



Capitol Comments November 2020

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

‘Gratitude can transform common days into thanksgiving, turn routine jobs into joy, and change ordinary opportunities into blessings.’ – William Arthur Ward

Department of the Treasury [COVID-19 Resources](#)

SBA Coronavirus (COVID-19): Small Business Guidance & Loan [Resources](#)

Joint federal agency issuances, actions and news

Libor Transition: Interagency Statement on Reference Rates for Loans (11.06.2020) 

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (the agencies) issued a statement reiterating that the agencies do not endorse a specific replacement rate for the London InterBank Offered Rate (Libor), which is expected to cease after 2021. Banks may use any reference rate for loans that the banks determine to be appropriate for their funding models and customer needs. Banks should include language in lending contracts that provides for using a robust fallback rate if the initial reference rate is discontinued.

This OCC bulletin applies to community banks.

Highlights

The statement emphasizes that

- all banks should have risk management processes in place, commensurate with the size and complexity of their exposures, to identify and mitigate their Libor transition risks. For more information, refer to OCC Bulletin 2020-68, “Libor Transition: FFIEC Statement on Managing the Libor Transition and Guidance for Banks.”
- examiners will not criticize banks solely for using a reference rate, including a credit-sensitive rate, other than the secured overnight financing rate (SOFR), for loans.

Related Links

["Statement on Reference Rates for Loans"](#) (PDF)

OCC Bulletin 2020-68, "[Libor Transition: FFIEC Statement on Managing the Libor Transition and Guidance for Banks](#)"

Source [link](#).

Comment: Many community banks have concluded that the SOFR alternative just does not fit their funding model and have argued it is more appropriate for larger banks. The key with variable rates is to select an appropriate index and to make sure that it is likely to be available indefinitely. As noted in the statement, credit documents must include an alternative.

Agencies Propose Regulation on the Role of Supervisory Guidance (10.29.2020)

Five federal financial regulatory agencies invited comment on a proposal outlining and confirming the agencies' use of supervisory guidance for regulated institutions. The proposal would codify the statement, as amended, that was issued in September 2018 by the agencies that clarified the differences between regulations and guidance.

Unlike a law or regulation, supervisory guidance does not have the force and effect of law and the agencies do not take enforcement actions or issue supervisory criticisms based on non-compliance with supervisory guidance. Rather, supervisory guidance outlines supervisory expectations and priorities, or articulates views regarding appropriate practices for a given subject area.

In contrast to supervisory guidance, regulations do have the force and effect of law and enforcement actions can be taken if regulated institutions are in violation. Regulations are also generally required to go through the notice and comment process.

Comments will be accepted for 60 days following publication in the Federal Register.

FDIC: PR-120-2020

[Role of Supervisory Guidance Notice of Proposed Rulemaking](#)

Source [link](#).

Comment: Like the 2018 Interagency Statement, the proposal confirms the agencies' clear commitment to respecting the distinction between supervisory guidance and laws or regulations. Supervisory guidance consists of, among other things, interagency statements, advisories, bulletins, policy statements, questions and answers and frequently asked questions, all of which do not create binding, enforceable legal obligations. It is critical that enforcement not be based on mere guidance. In addition, "guidance" should also include the CFPB Small Entity Compliance Guides.

Agencies Invite Comment on Proposed Rule under Bank Secrecy Act (10.23.2020)

The Financial Crimes Enforcement Network (FinCEN) and the Federal Reserve Board invited comment on a proposed rule that would amend the recordkeeping and travel rule regulations under the Bank Secrecy Act. FinCEN and the Board, pursuant to their shared authority, are proposing amendments to the recordkeeping rule jointly, while FinCEN, pursuant to its sole authority, is proposing amendments to the travel rule.

Under the current recordkeeping and travel rule regulations, financial institutions must collect, retain, and transmit certain information related to funds transfers and transmittals of funds over \$3,000. The proposed

rule lowers the applicable threshold from \$3,000 to \$250 for international transactions. The threshold for domestic transactions remains unchanged at \$3,000.

The proposed rule also further clarifies that those regulations apply to transactions above the applicable threshold involving convertible virtual currencies, as well as transactions involving digital assets with legal tender status, by clarifying the meaning of “money” as used in certain defined terms.

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

Read the Notice of Proposed Rulemaking [here](#).

Source [link](#).

Comment: Many community banks are already collecting and retaining this information on all transactions. Therefore, there would likely not be significant additional regulatory burden. Nonetheless, decreasing thresholds are generally opposed by community banks.

CFPB actions and news

CFPB has Resources for Debt Collection Rule Implementation (11.13.2020)

Two weeks ago, the Bureau released the Debt Collection Final Rule. With the rule, the Bureau also began releasing compliance aids to assist industry. As the implementation period for the final rule progresses, the Bureau will continue to provide more compliance aids.

To provide more clarity and transparency on how the Bureau provides assistance during the implementation period, the Bureau has developed [this resource](#) that provides an overview of the Regulatory Implementation and Guidance (RIG) team at the Bureau, the RIG team’s strategy for providing assistance to industry, and instructions for how to find compliance aids related to the Debt Collection Final Rule. It also provides a link to the Bureau’s [Debt Collection compliance aid resource webpage](#), your dedicated access point to Debt Collection materials such as compliance aids, supervisory guidance, and any subsequent rules the Bureau publishes regarding debt collection.

Additionally, the Bureau has developed a listserv dedicated to updates about the Debt Collection Rule. Subscribers will receive Bureau emails when additional rules or compliance aid materials related to debt collection are published.

You can access the implementation period resource guide here:

https://files.consumerfinance.gov/f/documents/cfpb_rig_outreach-handout_debt-collection_2020-11.pdf.

You can sign-up to receive email updates about the Debt Collection Rule [here](#).

Comment: As finally adopted, the rule does not include creditors collecting their own debts in its ambit. There is a limited exception for true debt buyers, however. Also, when performing due diligence on third party debt collectors, be sure to require reps and warranties regarding their compliance with the CFPB rule.

Help Homeowners Get Forbearance (11.10.2020)

As the global pandemic continues to affect the lives and livelihoods of many of the nation’s families, organizations across the country are working hard to help Americans protect and manage their finances.

It's more important than ever to make extra efforts to reach those who are struggling, to help them understand their options and navigate their choices.

In partnership with other federal agencies like HUD, the CFPB is reaching out to organizations like yours to encourage people who are struggling financially as a result of the pandemic to take control of their mortgage loans and request forbearance.

We've created resources for you to share, and have updated cfpb.gov/housing to make it easier for people to get the help they need.

Source [link](#).

Comment: It is important to educate homeowners that these programs are designed to temporarily suspend or reduce the amount of monthly loan payments for a set period. There should not be any fees, penalties or additional interest added to the homeowner's account through this deferment, but regular interest may still accrue.

Bureau Issues Final Rule on Fair Debt Collection Practices Act (10.30.2020)

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (Bureau) issued a final rule to restate and clarify prohibitions on harassment and abuse, false or misleading representations, and unfair practices by debt collectors when collecting consumer debt. The rule focuses on debt collection communications and gives consumers more control over how often and through what means debt collectors can communicate with them regarding their debts. The rule also clarifies how the protections of the Fair Debt Collection Practices Act (FDCPA), which was passed in 1977, apply to newer communication technologies, such as email and text messages.

The rule is the result of a deliberative, thoughtful process spanning more than seven years and reflects engagement with consumer advocates, debt collectors, and other stakeholders. Further, in developing the final rule, the Bureau considered the more than 14,000 comments received during the public comment and rulemaking process. As a result of this feedback, for example, the rule establishes a presumption on the number of calls debt collectors may place to reach consumers on a weekly basis. A debt collector is presumed to violate federal law if the debt collector places telephone calls to a particular person in connection with the collection of a particular debt more than seven times within seven consecutive days or within seven consecutive days of having had a telephone conversation about the debt.

The rule also clarifies how consumers may set limits on debt collection communications to reflect their preferences and the limits on communicating with third parties about a consumer's debt. The rule requires debt collectors who communicate electronically to offer the consumer a reasonable and simple method to opt out of such communications at a specific email address or telephone number. The rule also provides that consumers may, if the debt collector communicates through a medium of electronic communications, use that medium of electronic communications to place a cease communication request or notify the debt collector that they refuse to pay the debt.

The rule further clarifies that the FDCPA's general prohibition on harassing, oppressive, or abusive conduct applies to telephone calls as well as other communication media, such as email and text messages, and provides examples demonstrating how the prohibition restricts emails and text messages. It also generally restates the

FDCPA's prohibitions regarding false, deceptive, or misleading representations or means and unfair or unconscionable means.

Finally, to address one of the topics on which the Bureau received a great deal of feedback, the Bureau is not finalizing the proposed safe harbor for debt collectors against claims that an attorney falsely represented the attorney's involvement in the preparation of a litigation submission. That provision was proposed to bring greater clarity to this issue but, after receiving questions and comments from many stakeholders concerning the proposal, the Bureau has decided not to finalize that provision.

