ICBND
INDEPENDENT COMMUNITY BANKS of NORTH DAKOTA

Capitol Comments

November 2021

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

'November…it looked like the world was covered in a cobbler crust of brown sugar and cinnamon.' — Sarah Addison Allen

Joint federal agency issuances, actions and news

When: Tuesday, December 7, 2021

Times: 11:00 a.m. - 12:30 p.m. Pacific

12:00 p.m. - 1:30 p.m. Mountain

1:00 p.m. - 2:30 p.m. Central

2:00 p.m. - 3:30 p.m. Eastern

Please join us for an interagency discussion of fair lending. Speakers at this event will represent the following eight federal agencies:

- Consumer Financial Protection Bureau
- Department of Housing and Urban Development
- Department of Justice
- Federal Deposit Insurance Corporation
- Federal Housing Finance Agency
- Federal Reserve Board
- National Credit Union Administration
- Office of the Comptroller of the Currency

During this session, a variety of fair lending topics will be discussed, including:

- Recent Fair Lending Guidance Documents
- Analyzing HMDA Data
- Enterprise Fair Lending Data
- Fintech Risk Management
- Redlining Self-Assessments
- Redlining & Marketing
- DOJ Redlining Initiative and Recent Enforcement
- JP Morgan Chase Conciliation Agreement

We will follow the presentation with a Questions and Answers segment, where we will respond to questions. To facilitate this session, please send in your questions in advance of the webinar via e-mail.

Registration

Please click on the URL or copy and paste it into your browser to register for this webinar: https://www.webcaster4.com/Webcast/Page/577/43470. This event will be submitted to ABA Professional Certifications for CE credit review.

Source link.

Comment: These programs always provide great updates on the topics covered.

The Board of Governors of the Federal Reserve, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and state financial regulators (collectively, the agencies) are issuing a joint statement to alert industry that the supervisory flexibilities outlined in the April 2020 Joint Statement on Supervisory and Enforcement Practices Regarding the Mortgage Servicing Rules in Response to the COVID-19 Emergency and the CARES Act (April 2020 Joint Statement) no longer apply.

Highlights:

- The agencies are issuing this joint statement to communicate their supervisory and enforcement approach to mortgage servicers.
- On April 3, 2020, the agencies issued the April 2020 Joint Statement to clarify the application of the Regulation X mortgage servicing rules and explain that, until further notice, the agencies would not take supervisory or enforcement action against mortgage servicers for failing to meet certain timing requirements under the mortgage servicing rules, provided the servicers made good faith efforts to meet those requirements.
- More than 18 months have passed since issuance of the April 2020 Joint Statement and servicers have had sufficient time to adjust their operations. Accordingly, the temporary supervisory and enforcement flexibility announced in the April 2020 Joint Statement no longer applies.

- The agencies will continue to consider, when appropriate, the specific impact of servicers' challenges that arise due to the COVID-19 pandemic and take those issues in account when considering any supervisory and enforcement actions. As part of their considerations, the agencies will factor in the time it takes to make operational adjustments in connection with this joint statement.

Attachment:

Joint Statement on Supervisory and Enforcement Practices Regarding the Mortgage Servicing Rules in Response to the Continuing COVID-19 Pandemic and CARES Act

Source link.

Comment: In addition to the announcement of the end of the flexible approach to supervision and enforcement of mortgage servicers, the CFPB released a report detailing the Bureau's mortgage servicing-related efforts during the pandemic.

