may be satisfied by information contained in the deposit account records of the insured depository institution establishing co-ownership of the deposit account, such as evidence that the institution has issued a mechanism for accessing the account to each co-owner or evidence of usage of the deposit account by each co-owner. [This rule is effective on August 21, 2019.](#)
- 09.03.2019 [Availability of Funds and Collection of Checks \(Regulation CC\)](#) -The Board and the Bureau (Agencies) are amending Regulation CC, which implements the Expedited Funds Availability Act (EFA Act), to implement a statutory requirement in the EFA Act to adjust the dollar amounts under the EFA Act for inflation. The Agencies are also amending Regulation CC to incorporate the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) amendments to the EFA Act, which include extending coverage to American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam, and making certain other technical amendments. [This rule is effective September 3, 2019, except for the amendments to 12 CFR 229.1, 229.10, 229.11, 229.12\(d\), 229.21, and appendix E to part 229, which are effective July 1, 2020.](#)
- 10.01.2019 [Regulatory Capital Rule: Simplifications to the Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996](#) - The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) are adopting a final rule (final rule) to simplify certain aspects of the capital rule. The final rule is responsive to the agencies' March 2017 report to Congress pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996, in which the agencies committed to meaningfully reduce regulatory burden, especially on community banking organizations. The key elements of the final rule apply solely to banking organizations that are not subject to the advanced approaches capital rule (non-advanced approaches banking organizations). Under the final rule, non-advanced approaches banking organizations will be subject to simpler regulatory capital requirements for mortgage servicing assets, certain deferred tax assets arising from temporary differences, and investments in the capital of unconsolidated financial institutions than those currently applied. The final rule also simplifies, for non-advanced approaches banking organizations, the calculation for the amount of capital issued by a consolidated subsidiary of a banking organization and held by third parties (sometimes referred to as a minority interest) that is includable in regulatory capital. In addition, the final rule makes technical amendments to, and clarifies certain aspects of, the agencies' capital rule for both non-advanced

approaches banking organizations and advanced approaches banking organizations (technical amendments). Revisions to the definition of high-volatility commercial real estate exposure in the agencies' capital rule are being addressed in a separate rulemaking. This rule is effective October 1, 2019, except for the amendments to 12 CFR 3.21, 3.22, 3.300, 217.21, 217.22, 217.300(b) and (d), 324.21, 324.22, and 324.300, which are effective April 1, 2020. For more information, see SUPPLEMENTARY INFORMATION.

10.01.2019 [Recordkeeping for Timely Deposit Insurance Determination](#) - The FDIC is amending its rule entitled "Recordkeeping for Timely Deposit Insurance Determination" to clarify the rule's requirements, better align the burdens of the rule with the benefits, and make technical corrections. This rule is effective on October 01, 2019.

11.24.2019 [Sec. 106 of Economic Growth, Regulatory Relief, and Consumer Protection Act titled 'Eliminating barriers to jobs for loan originators.'](#) - Section 106 allows certain state-licensed mortgage loan originators (MLOs) who are licensed in one state to temporarily work in another state while waiting for licensing approval in the new state. It also grants MLOs who move from a depository institution (where loan officers do not need to be state licensed) to a non-depository institution (where they do need to be state licensed) a grace period to complete the necessary licensing. This rule is effective on November 24, 2019.

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.
CFPB	Consumer Financial Protection Bureau
CARD Act	Credit Card Accountability Responsibility and Disclosure Act of 2009
CFR	Code of Federal Regulations. Codification of rules and regulations of federal agencies.
CRA	Community Reinvestment Act. This Act is designed to encourage loans in all segments of communities.
CRE	Commercial Real Estate
CSBS	Conference of State Bank Supervisors
CTR	Currency Transaction Report. Filed for each deposit, withdrawal, exchange of currency that involves a transaction in currency of more than \$10,000.
Dodd-Frank Act	The Dodd–Frank Wall Street Reform and Consumer Protection Act
DOJ	Department of Justice
FDIC	Federal Deposit Insurance Corporation
EFTA	Electronic Fund Transfer Act
Federal bank regulatory agencies	FDIC, FRB, and OCC

Federal financial institution regulatory agencies	BFCP, FDIC, FRB, NCUA, and OCC
FEMA	Federal Emergency Management Agency
FFIEC	Federal Financial Institutions Examination Council
FHFA	Federal Housing Finance Agency
FHA	Federal Housing Administration
FinCEN	Financial Crime Enforcement Network
FR	Federal Register. U.S. government daily publication that contains proposed and final administrative regulations of federal agencies.
FRB, Fed or Federal Reserve	Federal Reserve Board
FSOC	Financial Stability Oversight Council
FTC	Federal Trade Commission
GAO	Government Accountability Office
HARP	Home Affordable Refinance Program
HAMP	Home Affordable Modification Program
HMDA	Home Mortgage Disclosure Act
HOEPA	Home Ownership and Equity Protections Act of 1994
HPML	Higher Priced Mortgage Loan
HUD	U.S. Department of Housing and Urban Development
IRS	Internal Revenue Service

MLO	Mortgage Loan Originator
MOU	Memorandum of Understanding
NFIP	National Flood Insurance Program . U.S. government program to allow the purchase of flood insurance from the government.
NMLS	National Mortgage Licensing System
OCC	Office of the Comptroller of the Currency
OFAC	Office of Foreign Asset Control
OREO	Other Real Estate Owned
QRM	Qualified Residential Mortgage
Reg. B	Equal Credit Opportunity
Reg. C	Home Mortgage Disclosure
Reg. DD	Truth in Savings

Reg. E	Electronic Fund Transfers
Reg. G	S.A.F.E. Mortgage Licensing Act
Reg. P	Privacy of Consumer Financial Information
Reg. X	Real Estate Settlement Procedures Act
Reg. Z	Truth in Lending
RESPA	Real Estate Settlement Procedures Act
SAR	Suspicious Activity Report – Report financial institutions file with the U.S. government (FinCEN) regarding activity that may be criminal in nature.
SDN	Specially Designated National
TILA	Truth in Lending Act
TIN	Tax Identification Number
Treasury	U.S. Department of Treasury

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