"With the vast changes in communications since the FDCPA was passed more than four decades ago, it is important to provide clear rules of the road," said Consumer Financial Protection Bureau Director Kathleen L. Kraninger. "Our debt collection rulemaking provides limits on debt collectors and provides clear rights for consumers. With this modernized debt collection rule, consumers will have greater control when communicating with debt collectors."

The final rule also contains provisions on disputes, and record retention, among other topics. The Bureau intends to issue a second debt collection final rule focused on consumer disclosures in December 2020.

The final rule can be found here: https://files.consumerfinance.gov/f/documents/cfpb_debt-collection_final-rule_2020-10.pdf.

To read Director Kraninger's blog on the final rule click here: <https://www.consumerfinance.gov/about-us/blog/cfpbs-clear-rules-road-debt-collector-communications-lead-stronger-consumer-rights/>.

CFPB Issues ANPR on Consumer Access to Financial Records (10.22.2020)

The Bureau is soliciting input to assist the Bureau in developing regulations to implement Section 1033 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which provides for consumer rights to access financial records. Specifically, the ANPR seeks comments on the following topics: costs and benefits of consumer data access; competitive incentives; standard-setting; access scope; consumer control and privacy; other legal requirements; data security; and data accuracy.

Section 1033 of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides, among other things, that subject to rules prescribed by the Bureau of Consumer Financial Protection (Bureau), a consumer financial services provider must make available to a consumer information in the control or possession of the provider concerning the consumer financial product or service that the consumer obtained from the provider. The Bureau is issuing this Advance Notice of Proposed Rulemaking to solicit comments and information to assist the Bureau in developing regulations to implement section 1033.

Source [link](#).

Comment: When the CFPB solicited feedback on this issue several years ago, community banks expressed strong reservations regarding the potential for cybersecurity incidents when "screen-scraping" is used. Banks could face significant costs implementing new technology that conforms to any proposed regulations. Commentary continues to focus on multiple topics, including whether application programming interfaced based access (APIs) should replace credential-based access and screen scraping, what type of disclosures and informed consent are required and who is liable for unauthorized access and Reg E error disputes.

FDIC actions and news

New Report Highlights the Contributions of Community Banks to the Paycheck Protection Program (11.06.2020)

An analysis of call report data from FDIC-insured banks finds that community banks are playing a vital role in supporting small businesses through the Small Business Administration's Paycheck Protection Program (PPP). Community banks hold nearly a third of all bank-held PPP loans, compared to holding only 15 percent of all bank loans, according to a new FDIC report, "[The Importance of Community Banks in Paycheck Protection Program Lending](#)," which will be published in an upcoming [FDIC Quarterly](#).

Specifically, the FDIC found that as of June 30, 2020:

- FDIC-insured banks held \$482 billion, or 92 percent, of total PPP loans.
- FDIC-insured community banks held \$148 billion or 31 percent of bank-held PPP loans, compared to their 15 percent share of all bank loans.
- More than 75 percent of community banks in nearly every state and U.S. territories are participating in the PPP.
- Through their participation in the PPP, community banks reported an increase in their share of small business loans to 29 percent from 25 percent one year ago.

Source [link](#).

Comment: As clearly demonstrated through this report, community banks earn their reputation as truly serving the needs of their communities—including small businesses. At the same time, community banks face unprecedented challenges.

FDIC Minority Depository Institutions Subcommittee to Meet (10.22.2020)



WASHINGTON—The Federal Deposit Insurance Corporation (FDIC) announced a virtual meeting of the agency's Minority Depository Institution (MDI) Subcommittee to the Advisory Committee on Community Banking on Tuesday, October 27, 2020. During the public portion of the meeting, the MDI Subcommittee members will share insights into key challenges and opportunities facing their communities and financial institutions. In addition, Jeff Bowman, President and Chief Executive Officer of Bay Bank, a Native American MDI in Green Bay, Wisconsin, will highlight a new partnership with the Menominee Tribe in Keshena, Wisconsin.

Following the public meeting, MDI Subcommittee members will learn about the FDIC's new resource guide, "[Investing in the Future of Mission-Driven Banks: A Guide to Facilitate New Partnerships](#)," including the [MDI and CDFI bank locator](#). The FDIC also will update the MDI Subcommittee on the FDIC's efforts to establish a framework to channel numerous and substantial financial commitments from private industry to FDIC-insured MDIs and Community Development Financial Institutions.

The MDI Subcommittee meeting will be Webcast live at 1:00 p.m. ET via <http://fdic.windrosemedia.com>. Those who require auxiliary aids (e.g., sign language interpretation) for this meeting should call 703-562-2404 (Voice) or 703-649-4354 (Video Phone). The open meeting will also be made available on-demand approximately two weeks after the event. [View archived meetings here](#).

FDIC Chairman Jelena McWilliams established the MDI Subcommittee to provide a platform for minority banks to build partnerships, to share best practices, and to highlight the work of MDIs in their communities. The [MDI Subcommittee members](#) represent a cross-section of MDI bankers from around the country. [Read more about the FDIC's work to preserve and promote MDIs.](#)

Source [link](#).

Comment: The MDI Subcommittee of the Advisory Committee on Community Banking serves as a source of feedback on FDIC strategies, to fulfill statutory goals to preserve and promote MDIs and provide a platform to promote collaboration among MDIs.

FDIC Consumer News: Beware, It's a Scam! (10.22.2020)

Avoid phishing, smishing, vishing, and other scams

Criminals are constantly trying to steal consumers' personal data using fake emails, websites, phone calls, and even text messages. They use a variety of ways to try to trick people into providing Social Security numbers, bank account numbers, and other valuable information. In many cases, their goal is to steal money from you. This article defines some terms used for different online scams and how they work, so you can protect your money.

Source [link](#).

Comment: Accountholders also need to be educated on money transfer cash app scams. Money transfer cash apps like Cash, Venmo and Zelle are convenient, but don't have FDIC insurance or all the protections a community bank offers.

OCC actions and news

Acting Comptroller of the Currency Discusses Condition of the Federal Banking System and Agency Priorities (11.10.2020)

WASHINGTON—Acting Comptroller of the Currency Brian P. Brooks testified during a hearing held by the U.S. Senate Committee on Banking, Housing, and Urban Affairs.

The Acting Comptroller's testimony discussed the agency's efforts to ensure the federal banking system is a source of strength, extends opportunities to underserved citizens, and operates in a safe, sound, and fair manner.

The Acting Comptroller's testimony also provided details about the agency's priorities and work, including its response to COVID-19 and the Project REACH initiative to expand fair access to banking and financial services.

Related Links

[Oral Statement](#) (PDF)

[Written Testimony](#) (PDF)

Source [link](#).

Community Reinvestment Act: Key Provisions of the June 2020 CRA Rule and Frequently Asked Questions (11.09.2020)

The Office of the Comptroller of the Currency (OCC) published in the Federal Register on June 5, 2020, a final rule (June 2020 rule) that strengthens and modernizes the agency's regulations under the Community Reinvestment Act (CRA). This bulletin summarizes key provisions of the June 2020 rule, which became effective October 1, 2020. This bulletin provides responses to frequently asked questions (FAQ) from bankers and examiners about how the OCC will administer and implement the June 2020 rule.

Rescissions

This bulletin rescinds OCC Bulletin 2020-3, "Community Reinvestment Act: Notice of Proposed Rulemaking," and OCC Bulletin 2020-4, "Community Reinvestment Act: Request for Public Input."

Note for Community Banks

This rule applies to community banks subject to the CRA.

Background

The June 2020 rule preserves the important objective of encouraging banks to help meet the credit needs of their local communities, including low- and moderate-income neighborhoods, while responding to the significant changes and advancements in the banking industry since the CRA's enactment in 1977 and the last comprehensive regulatory changes in 1995. The June 2020 rule provides new standards for evaluating bank performance and for collecting, maintaining, and reporting data used in the CRA evaluation process.

Summary of Key Provisions of the June 2020 Rule

The June 2020 rule establishes transparent criteria for qualifying retail and community development activities and provides for an illustrative list of activities that will receive CRA credit. The rule also establishes new criteria for designating bank assessment areas, including

- facility-based assessment areas based on the location of a bank's main office and branches and, at a bank's discretion, on the location of the bank's deposit-taking automated teller machines.
- deposit-based assessment areas, which apply to a bank with 50 percent or more of its retail domestic deposits outside its facility-based assessment areas.

The June 2020 rule provides for different performance standards by bank type, which are

- small banks with assets less than or equal to \$600 million, adjusted annually;
- intermediate banks with assets greater than \$600 million and less than or equal to \$2.5 billion, adjusted annually;
- banks with assets greater than \$2.5 billion, adjusted annually, and banks that opt into the general performance standards (GP standards or GPS banks); and
- wholesale and limited purpose banks.