CFPB, DOJ and OCC Take Action Against Trustmark National Bank for Deliberate Discrimination Against Black and Hispanic Families (10.22.2021)

WASHINGTON, D.C. — The Consumer Financial Protection Bureau (CFPB) and U.S. Department of Justice (DOJ), in cooperation with the Office of the Comptroller of the Currency (OCC), took action today to put an end to alleged redlining by Trustmark National Bank. The CFPB and DOJ allege that Trustmark discriminated against Black and Hispanic neighborhoods by deliberately not marketing, offering, or originating home loans to consumers in majority-Black and Hispanic neighborhoods in the Memphis metropolitan area. The CFPB and DOJ also allege that Trustmark discouraged consumers residing in or seeking credit for properties located in these neighborhoods from applying for credit. So-called redlining was determined based on the following allegations about the bank:

- Avoided locating branches in majority-Black and Hispanic communities: From 2014 and 2018, only four of Trustmark's 25 branches in the Memphis metropolitan area were located in majority-Black and Hispanic communities, although 50% of the census tracts in the Memphis MSA are majority-Black and Hispanic.
- Avoided assigning loan officers to majority-Black and Hispanic communities: During the relevant time period, Trustmark did not assign a single mortgage loan officer to any of its Memphis branches located in majority-Black and Hispanic neighborhoods.
- Failed to monitor its fair lending compliance: Fair lending policies and procedures were inadequate to ensure the bank was providing equal access to credit to majority-Black and Hispanic neighborhoods in the Memphis metropolitan area. Internal governance and oversight committees to oversee fair lending were not established until August 2018, months after the OCC initiated a fair lending examination of the bank.
- Discouraged applicants and prospective applicants in majority-Black and Hispanic neighborhoods: The bank designated three counties of the Memphis MSA that together contain 90% of the majority-Black and Hispanic census tracts in the entire Memphis MSA for its assessment area. From 2014 to 2018, however, Trustmark's "peer lenders" generated 2.5 times more home mortgage loan applications from majority-Black and Hispanic neighborhoods in the Memphis MSA than Trustmark, showing the effect of Trustmark's discouraging acts and practices.

Read the complaint filed with the court.

The enforcement action included the following requirements:

- Invest $3.85million via a loan subsidy program that includes:
  - Closing cost assistance
  - Downpayment assistance
  - Payment of mortgage insurance premiums
- Increase physical presence in and outreach to majority-Black and Hispanic neighborhoods
  - New LPO in such neighborhoods
  - $200,000 in targeted ads per year
- Improve fair lending compliance
- $5million penalty to CFPB (credit of $4million from OCC penalty)

Read the proposed order filed with the court.

Comment: Although the bank did not draw an actual 'redline' around an area, the agencies found the bank starved certain areas of resources and talent, thereby effectively drawing a 'redline' around those same areas. The elements identified reflect the analytical approach of the current administration. In addition, the enforcement elements are similar to those found in the Cadence Bank fair lending matter and demonstrate an intent to requirement either new branches or LPOs in underserved areas.

Five federal financial institution regulatory agencies, in conjunction with the state bank and state credit union regulators, (collectively, agencies) are jointly issuing this statement to emphasize the expectation that supervised institutions with LIBOR exposure continue to progress toward an orderly transition away from LIBOR. Additionally, this statement includes clarification regarding new LIBOR contracts, considerations when assessing appropriateness of alternative reference rates, and expectations for fallback language. Failure to adequately prepare for LIBOR's discontinuance could undermine financial stability and institutions' safety and soundness and create litigation, operational, and consumer protection risks.

Source link.

Comment: The LIBOR administrator will stop publishing the one-week and two-month LIBOR settings on Dec. 31, and remaining LIBOR settings will cease immediately following the LIBOR publication on June 30, 2023.

CFPB Actions and News

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) issued a Request for Information (RFI) to seek input on rules implementing the Home Mortgage Disclosure Act (HMDA). The CFPB plans to review

recent changes to the rules and evaluate their effectiveness. This evaluation will strengthen the CFPB's ability to maintain a fair, competitive, and non-discriminatory mortgage market.

HMDA, which was originally enacted in 1975, requires many lenders to report information about the home loans for which they receive applications or that they originate or purchase. The public and regulators can use the information to monitor whether financial institutions are serving the housing needs of their communities, to assist in distributing public-sector investment so as to attract private investment to areas where it is needed, and to identify possible discriminatory lending patterns. The CFPB maintains an online tool that provides access to the public loan data, allowing users to filter information, create summary tables, download the data, and save their results.