The June 2020 rule retains a strategic plan option available to all types of banks.

Small banks, intermediate banks, limited purpose banks, and wholesale banks will be examined based on the June 2020 rule's performance tests and standards corresponding to their specific bank type. Those performance standards generally continue the performance standards under the 1995 rule, as revised (1995 rule).⁵ GPS banks will be examined under the June 2020 rule's new GP standards. Banks with assets of \$2.5 billion or less, as

adjusted, may opt into the new GP standards. Banks that elect the strategic plan option will be subject to performance standards that are tailored to the banks' unique characteristics and needs.

GPS banks will be required to collect, maintain, and report certain data related to their qualifying activities, certain non-qualifying activities, retail domestic deposits, performance context, and assessment areas. Banks evaluated under a strategic plan will be required to collect, maintain, and report certain data related to their qualifying activities, certain non-qualifying activities, retail domestic deposits, performance context, and assessment areas, unless otherwise determined in writing by the OCC. Wholesale and limited purpose banks will be required to collect, maintain, and report certain data related to their qualifying activities, retail domestic deposits, performance context, and assessment areas.

The June 2020 rule establishes three compliance dates. Banks must comply with certain provisions of the June 2020 rule as of the effective date of October 1, 2020, while other provisions have compliance dates of either January 1, 2023, or January 1, 2024, depending on the bank type. The June 2020 rule sets January 1, 2023, as the compliance date for the GP standards in 12 CFR 25.13, and the preamble to the rule states that the streamlined compliance dates in the final rule allow GPS banks to determine individually when to implement the various systems changes required to comply with this rule by January 1, 2023.⁶ The June 2020 rule also includes a transition provision to provide flexibility for the OCC to establish an orderly transition for CRA examinations that assess performance based on activities conducted on or after October 1, 2020, but before the applicable compliance date.

Administration of the June 2020 Rule

The OCC will issue guidance to address how the Interagency Questions and Answers Regarding Community Reinvestment (Q&As)⁷ will apply to activities conducted under the June 2020 rule.

The OCC is conducting outreach activities to provide banks with more information regarding how the agency will administer the transition to the June 2020 rule, beginning with those provisions in the rule that have an October 1, 2020, compliance date. The OCC will continue to conduct outreach and training on other aspects of the June 2020 rule during the transition period.

Source [link](#).

OCC Reports Key Risks, Effects of COVID-19 in Federal Banking System (11.09.2020)

WASHINGTON — The Office of the Comptroller of the Currency (OCC) reported the key issues facing the federal banking system and the effects of the COVID-19 pandemic on the federal banking industry in its Semiannual Risk Perspective for Fall 2020.

Banks remain in strong financial condition but profitability is stressed due to low interest rates and increasing levels of provisions for problem loans. The OCC reported credit, strategic, operational, and compliance risks, among the key risk themes in the report.

Highlights from the report include:

- Credit risk is increasing as the economic downturn impacts customer ability to service debts.
- Strategic risk is an emerging issue due to the historically low rate environment, potential credit stress and their effect on bank profitability.

- Operational risk is elevated as financial institutions respond to altered work environments and an evolving and complex operating environment. Cybersecurity threats contribute as a key driver of the heightened operational risk environment.
- Compliance risk is elevated due to a combination of altered work environments, and the requirement to quickly operationalize federal, state, and proprietary programs designed to support businesses and consumers.

The report also highlights emerging trends in payment products and services as a special topic in emerging risks.

The report covers risks facing national banks and federal savings associations based on data as of June 30, 2020. The report presents information in four main areas: the operating environment, bank performance, special topics in emerging risk, and trends in key risks. It focuses on issues that pose threats to those financial institutions regulated by the OCC and is intended as a resource to the industry, examiners, and the public.

Related Link

[OCC Semiannual Risk Perspective for Fall 2020](#) (PDF)

Source [link](#).

Comment: Specifically, the report notes that credit risk is increasing as government assistance programs expire and the economic downturn has led to elevated unemployment levels. The report further notes that strategic risks affecting profitability is an emerging issue due to low interest rates, which historically have negatively affected profitability when low for a long period of time.

OCC Updates Director's Toolkit (11.05.2020)

WASHINGTON— The Office of the Comptroller of the Currency announced updates to its Director’s Toolkit to help bank directors for national banks and federal savings associations fulfill their corporate governance responsibilities.

The Director’s Toolkit serves as a helpful guide for bank directors on strategic issues, risk management, and compliance responsibilities. The updated toolkit includes a revised Director's Book: Role of Directors for National Banks and Federal Savings Associations and adds a new publication, the Director’s Reference Guide to Board Reports and Information.

“Directors play an important role in the effective oversight of financial institutions,” said Acting Comptroller of the Currency Brian P. Brooks. “The Director’s Toolkit helps bank directors better understand their obligations and thereby better serve their institutions and communities. I encourage bank directors to take advantage of this resource along with our other offerings.”

The Director's Book: Role of Directors for National Banks and Federal Savings Associations

- replaces the publication of the same name issued in 2016.
- was revised to include elements from the “Corporate and Risk Governance” booklet of the Comptroller’s Handbook, issued in July 2019.
- provides an overview of the OCC.
- outlines directors’ responsibilities as well as management’s role.
- explains basic concepts and standards for safe and sound operation of banks.
- delineates laws and regulations that apply to banks.

The Director's Reference Guide to Board Reports and Information

- focuses on key areas of planning, operations, and risk management.
- is organized to provide examples of sources of information, measures, questions to consider, red flags, and references to directors. The types, amount, and frequency of information that directors should receive to effectively perform their duties vary at each bank and continually evolve.
- rescinds these three publications from 2013:
 - Detecting Red Flags in Board Reports—A Guide for Directors
 - Pocket Guide to Detecting Red Flags in Board Reports
 - Internal Controls—A Guide for Directors

The Director's Toolkit and other resources for bank directors are available for download on [OCC.gov](https://www.occ.gov).

Source [link](#).

Comment: These excellent materials are helpful in training your board. As community banks look beyond the COVID pandemic and explore new opportunities for growth and profitability, their outside directors will play an increasingly important role in guiding the banks through both familiar and uncharted territories.

Interest Rate Risk: Interest Rate Risk Statistics Report (10.27.2020)

The Office of the Comptroller of the Currency (OCC) published the first semiannual Interest Rate Risk Statistics Report. The report presents interest rate risk data gathered during examinations of OCC-supervised midsize and community banks and federal savings associations (collectively, banks). The statistics are for informational purposes only and do not represent OCC-suggested limits or exposures.

Note for Community Banks

The publication contains information collected from banks supervised by the OCC's Midsize and Community Bank Supervision department. The report is for informational purposes only.

Highlights

The report provides statistics on interest rate risk exposures and risk limits for different midsize and community bank populations, including

- all OCC-supervised midsize and community banks with reported data.
- banks by asset size.
- banks by charter type.
- minority depository institutions.

The publication is intended as a resource to the industry, examiners, and the public.

Related Link

[Interest Rate Risk Statistics Report Fall 2020](#) (PDF)

Source [link](#).

Comment: Interest rate risk is the current or prospective risk that earnings and/or capital are negatively affected by interest rate changes in the financial markets. This risk is inherent to banking business.

Office of the Comptroller of the Currency Issues True Lender Rule (10.27.2020)

WASHINGTON—The Office of the Comptroller of the Currency (OCC) issued a rule that determines when a national bank or federal savings association (bank) makes a loan and is the “true lender,” including in the context of a partnership between a bank and a third party.

Banks’ lending relationships with third parties can facilitate access to affordable credit. However, increasing legal uncertainty regarding such relationships may discourage banks and third parties from partnering, limit competition, and chill the innovation that results from these partnerships. This may ultimately restrict access to affordable credit.

After carefully considering the comments, the OCC is adopting a final rule to resolve this uncertainty. The rule specifies that a bank makes a loan and is the true lender if, as of the date of origination, it (1) is named as the lender in the loan agreement or (2) funds the loan. The rule also specifies that if, as of the date of origination, one bank is named as the lender in the loan agreement for a loan and another bank funds that loan, the bank that is named as the lender in the loan agreement makes the loan.

The rule also clarifies that as the true lender of a loan, the bank retains the compliance obligations associated with the origination of that loan, thus negating concern regarding harmful rent-a-charter arrangements.

The rule takes effect 60 days after publication in the Federal Register.

Related Link

[Federal Register Notice](#) (PDF)

Source [link](#).

Comment: National banks may export the interest rate of their state of domicile. They do not have to comply with the interest rate limits of each state in which they may have customers. By contrast, a nonbank financial institution has a heavy load in complying with 50 different rate and term regimes. It is notable that the Federal Deposit Insurance Corporation, which acted in step with the OCC by issuing its own ‘valid-when-made’ rule for state-chartered, federally insured banks, has yet to propose its own version of a ‘true lender’ rule for those banks.

Concentrations of Credit: Revised Comptroller's Handbook Booklet and Rescissions (10.26.2020)

The Office of the Comptroller of the Currency (OCC) issued the revised “Concentrations of Credit” booklet of the Comptroller’s Handbook, which is prepared for use by OCC examiners in connection with the examination and supervision of national banks, federal savings associations, and federal branches and agencies of foreign banking organizations (collectively, banks).

Refer to the “Foreword” booklet of the Comptroller’s Handbook for more information regarding the OCC’s process for revising and updating booklets.

Rescissions

The revised booklet replaces version 1.0 of the “Concentrations of Credit” booklet and rescinds OCC Bulletin 2011-48, “Credit Policy: Concentrations of Credit: Revised Booklet,” which transmitted version 1.0 of the booklet in December 2011.

Highlights

The revised booklet

- changes the supervisory calculation for credit concentration ratios for banks that have implemented the current expected credit loss (CECL) transition rule to avoid double counting the allowance for credit losses in the denominator.
- replaces the term “criticized” with “special mention” for consistency with Banking Bulletin (BB) 1993-35, “Interagency Definition of Special Mention Assets.”
- reflects relevant OCC issuances published since this booklet was last issued.
- reflects changes to laws and regulations that occurred since this booklet was last issued.
- clarifies applicability of references to covered savings associations.
- includes clarifying edits regarding supervisory guidance, sound risk management practices, or legal language.
- revises certain content for general clarity.
- removes the NAICS code listing, as this information is readily available at www.census.gov.

Background

Concentrations are calculated as a percentage, using tier 1 capital plus either the allowance for loan and leases losses or the allowance for credit losses (ACL), as appropriate, as the denominator. For banks that have adopted the 2019 or 2020 CECL capital transition rule (refer to 12 CFR 3.301), a portion of the ACL may be included as a component of tier 1 capital for the years that the bank reported its regulatory capital ratios using the allowable capital relief provided by those rules. To eliminate potential double counting of the ACL in the denominator for purposes of measuring concentrations, the amount of the ACL included as a component of tier 1 capital during the period when a bank reported regulatory capital ratios using the 2019 or 2020 CECL capital transition rule should be subtracted from tier 1 capital. The amount to be subtracted from tier 1 capital is calculated as the difference between retained earnings on Schedule RC “Balance Sheet” (line 26a) and retained earnings on Schedule RC-R, part 1, “Regulatory Capital Components and Ratios” (line 2) of the Consolidated Reports of Condition and Income.

Related Link

[“Concentrations of Credit”](#)

Source [link](#).

Federal Reserve actions and news

Federal Reserve Board Approves Fee Schedule for Federal Reserve Bank Priced Services (11.10.2020)

The Federal Reserve Board on Tuesday announced the approval of fee schedules, effective January 4, 2021, for payment services the Federal Reserve Banks provide to depository institutions (priced services).

The Reserve Banks project that they will recover 98.7 percent of their priced services costs in 2021. The Reserve Banks will maintain the current schedule of prices for payment services provided to depository institutions (priced services) in 2021, with the exception of a modification to the Check Services participation fee. While the Reserve Banks do not expect to recover fully actual and imputed expenses, including profit that would have been earned if a private-sector firm provided the services, in 2021, they do expect to recover fully expenses over the long run. This approach recognizes the uncertainties created by the COVID-19 pandemic and offers

price stability for customers facing unique challenges in 2021. The Reserve Banks estimate that the change to the Check Service participation fee will result in a 2.7 percent average price increase for Check Services customers. Fees will remain unchanged for the Reserve Banks' FedACH® Service, National Settlement Service, Fedwire® Funds Service, Fedwire® Securities Service, and FedLine® Solutions. The 2021 fee schedule for each of the priced services is available on the Federal Reserve Banks' financial services website at FRBservices.orgSM.

The Board also approved the 2021 private-sector adjustment factor (PSAF) of \$16.4 million for Reserve Bank priced services. The PSAF is an allowance for income taxes and other imputed expenses that would have been paid and profit that would have been earned if the Reserve Banks' priced services were provided by a private business. The Monetary Control Act of 1980 requires that the Federal Reserve establish fees to recover the costs of providing priced services, including imputed costs, over the long run, to promote competition between the Reserve Banks and private-sector service providers.

The Board's Federal Register notice is attached.

[Federal Register notice: Federal Reserve Bank Services: Notification of the 2021 Private Sector Adjustment Factor and 2021 Fee schedules of Federal Reserve Priced Services and Electronic Access](#) (PDF)

Source [link](#).

Comment: These actions were taken in accordance with the Monetary Control Act of 1980, which requires that, over the long run, fees for Federal Reserve priced services be established on the basis of all direct and indirect costs, including the PSAF.

Senior Loan Officer Opinion Survey on Bank Lending Practices (11.09.2020)

The October 2020 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 correspond to the third quarter of 2020.¹

Regarding loans to businesses, respondents to the October survey indicated that, on balance, they tightened their standards and terms on commercial and industrial (C&I) loans to firms of all sizes.² Banks reported weaker demand for C&I loans from firms of all sizes. Meanwhile, banks tightened standards and reported weaker demand across all three major commercial real estate (CRE) loan categories—construction and land development loans, nonfarm nonresidential loans, and multifamily loans—over the third quarter of 2020.

For loans to households, banks tightened standards across all categories of residential real estate (RRE) loans and across all three consumer loan categories—credit card loans, auto loans, and other consumer loans—over the third quarter of 2020 on net. Banks reported stronger demand for credit card loans, auto loans, and most categories of RRE loans.

Banks also responded to a set of special questions inquiring about their forbearance policies. For all loan categories, a majority of banks reported that less than 5 percent of loans were in forbearance in the third quarter. Payment deferral was the most widely cited form of forbearance for CRE, RRE, and consumer loans, while covenant relief was the most cited form of forbearance for C&I loans. For most categories, a borrower's degree of financial hardship was the factor most widely cited as important in determining banks' willingness to approve forbearance requests or the terms of forbearance

Source [link](#).

Comment: For the third quarter, significant net shares of banks reported having tightened standards for commercial and industrial (C&I) loans to large, middle-market, and small firms. Meanwhile, they also continued enforcement of interest rate floors, which began in the second quarter. A significant net share of banks reported weaker demand for C&I loans to firms of all sizes during the third quarter.

Federal Reserve Supervision and Regulation Report (11.06.2020)

Current Report: November 6, 2020

[Testimony](#) | [Report](#)

The report summarizes banking conditions and the Federal Reserve's supervisory and regulatory activities, in conjunction with semiannual testimony before Congress by the Vice Chairman for Supervision.

Past Reports

2020

May: [Testimony](#) | [Report](#)

2019

November: [Testimony](#) | [Report](#)

May: [Testimony](#) | [Report](#)

2018

[Testimony](#) | [Report](#)

Federal Reserve Board Adjusts Terms of Main Street Lending Program to Better Target Support to Smaller Businesses That Employ Millions of Workers and Are Facing Continued Revenue Shortfalls Due to The Pandemic (10.30.2020)

The Federal Reserve Board on Friday adjusted the terms of the Main Street Lending Program in two important ways to better target support to smaller businesses that employ millions of workers and are facing continued revenue shortfalls due to the pandemic. In particular, the minimum loan size for three Main Street facilities available to for-profit and non-profit borrowers has been reduced from \$250,000 to \$100,000 and the fees have been adjusted to encourage the provision of these smaller loans. The Board and Department of the Treasury also issued a new frequently asked question clarifying that Paycheck Protection Program loans of up to \$2 million may be excluded for purposes of determining the maximum loan size under the Main Street Lending Program, if certain requirements are met, which should also help smaller businesses access Main Street loans.

The Main Street Lending Program supports lending to small and medium-sized for-profit businesses and nonprofit organizations that were in sound financial condition before the COVID-19 pandemic but lack access to credit on reasonable terms. To allow borrowers time to recover from the pandemic, the program offers several five-year loan options, with deferred principal and interest payments for qualified businesses and nonprofits. Loan documents reflecting the new terms are expected to be available to registered lenders within the next week.

To date, the Main Street program has made almost 400 loans totaling \$3.7 billion, providing support to businesses from a wide range of industries. The program was established with the approval of the Treasury Secretary and with \$75 billion in equity provided by the Treasury Department from the CARES Act.

[Main Street New Loan Facility Term Sheet \(PDF\)](#)

[Main Street Priority Loan Facility Term Sheet \(PDF\)](#)

[Main Street Expanded Loan Facility Term Sheet \(PDF\)](#)

[Nonprofit Organization New Loan Facility Term Sheet \(PDF\)](#)

[Nonprofit Organization Expanded Loan Facility Term Sheet \(PDF\)](#)

[FAQ: Do PPP loans count as "outstanding debt" for purposes of Main Street? \(PDF\)](#)

Source [link](#).