The CFPB finalized changes to the HMDA regulations in 2015, expanding the types of data reported by lenders to improve overall market information and help with monitoring for fair lending compliance. The 2015 rule also improved the reporting process by aligning requirements with industry data standards, significantly enhancing the technological interface, and easing requirements for some small banks and credit unions.

The CFPB is seeking comment from the public to ensure the Bureau can use the data collected under the HMDA Rule to most effectively meet the rule's goals.

The CFPB is seeking comments on its plans to assess the effectiveness of the HMDA Rule. Specifically, the CFPB will focus on:

- Institutional coverage and transactional coverage;
- Data points;
- Benefits of the new data and disclosure requirements; and
- Operational and compliance costs.

The CFPB welcomes the public's input, and the RFI will remain open for 60 days after publication in the Federal Register.

The RFI follows an August 2021 HMDA report, which found that mortgage lenders more often deny credit and charge higher interest rates to Black and Hispanic applicants than they do to white applicants, and a July 2021 CFPB analysis of mortgage lending patterns within the Asian American Pacific Islander (AAPI) communities. The July 2021 CPFB analysis, using the expanded reporting of racial and ethnic data made possible by the 2015 HMDA rule, found considerable heterogeneity among AAPI communities, with some subgroups showing mortgage denial rates similar to those of Black and Hispanic borrowers. The CFPB has also made use of the enhanced data in a May 2021 report studying the financing of manufactured housing loans.

Read the Request for Information released today.

Source link.

Comment: The CFPB asked for this same information in 2019. Bottom line – the implementation costs of the 2015 Home Mortgage Disclosure Act rule resulted in "astoundingly high" costs for banks according to various groups. Expect a lot of comments to be filed on this topic.

Trends in Elder Financial Exploitation SAR Data (11.16.2021)

The CFPB released a new Data Spotlight that analyzes recent trends in Suspicious Activity Reports (SARs) involving elder financial exploitation.

Financial institutions file SARs to report suspected financial crimes to the federal government, and they can indicate whether the suspicious activity involves elder financial exploitation. In 2020, financial institutions filed over 62,000 elder financial exploitation SARs involving over $3.4 billion. Read the Data Spotlight to learn about emerging patterns and new developments.

For more free resources for older adults, visit consumerfinance.gov/olderamericans.

Comment: Remember that many states are mandatory reporting states. When filing a SAR, include the term "elder financial exploitation" and the victim's information in the narrative portion. Do not report the victim as the subject of the SAR.

The CFPB would like to remind institutions that the threshold for reporting HMDA data about open-end lines of credit will adjust to 200 open-end lines of credit, effective January 1, 2022.

In April 2020, the CFPB issued a final rule amending Regulation C to permanently set the reporting threshold for open-end lines of credit at 200, effective January 1, 2022, upon the expiration of the temporary threshold of 500 open-end lines of credit.

Beginning January 1, 2022, an institution that originated at least 200 open-end lines of credit in each of the two preceding calendar years, and meets all other Regulation C institutional coverage criteria, will be required to collect, record, and report data about its open-end lines of credit. For example, an institution that originated at least 200 open-end lines of credit in both calendar years 2020 and 2021, and meets all other Regulation C institutional coverage criteria, will be required to collect, record, and report data about its open-end lines of credit for calendar year 2022 to be submitted by March 1, 2023.

The CFPB recently published FAQs related to coverage criteria. To access these FAQs and other HMDA resources, visit:

https://www.consumerfinance.gov/compliance/compliance-resources/mortgage-resources/hmda-reporting-requirements/.

Source link.

Comment: While the temporary threshold of 500 open-end lines of credit is expiring, the 200 open-end lines of credit in each of the two preceding calendar years is double what was originally proposed. And remember, under the Equal Credit Opportunity Act and Regulation B, there's a separate data collection requirement for mortgage loans for the purchase or refinancing of the consumer's principal residence.

CFPB Issues Advisory Opinion on FCRA Matching Requirements (11.04.2021)

The CFPB issued an Advisory Opinion providing guidance on consumer reporting agencies' obligations under the Fair Credit Reporting Act (FCRA) in matching information to consumers. The Advisory Opinion highlights that a consumer reporting agency that uses inadequate matching procedures, such as "name-only matching," in preparing consumer reports violates the FCRA.

You can access the Advisory Opinion here: https://www.consumerfinance.gov/compliance/advisory-opinion-program/.

Comment: A consumer reporting agency using inadequate consumer information matching procedures (i.e., using name-only matching, or even matching consumers with common names only to date of birth or address) is not following "reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates" (15 U.S.C. § 1681e(b)) and is in violation of the Fair Credit Reporting Act (FCRA).

CFPB Finds Credit Report Disputes Far More Common in Majority Black and Hispanic Neighborhoods (11.02.2021)

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) today released research finding that consumers in majority Black and Hispanic neighborhoods, as well as younger consumers and those with low credit scores, are far more likely to have disputes appear on their credit reports. The new research is a part of a series of reports focusing on trends in the consumer financial marketplace, and uses data on auto loan, student loan, and credit card accounts opened between 2012 and 2019.

"Families living in majority Black and Hispanic neighborhoods are far more likely to have disputes of inaccurate information appear on their credit reports," said CFPB Director Rohit Chopra. "Error-ridden credit reports are far too prevalent and may be undermining an equitable recovery."

The report shows that majority Black and Hispanic neighborhoods continue to face significant challenges with credit records. In nearly every credit category reviewed (auto loans, student loans, credit cards, and retail cards), consumers residing in majority Black areas were more than twice as likely to have disputes appear on their credit reports compared to consumers residing in majority white areas. For auto loans, consumers in majority Black areas were more than three times as likely to have disputes appear on their credit reports (0.8% of accounts with disputes in majority white census tracts compared to 2.8% of accounts in majority Black census tracts).

Under the Fair Credit Reporting Act, people have a right to file a dispute with credit reporting companies to correct inaccuracies on their reports. The Fair Credit Reporting Act requires consumer reporting companies to process and investigate the disputes in a timely manner, and correct any inaccuracies uncovered by the investigation. According to today's report, these kinds of disputes are common.

When credit reporting is sloppy or rife with errors, this can limit fair and equitable access to individuals and families nationwide. The CFPB is committed to further researching the root causes of credit information disputes, as well as investigating the reasons for the demographic disparities found in the report. In October, the CFPB, along with the Federal Trade Commission and the North Carolina Department of Justice, filed an amicus brief in a case regarding a technology company seeking to use Section 230 of the Communications Decency Act to gain immunity from inaccurate, misleading, and false consumer reporting.

Read the report, "Disputes on Consumer Credit Reports."

Comment: This report could lead the CFPB to investigate the various credit agencies, which could lead to additional enforcement actions.

In February 2021, the U.S. Census Bureau released the 2020 Census Data tract boundaries. As a reminder, Regulation C, 12 CFR 1003.4(a)(9)(ii)(C) requires financial institutions to provide census tract information for

certain properties. To determine what to report for this data point, a covered financial institution must look to the "most recent decennial census conducted by the U.S. Census Bureau" and "use the boundaries and codes in effect on January 1 of the calendar year covered by the loan/application register that it is reporting."

As a result, for data collected beginning January 1, 2022, financial institutions should use census tract information provided in the 2020 Census.

Consistent with this approach, the FFIEC's Geocoder will use census tract information from the 2020 Census beginning January 1, 2022.

Comment: Update procedures accordingly.

The Bureau has released an update to the Filing Instructions Guide (FIG) for data collected in 2022. The FIG is a technical resource to help financial institutions file HMDA data collected in 2022 and reported in 2023.