Comment: The Main Street program was launched to help businesses facing financial struggles due to the COVID-19 pandemic. The five-year loans were intended to be extended to companies that were on solid financial footing but lacked access to affordable credit. The program was offered to small and medium-sized businesses (SMBs) with no more than \$5 billion in revenue or 15,000 employees. Interest payments were waived for the first year and principal payments for the first two years.

Consumer Compliance Outlook Latest Issue is Now Available (10.30.2020)

The latest issue of Consumer Compliance Outlook is now available on the Outlook [website](#). This issue contains the following articles and features:

- The Benefits of a Proactive Compliance Program
- Effective Bank Communications Enhance Compliance and Customer Satisfaction
- The Federal Reserve System's Ombudsman and Amendments to the Material Supervisory Determination Appeals Process
- Compliance Alert: Federal Reserve Board Issues CRA Advanced Notice of Proposed Rulemaking
- News from Washington: Regulatory Updates
- On the Docket: Recent Federal Court Opinions
- Regulatory Calendar
- [Entire issue](#) (pdf download)

Comment: This publication always provides excellent regulatory material. You may subscribe to it (at no cost) and receive via email or paper. A link to subscribe is on the cover page.

FraudClassifier(SM) Model: Don't Miss Out on Resources to Help You Classify Fraud (10.27.2020)

Since the introduction of the [FraudClassifierSM model](#) in June, we hope you have had an opportunity to explore the model and see how it may help your organization classify fraud involving payments. As a reminder, you also have access to additional resources and tools following your initial registration to download the [full model and supporting definitions!](#)

Click the button below to download our Microsoft Excel-based fraud classification tool, which incorporates the FraudClassifier methodology and can be used within your organization to classify fraud.

[Fraud Classification Tool](#)

Click the button below to experience an interactive version of the FraudClassifier model and explore the different classification paths with an example fraud scenario for each path.

[Interactive Model Tool](#)

Watch the video below to hear how workgroup members who helped develop the model have been applying it within their organizations.

For general questions and comments about the FraudClassifier model, [please complete this form](#). Additional information can be accessed [here](#), including [FAQs about the model](#) and the accompanying [industry adoption roadmap](#).

Beige Book (10.21.2020)

Commonly known as the Beige Book, this report is published eight times per year. Each Federal Reserve Bank gathers anecdotal information on current economic conditions in its District through reports from Bank and Branch directors and interviews with key business contacts, economists, market experts, and other sources. The Beige Book summarizes this information by District and sector. An overall summary of the twelve district reports is prepared by a designated Federal Reserve Bank on a rotating basis.

Overall Economic Activity

Economic activity continued to increase across all Districts, with the pace of growth characterized as slight to modest in most Districts. Changes in activity varied greatly by sector. Manufacturing activity generally increased at a moderate pace. Residential housing markets continued to experience steady demand for new and existing homes, with activity constrained by low inventories. Banking contacts also cited increased demand for mortgages as the key driver of overall loan demand. Conversely, commercial real estate conditions continued to deteriorate in many Districts, with the exception being warehouse and industrial space where construction and leasing activity remained steady. Consumer spending growth remained positive, but some Districts reported a leveling off of retail sales and a slight uptick in tourism activity. Demand for autos remained steady, but low inventories have constrained sales to varying degrees. Reports on agriculture conditions were mixed, as some Districts are experiencing drought conditions. Districts characterized the outlooks of contacts as generally optimistic or positive, but with a considerable degree of uncertainty. Restaurateurs in many Districts expressed concern that cooler weather would slow sales, as they have relied on outdoor dining. Banking contacts in many Districts expressed concern that delinquency rates may rise in coming months, citing various reasons; however, delinquency rates have remained stable.

Employment and Wages

Employment increased in almost all Districts, though growth remained slow. Employment gains were reported most consistently for manufacturing firms, although firms continued to report new furloughs and layoffs. Most Districts continued reporting tight labor markets, attributing it to workers' health and childcare concerns, with many firms consequently offering increased schedule flexibility; a few Districts, however, noted some firms were finding it easier to hire workers. Wages increased slightly in most Districts, often tied to firms' difficulty finding workers, especially for low-wage or high-demand jobs. Some firms reported returning wages (and raises) to normal levels, but many reported more stable wages.

Prices

Prices rose modestly across Districts since the previous report. Input costs generally increased faster than consumer prices; however, some sectors—notably construction, manufacturing, retail, and wholesale—passed along the higher costs to consumers. Overall, consumer prices across Districts rose modestly, with the notable exceptions of food, automobiles, and appliances, which increased significantly. Retail gasoline prices declined. Input costs increased at varying degrees, mostly led by increases in materials costs, particularly steel and lumber. Multiple Districts reported continued additional costs for firms due to COVID-19, including personal protective equipment, sanitation equipment, testing equipment, and technology needed for remote work. Changes in row crop prices were mixed, while Districts reported declines in prices for animal proteins.

- [Federal Reserve Bank of Boston](#)
- [Federal Reserve Bank of New York](#)
- [Federal Reserve Bank of Philadelphia](#)
- [Federal Reserve Bank of Cleveland](#)
- [Federal Reserve Bank of Richmond](#)
- [Federal Reserve Bank of Atlanta](#)
- [Federal Reserve Bank of Chicago](#)
- [Federal Reserve Bank of St. Louis](#)
- [Federal Reserve Bank of Minneapolis](#)
- [Federal Reserve Bank of Kansas City](#)
- [Federal Reserve Bank of Dallas](#)
- [Federal Reserve Bank of San Francisco](#)

Source [link](#).

Other federal action and news

FinCEN Holds Virtual FinCEN Exchange on Ransomware (11.12.2020)

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) convened a virtual FinCEN Exchange with representatives from financial institutions, technology firms, third-party service providers, and federal government agencies to discuss growing concerns regarding ransomware, as well as the efforts to curtail it. Topics discussed included ransomware detection and reporting, emerging trends and typologies, and recovery of victims' funds.

Ransomware is malicious software designed to block access to a computer system or data, often by encrypting data or programs to extort ransom payments from victims in exchange for decrypting the information and restoring victims' access to their systems or data. Ransomware attacks can lead to the loss of critical personal and commercial information, as well as compromised business functionality. Ransomware attacks are indiscriminate, targeting not only government agencies and corporate entities, but also ordinary citizens, who are often forced to choose between paying exorbitant ransoms and sacrificing personal information, mementos of great sentimental value, and other important data.

Ransomware attacks are a growing concern for the financial sector, given the role of some financial institutions in the processing of ransom payments. Last month, FinCEN issued an advisory to alert financial institutions to predominant trends, typologies, and potential indicators of ransomware and associated money-laundering activities.

[FinCEN Exchange](#) is a voluntary public-private partnership that convenes relevant stakeholders, including law enforcement and financial institutions. FinCEN Exchange aims to protect our national security and our citizens from harm by combatting money laundering and its related crimes, including terrorism, through public/private dialogue that encourages, enables, and acknowledges industry focus on high-value and high-impact activities.

Source link.

Comment: FinCEN indicated that a Digital Forensic Incident Response service that facilitates a ransom payment in virtual currency for its customers may need to register as a money service business (MSB.)

FinCEN Reissues Real Estate Geographic Targeting Orders for 12 Metropolitan Areas (11.05.2020)

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) announced the renewal of its Geographic Targeting Orders (GTOs) that require U.S. title insurance companies to identify the natural persons behind shell companies used in all-cash purchases of residential real estate. These renewed GTOs are identical to the May 2020 GTOs. The purchase amount threshold remains \$300,000 for each covered metropolitan area.

The terms of this Order are effective beginning November 6, 2020 and ending on May 4, 2021. GTOs continue to provide valuable data on the purchase of residential real estate by persons possibly involved in various illicit enterprises. Reissuing the GTOs will further assist in tracking illicit funds and other criminal or illicit activity, as well as inform FinCEN's future regulatory efforts in this sector.

GTOs cover certain counties within the following major U.S. metropolitan areas: Boston; Chicago; Dallas-Fort Worth; Honolulu; Las Vegas; Los Angeles; Miami; New York City; San Antonio; San Diego; San Francisco; and Seattle.

FinCEN appreciates the continued assistance and cooperation of the title insurance companies and the American Land Title Association in protecting the real estate markets from abuse by illicit actors.

Any questions about the Orders should be directed to FinCEN's Regulatory Support Section at FRC@FinCEN.gov.

A copy of the GTO is available [here](#).

Source [link](#).

Comment: According to FinCEN, GTOs continue to provide valuable data on the purchase of residential real estate by persons possibly involved in various illicit enterprises. Reissuing the GTOs will further assist in tracking illicit funds and other criminal or illicit activity, as well as inform FinCEN's future regulatory efforts in this sector.