The updates are as follows (in bold):

- Edit V720-2 will be updated from "If Co-Applicant or Co-Borrower, Name and Version of Credit Scoring Model is 1, 2, 3, 4, 5, 6, or 11, Credit Score of Co-Applicant or Co-Borrower should be greater than 279." to "If Co-Applicant or Co-Borrower, Name and Version of Credit Scoring Model is 1, 2, 3, 4, 5, 6, or 11, Credit Score of Co-Applicant or Co-Borrower should be 280 or above." for consistency with edit V720-1.
- Edit V721-2 will be updated from "If Age of Co-Applicant is not 8888, indicating Not Applicable, it must be the co-applicant or co-borrower's age and cannot be 1111." to "If Age of Co-Applicant is not 8888, indicating Not Applicable, or 9999, indicating No Co-Applicant, it must be the co-applicant or co-borrower's age and cannot be 1111."
- The affected data field column for edit Q657 will be updated from "Any data field with a numeric data field type that is not eligible for an exemption code" to "Any data field that accepts a numeric data field type that is not eligible for an exemption code."

We encourage financial institutions to direct any questions to HMDAHelp@cfpb.gov.

The FIG can be accessed at https://ffiec.cfpb.gov under Help for Filers.

Comment: The FIG breaks down the expectations for files, data and edits to the data. The 2022 FIG does not make any significant changes to the submission process.

FDIC actions and news

The Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency (collectively, the agencies), under the auspices of the Federal Financial Institutions Examination Council (FFIEC), published the attached final regulatory reporting changes in the Federal Register. The SA-CCR related reporting change proposed by the agencies on July 22, 2021 (see FIL-

53-2021, dated July 26, 2021) would apply to the three versions of the Call Report (FFIEC 031, FFIEC 041, and FFIEC 051), and is subject to approval by the U.S. Office of Management and Budget.

One comment letter was received on the new data item related to the final rule on SA-CCR (see FIL-74-2019, dated December 2, 2019) and was generally supportive of this revision. The agencies are proceeding with this revision to the reporting forms and instructions for the Call Report, effective with the December 31, 2021, report date, as proposed.

While the agencies also proposed instruction revisions related to deferred taxes, the agencies are still considering comments received on the proposed rule on tax allocation agreements (see FIL-29-2021, dated April 22, 2021). Therefore, the agencies are deferring consideration of any instructional changes related to the reporting of deferred tax assets to a future Paperwork Reduction Act notice. The two comment letters received on the proposed instructional revisions for deferred taxes will be considered when developing that notice.

The agencies encourage you to review the proposed regulatory reporting change applicable to your institution. Redlined copies of the FFIEC 031, FFIEC 041, and FFIEC 051 Call Report forms showing the proposed change and the related draft reporting instructions are available on the FFIEC's webpages for these reports, accessible from the FFIEC's Reporting Forms webpage.

Please share this letter with individuals responsible for preparing Call Reports at your institution. For further information about the proposed Call Report changes, institutions should contact their assigned Call Report analyst. If you do not know the analyst assigned to your institution, state member institutions should contact their Federal Reserve District Bank, while national institutions, FDIC-supervised banks, and savings associations should contact the FDIC's Data Collection and Analysis Section in Washington, D.C., by telephone at (800) 688-FDIC (3342) or email to FDICInfoReq@fdic.gov.

Attachment:

Federal Register Notice

Source link.

Comment: Note that this publication recommends sharing with individuals responsible for preparing the Call Report.

FDIC Consumer News - Credit Cards (11.08.2021)

Using the right card

If you are using a credit card for your shopping (in person, online, or otherwise), there are a number of things to keep in mind. Having the right credit card could help you save money by avoiding unnecessary fees, gaining optional services, and even rewards. Be sure to set a limit on your spending and stick to your budget, so you can manage your credit card debt. Also, learn how to protect your credit card account and know what to do if you are a victim of credit card fraud, or if you detect billing errors.

Source link.

Comment: The FDIC Consumer News provides excellent material for consumer financial literacy. Consider sharing with retail customers.

FDIC Makes Public September Enforcement Actions (10.29.2021)

WASHINGTON - The Federal Deposit Insurance Corporation (FDIC) today released a list of orders of administrative enforcement actions taken against banks and individuals in September. There are no administrative hearings scheduled for November 2021.

The FDIC made public six Orders in September 2021, including one issued in January 2021. The administrative enforcement actions in those six Orders consisted of one Consent Order, two terminations of Consent Orders, one Order to Pay Civil Money Penalty, one Order Terminating Decision and Order to Cease and Desist, and one Order of Termination of Insurance.

To view orders, adjudicated decisions and notices and the administrative hearing details online, please visit the FDIC' s Web page by clicking the link below.

September 2021 Enforcement Decisions and Orders

Source link.

Comment: As usual, there is at least one order finding flood violations.

On October 21, 2021, the FDIC Board of Directors adopted a final rule to amend the Interagency Guidelines for Real Estate Lending Policies to incorporate consideration of the capital framework established in the community bank leverage ratio (CBLR) rule into the method for calculating the ratio of loans in excess of the supervisory loan-to-value limits (LTV limits). The amendment provides a consistent approach for calculating the ratio of loans in excess of the supervisory LTV limits at all FDIC-supervised institutions without requiring the computation of total capital.

A copy of the final rule is available on the FDIC's public website.

Statement of Applicability: This Financial Institution Letter (FIL) applies to all FDIC-supervised financial institutions.

Highlights:

- The Interagency Guidelines for Real Estate Lending Policies, Appendix A to Subpart A of the FDIC's Real Estate Lending Standards Regulation (Appendix) establishes supervisory LTV criteria for various real estate lending transaction types, but also allows exceptions to the supervisory LTV limits, measured against total capital, as defined in the capital rules.
- The final rule revises the Appendix so that all FDIC-supervised institutions calculate the ratio of loans in excess of the supervisory LTV limits using tier 1 capital plus the appropriate allowance for credit losses in the denominator, regardless of an institution's CBLR election status.
- The final rule provides a consistent approach for calculating the ratio of loans in excess of the supervisory LTV limits at all FDIC-supervised institutions, and would approximate the historical methodology for calculating the ratio of loans in excess of the supervisory LTV limits.
- The final rule was adopted without any changes from the notice of proposed rulemaking published on June 25, 2021.
- The final rule will become effective 30 days after publication in the Federal Register.

Attachment:

Federal Register Notice

Source link.

Comment: This technical amendment allows qualifying community banks to calculate the ratio of loans that exceed the supervisory loan-to-value limits "using tier 1 capital plus the appropriate allowance for credit losses in the denominator."

OCC actions and news

Acting Comptroller Discusses Climate Change Risk (11.08.2021)

WASHINGTON—Acting Comptroller of the Currency Michael J. Hsu discussed climate change risk at OCC Headquarters. His remarks highlighted five questions that large bank boards of directors should ask to promote and accelerate improvements in climate risk management practices at their banks.

Related Links

Remarks (PDF)

Source link.

Comment: Community bankers remain concerned that overaggressive regulation could turn into a de facto mandate on who a bank may do business with. Or, that climate-related regulation could trickle down to create overly burdensome analysis and reporting requirements for smaller institutions.

Truth in Lending Act: Revised Interagency Examination Procedures and Rescissions (10.28.2021)

The Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council1 (FFIEC) has adopted revised interagency examination procedures for the Truth in Lending Act (TILA), implemented by Regulation Z. The revised interagency procedures reflect amendments to Regulation Z published in the Federal Register through May 30, 2021.

Rescissions

With the issuance of this bulletin, the following have been rescinded:

OCC Bulletin 2020-84, “Truth in Lending Act: Revised Interagency Examination Procedures”

The 2020 interagency examination procedures conveyed by OCC Bulletin 2020-84

Note for Community Banks

These interagency procedures apply to examinations of all OCC-supervised community banks covered by TILA.2

Highlights

The FFIEC members developed these procedures to promote consistency in the examination process and communication of supervisory expectations and to reflect the following changes to Regulation Z:

- The new general qualified mortgage (QM) definition.
- A new category of QMs called seasoned QMs.
- An extension of the sunset date for the temporary government-sponsored enterprise QM.
- A delay in the mandatory compliance date for the new general QM definition until October 1, 2022.

Source link.