OFAC Advisory and Guidance on Potential Sanctions Risks Arising from Dealings in High-Value Artwork (10.30.2020)

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is issuing this advisory to highlight sanctions risks arising from dealings in high-value artwork associated with persons blocked pursuant to OFAC's authorities, including persons on OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List). High-value artwork transactions may play a role in blocked persons accessing the U.S. market and financial system in violation of OFAC regulations. This advisory describes characteristics of the market for high-value artwork that pose sanctions risks; emphasizes to art galleries, museums, private art collectors, auction companies, agents, brokers, and other participants in the art market the importance of maintaining a risk-based

compliance program to mitigate such risks; and highlights that what is commonly described as the “Berman Amendment” to the International Emergency Economic Powers Act (IEEPA) and the Trading with the Enemy Act (TWEA) does not categorically exempt all dealings in artwork from OFAC regulation and enforcement.

Source [link](#).

State Regulators Advise Licensees to Renew by November 30 (10.29.2020)

Washington, D.C. – State regulators encourage individuals and businesses that provide mortgage, money transmission, debt collection and consumer financial services to renew their licenses in the Nationwide Multistate Licensing System (NMLS) by November 30 to avoid processing delays.

“We’re encouraging licensees to submit early this year because of the operational challenges that businesses and states are facing due to the pandemic,” said Kelly O’Sullivan, chair of the NMLS Policy Committee and deputy commissioner of the Montana Division of Banking and Financial Institutions. “We want to make sure that licensees renew on time so that individuals and businesses can operate uninterrupted in the new year.”

States are also increasing their use of NMLS features that free-up agency resources to focus on complex cases that require additional review, including more electronic documentation collection in NMLS.

More than 180,000 mortgage loan originators (MLOs) and companies are licensed to conduct business, accounting for more than 618,700 state licenses to be renewed. MLOs must also have completed annual continuing education requirements.

Renewals in most states run November 1 to December 31.

“Licensees submitting renewal requests in November gives states enough time to process the renewal and individuals the opportunity to resolve any issues that may arise. Early renewal applications are far more likely to be approved in time to keep doing business on January 1,” O’Sullivan continued.

NMLS offers free, online courses and state-specific checklists to guide licensees through the process by going to www.nmls.org and clicking the green Annual Renewal button.

Federally registered MLOs and institutions must also renew their registrations via NMLS by December 31. More information for federal registrants is available on the NMLS Federal Registry Resources page.

Source [link](#).

Comment: Be sure to tickle for this renewal.

First Bitcoin “Mixer” Penalized by FinCEN for Violating Anti-Money Laundering Laws (10.19.2020)

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) has assessed a \$60 million civil money penalty against Larry Dean Harmon, the founder, administrator, and primary operator of Helix and Coin Ninja, convertible virtual currency “mixers,” or “tumblers,” for violations of the Bank Secrecy Act (BSA) and its implementing regulations.

Mr. Harmon operated Helix as an unregistered money services business (MSB) from 2014 to 2017 and Coin Ninja from 2017 to 2020. Mr. Harmon is currently being prosecuted in the U.S. District Court for the District of Columbia on charges of conspiracy to launder monetary instruments and the operation of an unlicensed money transmitting business in connection with his operation of Helix.

As FinCEN clarified in its [2013 Guidance](#), exchangers and administrators of convertible virtual currency are money transmitters under the BSA. As such, they have an obligation to register with FinCEN; to develop, implement, and maintain an anti-money laundering compliance program; and to meet all applicable reporting and recordkeeping requirements. FinCEN issued further [clarification in 2019](#) that financial institutions that are mixers and tumblers of convertible virtual currency must also meet these same requirements.

Mr. Harmon, doing business as Helix and Coin Ninja, operated as an exchanger of convertible virtual currencies by accepting and transmitting bitcoin through a variety of means. From June 2014 through December 2017, Helix conducted over 1,225,000 transactions for its customers and was associated with virtual currency wallet addresses that sent or received over \$311 million dollars. FinCEN's investigation has identified at least 356,000 bitcoin transactions through Helix. Mr. Harmon operated Helix as a bitcoin mixer, or tumbler, and advertised its services in the darkest spaces of the internet as a way for customers to anonymously pay for things like drugs, guns, and child pornography. Mr. Harmon subsequently founded, and acted as Chief Executive Officer of, Coin Ninja, which operated as an unregistered MSB and in the same manner as Helix.

FinCEN's investigation revealed that Mr. Harmon willfully violated the BSA's registration, program, and reporting requirements by failing to register as a MSB, failing to implement and maintain an effective anti-money laundering program, and failing to report suspicious activities.

Specifically, the investigation demonstrated that Mr. Harmon deliberately disregarded his obligations under the BSA and implemented practices that allowed Helix to circumvent the BSA's requirements. This included a failure to collect and verify customer names, addresses, and other identifiers on over 1.2 million transactions. Harmon, operating through Helix, actively deleted even the minimal customer information he did collect. The investigation revealed that Mr. Harmon engaged in transactions with narcotics traffickers, counterfeiters and fraudsters, as well as other criminals.

FinCEN closely coordinated action with the U.S. Department of Justice's Computer Crimes and Intellectual Property Section, the U.S. Attorney's Office for the District of Columbia, the Federal Bureau of Investigation, and the Internal Revenue Service Criminal Investigation division.

Source [link](#).

FTC Announces New Fraud Reporting Platform for Consumers: ReportFraud.ftc.gov (10.22.2020)

The Federal Trade Commission has launched a new website, ReportFraud.ftc.gov, where consumers can easily report fraud and all other consumer issues directly to the FTC.

At ReportFraud.ftc.gov, consumers will find a streamlined and user-friendly way to submit reports to the FTC about scams, frauds, and bad business practices. The FTC has long encouraged consumers to report these issues to the FTC when they encounter them—whether or not they lost money to the fraud.

Source [link](#).

Publications, articles, reports, studies, testimony & speeches

Industrial Production and Capacity Utilization - G.17 (11.17.2020)

Industrial production rose 1.1 percent in October. The index has recovered much of its 16.5 percent decline from February to April, but output in October was still 5.6 percent lower than its pre-pandemic February level.

After edging up 0.1 percent in September, manufacturing output increased 1.0 percent in October. The output of utilities rose 3.9 percent, while the output at mines declined 0.6 percent to a level that was 14.4 percent below its year-earlier reading. At 103.2 percent of its 2012 average, total industrial production was 5.3 percent lower in October than it was a year earlier. Capacity utilization for the industrial sector increased 0.8 percentage point in October to 72.8 percent, a rate that is 7.0 percentage points below its long-run (1972–2019) average but 8.6 percentage points above its low in April.

Source [link](#).

Weekly Economic Index (11.12.2020)

The Weekly Economic Index (WEI) provides a signal of the state of the U.S. economy based on data available at a daily or weekly frequency. It represents the common component of 10 different daily and weekly series covering consumer behavior, the labor market and production. It is updated Tuesday and Thursday at 10:30 a.m. CT, using data available up to 8 a.m. CT.

November 12, 2020: Update

- The WEI is currently -2.68 percent, scaled to four-quarter GDP growth, for the week ended November 7 and -3.18 percent for October 31; for reference, the WEI stood at 1.55 percent for the week ended February 29.
- The increase in the WEI for the week of November 7 was due to a decrease in initial unemployment insurance claims, which more than offset decreases in electricity output, tax withholding, and rail traffic (relative to the same time last year). The WEI for the week of October 31 was revised downward due to continuing unemployment insurance claims, which while lower than the prior week, still provided a more negative signal than previously available data.

Source [link](#).

Modernizing and Strengthening CRA Regulations: A Conversation with the National Congress of American Indians (11.10.2020)

Good afternoon and thank you to President Fawn Sharp and Kevin Allis of the National Congress of American Indians (NCAI) for inviting me to join your discussion.1 As the oldest and largest American Indian and Alaska Native organization serving the broad interests of tribal governments and communities, your voice is vitally important on economic issues affecting Indian Country.2 We appreciate your engagement on our work to reform the Community Reinvestment Act (CRA) regulations to better address credit and investment needs in Indian Country.

Two years ago, I had the pleasure of visiting with the Thunder Valley Community Development Corporation on the Pine Ridge Reservation of South Dakota. We toured the major housing, small business, and community development mixed-use project, which was under construction. Despite the importance of the Thunder Valley project to the community, banks were not among the funders listed for this important project. Their absence underscores the broader challenge underserved communities such as the Pine Ridge Reservation face when they are included in only one bank's CRA assessment area. I thought about this challenge frequently as we worked on the Board's proposal to reform CRA.

Source [link](#).