Comment: These examination procedures provide helpful information on residential mortgage lending. In particular, note the rules relating to qualified mortgages.

Retail Lending: Revised Comptroller's Handbook Booklet and Rescissions (10.28.2021)

The Office of the Comptroller of the Currency (OCC) today issued version 2.0 of the "Retail Lending" booklet of the Comptroller's Handbook. This booklet discusses risks associated with retail lending and provides a framework for examiners' evaluations of risk management activities.

Rescissions

With the issuance of this revised booklet, the following documents are rescinded:

OCC Bulletin 2017-15, "Retail Lending: New Comptroller's Handbook Booklet"

"Retail Lending" booklet of the Comptroller's Handbook, version 1.1

Note for Community Banks

The "Retail Lending" booklet applies to the OCC's supervision of community banks1 engaged in retail lending.

Highlights

The revised booklet

- reflects changes to laws and regulations since this booklet was last updated.
- reflects OCC issuances published and rescinded since this booklet was last updated.
- includes clarifying edits regarding supervisory guidance, sound risk management practices, and legal language.
- revises certain content for general clarity.

Source link.

Community Reinvestment Act: Frequently Asked Questions Regarding Notice of Proposed Rulemaking to Rescind the OCC's June 2020 CRA Rule (10.26.2021)

The Office of the Comptroller of the Currency (OCC) today issued responses to frequently asked questions (FAQ) about a notice of proposed rulemaking soliciting comments on the proposal to rescind the OCC's Community Reinvestment Act (CRA) rule issued on June 5, 2020 (June 2020 CRA rule). The notice, which was published in the Federal Register on September 17, 2021, proposes that the June 2020 CRA rule largely be replaced with the rules adopted jointly by the OCC, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation in 1995, as revised.

The FAQs provide information on the rulemaking process and the OCC's consideration of potential CRA transition issues.

Note for Community Banks

This bulletin applies to community banks1 subject to the CRA.

Highlights

The FAQs provide general information on the rulemaking process and timeline of events. The FAQs also address

- the impact of the proposed rule on CRA bank type.
- qualifying activities and the qualifying activity confirmation request system.
- the transition period.
- examination administration.
- assessment areas.
- targeted geographic areas.
- strategic plans.
- public comments.

Source link.

Comment: The Bulletin's FAQs cover a range of topics including (i) the transition period; (ii) qualifying activities; (iii) activities outside bank assessment areas; (iv) examination administration; and (v) data collection and reporting.

OCC Enforcement Actions and Termination (10.21.2021)

WASHINGTON—The Office of the Comptroller of the Currency (OCC) today released new enforcement actions taken against national banks, federal savings associations, and individuals currently and formerly affiliated with national banks and federal savings associations.

All Cease and Desist Orders, Civil Money Penalty Orders, and Removal/Prohibition Orders are issued with the consent of the parties, unless otherwise indicated.

You can view the enforcement actions for this month by clicking on the enforcement action number. You may also submit a request electronically to obtain copies through the OCC's online FOIA site, https://foia-pal.occ.gov/ or by writing to the Comptroller of the Currency, Communications Division, Suite 3E-218, Washington, DC 20219. When ordering, please specify the appropriate enforcement action number.

Source link.

Payment Systems: Revised Comptroller's Handbook Booklet and Rescissions (10.21.2021)

The Office of the Comptroller of the Currency (OCC) issued today the revised "Payment Systems" 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

This booklet replaces the

"Payment Systems and Funds Transfer Activities" booklet of the Comptroller's Handbook, dated March 1990.

Office of Thrift Supervision Examination Handbook section 580, "Payments Systems Risk," dated January 1994.

Banking Circular 235, "International Payments Systems Risks," dated May 10, 1989.

OCC Bulletin 1996-48, "Stored Value Card Systems: Information for Bankers and Examiners," dated September 3, 1996.

Note for Community Banks

This booklet applies to the OCC's supervision of community banks.