Business Inflation Expectations (11.12.2020)

Business Inflation Expectations Relatively Unchanged at 1.9 Percent

Firms' inflation expectations for the coming year are largely unchanged from last month at 1.9 percent, and firms' sales levels and profit margins compared to "normal times" continued to improve, though they remain near historically low levels, according to the Atlanta Fed's latest Business Inflation Expectations survey.

Source [link](#).

Supervision and Regulation Report - Vice Chair for Supervision Randal K. Quarles (11.10.2020)

Chairman Crapo, Ranking Member Brown, members of the committee, thank you for the opportunity to testify today on the Federal Reserve's supervisory activities in the context of the ongoing pandemic.

My last appearance, in May, followed a period of historic financial stress.¹ The emergence of COVID-19, and the measures taken in response (together, the "COVID event"), added a deep strain of uncertainty to financial markets. It prompted a sharp and global flight from riskier, more volatile asset classes, and a retreat to the safety of cash. That retreat demanded immediate, extraordinary, and concerted public intervention, to ensure stability, restore calm, and see the nation through an unfolding crisis.

For the Federal Reserve, that intervention spanned a wide range of financial intermediaries and markets, including the banking sector.² Strengthened by a decade of improvements in capital, liquidity, and risk management, including the refinement and recalibration of the last three years, banking organizations became an important shelter from financial distress. Our goal was to ensure this shelter stood fast—that banks could respond to the emergency, and address consumer, business, and community needs, without jeopardizing their own safety and soundness.

Source [link](#).

Racism and the Economy: Focus on Employment (11.10.2020)

In the [second](#) installment of the series, the employment session will focus on issues related to occupational segregation, discriminatory practices, and employment law. With a bias for action, we are inviting nonprofit, private, and academic leaders to bring forward proposals offering policy and practice changes to mitigate racial disparities and improve the overall economy. Practitioners and private sector leaders will discuss the overall practicality, effectiveness, and opportunities offered by the proposals to remove barriers to equity and improve employment outcomes for workers of color.

Source [link](#).

Consumer Credit - G.19 (11.06.2020)

September 2020

Consumer credit increased at a seasonally adjusted annual rate of 2-1/4 percent during the third quarter. Revolving credit decreased at an annual rate of 2-1/2 percent, while nonrevolving credit increased at an annual

rate of 4 percent. In September, revolving credit increased at an annual rate of 4-3/4 percent, while nonrevolving credit increased at an annual rate of 4-3/4 percent.

Source [link](#).

Federal Reserve Board Publishes Detailed Noncash Payments Data from the 2019 Federal Reserve Payments Study (10.29.2020)

The Federal Reserve Board on Thursday published detailed noncash payments data from the 2019 Federal Reserve Payments Study (FRPS). The additional data, estimated from surveys covering 2012 through 2018, supplement the noncash payments overview provided by the top-line data released in December 2019.

The FRPS Detailed Data Release includes new information about core noncash payments and some evolving areas of payments in the United States:

- The estimated number and value of checks for 2018 are revised to 14.0 billion and \$26.8 trillion, respectively. As a result, the estimated decline in the number of checks from 2015 to 2018 is revised to 8.2 percent per year, steeper than the previously reported 7.2 percent per year decline. The estimated decline in the value of checks is revised to 2.8 percent per year, less steep than the previously reported 4.0 percent per year decline.
- Use of alternative payment methods and services continues to grow. For example, according to estimates from processors, the number of payments via person-to-person and money transfer services more than doubled from 2015 to 2018.
- Wire transfers originated by consumers grew at double-digit rates by both number and value from 2012 through 2018.

The FRPS Detailed Data Release includes data from the Networks, Processors, and Issuers Payments Surveys (NPIPS) and the Depository and Financial Institution Payments Survey (DFIPS). NPIPS is a collection of surveys, each conducted as a census of the applicable organizations, including card networks and processors and issuers of core and alternative payment methods and services. DFIPS is a survey of a representative sample of insured depository institutions of different sizes and types that process payments.

The Federal Reserve Payments Study is an ongoing effort to document aggregate changes in the payments system. The study has estimated national volumes across all noncash payment types every three years since 2000, with supplements providing national estimates for card payments and partial information on other payments for 2016 and 2017. NPIPS was conducted with the assistance of Blueflame Consulting. DFIPS was conducted with the assistance of GCI Analytics, a division of McKinsey and Company.

To access the detailed data in this release and to obtain further information on the FRPS please visit: <https://www.federalreserve.gov/paymentsystems/fr-payments-study.htm>

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 |
|---------------|--|
| 09.15.2020 | High-Level Summary of Outline of Proposals Under Consideration for SBREFA: Small Business Lending Data Collection Rulemaking - The Bureau is now in the process of writing regulations to implement section 1071. Under the process established by Congress in the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), the Bureau is required to consult with representatives of small entities likely to be affected directly by the regulations the Bureau is considering proposing and to obtain feedback on the likely impacts the rules the Bureau is considering would have on small entities. <u>Comments must be submitted on or before December 14, 2020.</u> |
| 10.19.2020 | Community Reinvestment Act - The Board of Governors of the Federal Reserve System (Board) is publishing for public comment an advance notice of proposed rulemaking (ANPR) to solicit public input regarding modernizing the Board's Community Reinvestment Act regulatory and supervisory framework. The Board is seeking comment on all aspects of the ANPR from all interested parties and also requests commenters to identify other issues that the Board should consider. <u>Comments must be submitted on or before February 16, 2021.</u> |
| 10.27.2020 | Threshold for the Requirement To Collect, Retain, and Transmit Information on Funds Transfers and Transmittals of Funds That Begin or End Outside the United States, and Clarification of the Requirement To Collect, Retain, and Transmit Information on Transactions Involving Convertible Virtual Currencies and Digital Assets With Legal Tender Status - Bank Secrecy Act (“BSA”) requiring financial institutions to collect and retain information on certain funds transfers and transmittals of funds. The proposed modification would reduce this threshold from \$3,000 to \$250 for funds transfers and transmittals of funds that begin or end outside the United States. FinCEN is likewise proposing to reduce from \$3,000 to \$250 the threshold in the rule requiring financial institutions to transmit to other financial institutions in the payment chain information on funds transfers and transmittals of funds that begin or end outside the United States. The Agencies are also proposing to clarify the meaning of “money” as used in these same rules to ensure that the rules apply to domestic and cross-border transactions involving convertible virtual currency (“CVC”), which is a medium of exchange (such as cryptocurrency) that either has an equivalent value as currency, or acts as a substitute for currency, but lacks legal tender status. The Agencies further propose to clarify that these rules apply to domestic and cross-border transactions involving digital assets that have legal tender status. <u>DATES: Written comments on this proposed rule may be submitted on or before November 27, 2020.</u> |
| 11.05.2020 | Role of Supervisory Guidance - The OCC, Board, FDIC, NCUA, and Bureau (collectively, the agencies) are inviting comment on a proposed rule that would codify the Interagency Statement Clarifying the Role of Supervisory Guidance issued by the agencies on September 11, 2018 (2018 Statement). By codifying the 2018 Statement, the proposed rule is intended to confirm that the agencies will continue to follow and respect the limits of administrative law in carrying out their supervisory responsibilities. The 2018 Statement reiterated well-established law by stating that, unlike a law or regulation, supervisory guidance does not have the force and effect of law. As such, supervisory guidance does not create binding legal obligations for the public. The proposal would also clarify that the 2018 Statement, as amended, is binding on the agencies. <u>DATES: Comments must be received by January 4, 2021.</u> |
| 11.06.2020 | Consumer Access to Financial Records - Section 1033 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) provides, among other things, that subject to rules prescribed by the Bureau of Consumer Financial Protection (Bureau), a consumer financial services provider must make available to a consumer information in the control or possession of the provider concerning the consumer financial product or service that the consumer obtained from the provider. The Bureau is issuing this Advance Notice of Proposed Rulemaking (ANPR) to solicit comments and information to assist the Bureau in developing regulations to implement section 1033. <u>DATES: Comments must be received on or before February 4, 2021.</u> |

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: |
|-----------------|------------------------|
|-----------------|------------------------|

- 07.01.2020 [Home Mortgage Disclosure \(Regulation C\)](#) - The Bureau of Consumer Financial Protection (Bureau) is amending Regulation C to increase the threshold for reporting data about closed-end mortgage loans, so that institutions originating fewer than 100 closed-end mortgage loans in either of the two preceding calendar years will not have to report such data effective July 1, 2020. The Bureau is also setting the threshold for reporting data about open-end lines of credit at 200 open-end lines of credit effective January 1, 2022, upon the expiration of the current temporary threshold of 500 open-end lines of credit. This final rule is effective on July 1, 2020, except for the amendments to § 1003.2 in amendatory instruction 5, the amendments to § 1003.3 in amendatory instruction 6, and the amendments to supplement I to part 1003 in amendatory instruction 7, which are effective on January 1, 2022. See part VI for more information.
- 07.21.2020 [Remittance Transfers under the Electronic Fund Transfer Act \(Regulation E\)](#) - The Electronic Fund Transfer Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, establishes certain protections for consumers sending international money transfers, or remittance transfers. The Bureau of Consumer Financial Protection's (Bureau) remittance rule in Regulation E (Remittance Rule or Rule) implements these protections. The Bureau is amending Regulation E and the official interpretations of Regulation E to provide tailored exceptions to address compliance challenges that insured institutions may face in certain circumstances upon the expiration of a statutory exception that allows insured institutions to disclose estimates instead of exact amounts to consumers. That exception expires on July 21, 2020. In addition, the Bureau is increasing a safe harbor threshold in the Rule related to whether a person makes remittance transfers in the normal course of its business. This final rule is effective July 21, 2020.
- 08.03.2020 [Permissible Interest on Loans That Are Sold, Assigned, or Otherwise Transferred](#) - Federal law establishes that national banks and savings associations (banks) may charge interest on loans at the maximum rate permitted to any state-chartered or licensed lending institution in the state where the bank is located. In addition, banks are generally authorized to sell, assign, or otherwise transfer (transfer) loans and to enter into and assign loan contracts. Despite these authorities, recent developments have created legal uncertainty about the ongoing permissibility of the interest term after a bank transfers a loan. This rule clarifies that when a bank transfers a loan, the interest permissible before the transfer continues to be permissible after the transfer. DATES: The final rule is effective on August 3, 2020.
- 08.21.2020 [Federal Interest Rate Authority](#) - The Federal Deposit Insurance Corporation (FDIC) is issuing regulations clarifying the law that governs the interest rates State-chartered banks and insured branches of foreign banks (collectively, State banks) may charge. These regulations provide that State banks are authorized to charge interest at the rate permitted by the State in which the State bank is located, or one percent in excess of the 90-day commercial paper rate, whichever is greater. The regulations also provide that whether interest on a loan is permissible under section 27 of the Federal Deposit Insurance Act is determined at the time the loan is made, and interest on a loan permissible under section 27 is not affected by a change in State law, a change in the relevant commercial paper rate, or the sale, assignment, or other transfer of the loan. DATES: The rule is effective on August 21, 2020.
- 09.30.2020 [Regulatory Capital Rule: Revised Transition of the Current Expected Credit Losses Methodology for Allowances](#) - 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 that delays the estimated impact on regulatory capital stemming from the implementation of Accounting Standards Update No. 2016-13, Financial Instruments—Credit Losses, Topic 326, Measurement of Credit Losses on Financial Instruments (CECL). The final rule provides banking organizations that implement CECL during the 2020 calendar year the option to delay for two years an estimate of CECL's effect on regulatory capital, relative to the incurred loss methodology's effect on regulatory capital, followed by a three-year transition period. The agencies are providing this relief to allow these banking organizations to better focus on supporting lending to creditworthy households and businesses in light of recent strains on the U.S. economy as a result of the coronavirus disease 2019, while also maintaining the quality of regulatory capital. This final rule is consistent with the interim final rule published in the Federal Register on March 31, 2020, with certain clarifications and minor adjustments in response to public comments related to the mechanics of the transition and the eligibility criteria for applying the transition. DATES: The final rule is effective September 30, 2020.
- 10.01.2020 [Regulatory Capital Rule: Temporary Changes to and Transition for the Community Bank Leverage Ratio Framework](#) - The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation are adopting as final the revisions to the community bank leverage ratio framework made under two interim final rules issued in the Federal Register on April 23, 2020. The final rule adopts these interim final rules with no changes. Under the final rule, the community bank leverage ratio will remain 8 percent through calendar year 2020, will be 8.5 percent through calendar year 2021, and will be 9 percent thereafter. The final rule also maintains a two-quarter grace period for a qualifying community banking organization whose leverage ratio falls no more than 1 percentage point below the applicable community bank leverage ratio requirement. DATES: The final rule is effective October 1, 2020.
- 10.20.2020 [Community Reinvestment Act Regulations](#) - The Office of the Comptroller of the Currency (OCC) is adopting a final rule to strengthen and modernize the Community Reinvestment Act (CRA) by clarifying and expanding the activities that qualify for CRA credit; updating where activities count for CRA credit; creating a more consistent and objective method for evaluating CRA performance; and providing for more timely and transparent CRA-related data collection, recordkeeping, and reporting. DATES: This rule is effective on October 1, 2020. Banks must comply with the final amendments by October 1, 2020, January 1, 2023, or January 1, 2024, as applicable. Until the compliance dates, banks must continue to comply with parts 25 and 195 that are in effect on September 30, 2020 (as set forth in appendix C to 12 CFR 25). Alternatively, the OCC may permit a bank to voluntarily

comply, in whole or in part, with the amendments adopted in this release prior to the applicable compliance dates. Parts 25 and 195 that are in effect on September 30, 2020 (as set forth in appendix C) expire on January 1, 2024.

- 10.20.2020 [Applicability of Annual Independent Audits and Reporting Requirements for Fiscal Years Ending in 2021](#) - In light of recent disruptions in economic conditions caused by the coronavirus disease 2019 (COVID-19) and strains in U.S. financial markets, some insured depository institutions (IDIs) have experienced increases to their consolidated total assets as a result of large cash inflows resulting from participation in the Paycheck Protection Program (PPP), the Money Market Mutual Fund Liquidity Facility (MMLF), the Paycheck Protection Program Liquidity Facility (PPPLF), and the effects of other government stimulus efforts. Since these inflows may be temporary, but are significant and unpredictable, the FDIC is issuing an interim final rule (IFR) that will allow IDIs to determine the applicability of part 363 of the FDIC's regulations, Annual Independent Audits and Reporting Requirements, for fiscal years ending in 2021 based on the lesser of their (a) consolidated total assets as of December 31, 2019, or (b) consolidated total assets as of the beginning of their fiscal years ending in 2021. Notwithstanding any temporary relief provided by this IFR, an IDI would continue to be subject to any otherwise applicable statutory and regulatory audit and reporting requirements. The IFR also reserves the authority to require an IDI to comply with one or more requirements of part 363 if the FDIC determines that asset growth was related to a merger or acquisition. This IFR is effective immediately and will remain in effect through December 31, 2021, unless extended by the FDIC.
- 10.26.2020 [HUD's Implementation of the Fair Housing Act's Disparate Impact Standard](#) - HUD has long interpreted the Fair Housing Act ("the Act") to create liability for practices with an unjustified discriminatory effect, even if those practices were not motivated by discriminatory intent. This rule amends HUD's 2013 disparate impact standard regulation 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 revises the burden-shifting test for determining whether a given practice has an unjustified discriminatory effect and adds to illustrations of discriminatory housing practices found in HUD's Fair Housing Act regulations. This Final Rule also establishes a uniform standard for determining when a housing policy or practice with a discriminatory effect violates the Fair Housing Act and provides greater clarity of the law for individuals, litigants, regulators, and industry professionals. DATES: The final rule is effective October 26, 2020.
- TBD [Debt Collection Practices \(Regulation F\)](#) - The Bureau of Consumer Financial Protection (Bureau) is issuing this final rule to revise Regulation F, which implements the Fair Debt Collection Practices Act (FDCPA) and currently contains the procedures for State application for exemption from the provisions of the FDCPA. The Bureau is finalizing Federal rules governing the activities of debt collectors, as that term is defined in the FDCPA. The Bureau's final rule addresses, among other things, communications in connection with debt collection and prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection. DATES: This rule is effective [INSERT DATE ONE YEAR AFTER PUBLICATION IN THE FEDERAL REGISTER].
- TBD [True Lender Rule](#) - The Office of the Comptroller of the Currency (OCC) is issuing this final rule to determine when a national bank or Federal savings association (bank) makes a loan and is the "true lender," including in the context of a partnership between a bank and a third party, such as a marketplace lender. Under this rule, a bank makes a loan if, as of the date of origination, it is named as the lender in the loan agreement or funds the loan. DATES: The final rule is effective on [INSERT DATE THAT IS 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].
- 01.01.2021 [Truth in Lending \(Regulation Z\) Annual Threshold Adjustments \(Credit Cards, HOEPA, and Qualified Mortgages\)](#) - The Bureau of Consumer Financial Protection (Bureau) is issuing this final rule amending the regulation text and 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 revises, as applicable, 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). The Bureau is adjusting these amounts, where appropriate, based on the annual percentage change reflected in the Consumer Price Index (CPI) in effect on June 1, 2020. DATES: This final rule is effective January 1, 2021.

Common words, phrases and acronyms

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| 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. |

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| 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 |

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| TILA | Truth in Lending Act |
| TIN | Tax Identification Number |

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| Treasury | U.S. Department of Treasury |
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