Highlights

The booklet

- provides examiners with information regarding payment systems, types of payments, risks associated with payment systems, and associated risk management practices.
- discusses requirements of 12 CFR 7.1026 regarding payment systems memberships.
- includes expanded examination procedures for examiners to use when assessing payment products and services.
- includes supplemental procedures for deeper review of certain payment activities.

Source link.

Interest Rate Risk: Interest Rate Risk Statistics Report (10.20.2021)

The Office of the Comptroller of the Currency (OCC) today published the fall 2021 edition of the 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 fall 2021 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.

In addition, the fall 2021 report includes statistics on average lives for non-maturity deposits for all bank populations. The report excludes statistics on exposures and policy limits for a –200 basis point change because of the current market environment of low interest rates.

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

Source link.

LIBOR Transition: Updated Self-Assessment Tool for Banks (10.18.2021)

This bulletin provides an updated self-assessment tool for banks 1 to evaluate their preparedness for the cessation of the London Interbank Offered Rate (LIBOR).

Rescission

This bulletin rescinds OCC Bulletin 2021-7, "Libor Transition: Self-Assessment Tool for Banks," published on February 10, 2021, and replaces the tool attached to OCC Bulletin 2021-7.

Note for Community Banks

This bulletin applies to community banks, but the applicability of some concepts depends on the nature and extent of a bank's LIBOR exposure.

Highlights

Bank management can use this self-assessment tool to evaluate the bank's risk management process for identifying and mitigating LIBOR transition risks.

- Not all sections or questions in the tool apply to all banks.
- Bank management should tailor the bank's risk management process to the size and complexity of the bank's LIBOR exposures. For example,
    - large or complex banks and those with material LIBOR exposures should have a robust, well-developed transition process in place.
    - small or non-complex banks and those with limited exposure to LIBOR-indexed instruments can consider less extensive and less formal transition efforts.
- Bank management should consider all applicable risks (e.g., operational, compliance, strategic, and reputation) when scoping and completing LIBOR cessation preparedness assessments.

The OCC expects banks to cease entering into new contracts that use LIBOR as a reference rate as soon as practicable and no later than December 31, 2021. When assessing preparedness

- bank management should consider whether the bank's progress in preparing for the transition is sufficient. LIBOR exposure and risk assessments and cessation preparedness plans should be complete or near completion with appropriate management oversight and reporting in place.
- most banks should be working toward resolving replacement rate issues while communicating with affected customers and third parties, as applicable.

Source link.

Comment: Note the expectation that new contracts should cease using LIBOR as a reference rate no later than December 31, 2021.

Federal Reserve actions and news

Senior Loan Officer Opinion Survey on Bank Lending Practices (11.08.2021)

The October 2021 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 2021.1

Regarding loans to businesses, respondents to the October survey, on balance, reported easier standards and stronger demand for commercial and industrial (C&I) loans to large and middle-market firms over the third

quarter. Banks also reported easier standards for C&I loans to small firms, while demand from small firms remained basically unchanged.2 For commercial real estate (CRE), banks reported easier standards for all loan categories. Banks also reported stronger demand for multifamily loans and for loans secured by nonfarm nonresidential properties, while demand for construction and land development loans remained basically unchanged. For loans to households, banks eased standards across most categories of residential real estate (RRE) loans, on net, and reported weaker demand for most types of RRE loans over the third quarter. Banks also eased standards across all three consumer loan categories—credit card loans, auto loans, and other consumer loans—while reports on demand for consumer loans were mixed.

The survey included a set of special questions inquiring about the current level of demand relative to pre-pandemic levels (defined as the end of 2019) for C&I and credit card loans, as well as banks' outlook for demand for such loans over the next six months. On balance, banks reported weaker levels of demand for all queried C&I and credit card loan categories compared with the end of 2019, and that they expect stronger demand for both C&I and credit card loans over the next six months.

Source link.

Don't Miss the New FedNow Service Readiness Guide (10.22.2021)

View and download the FedNow Service Readiness Guide to help you prepare for instant payments. This comprehensive guide includes insights on how the FedNow Service will work, questions to consider and ideas for gaining value from the service for you and your customers. We will add information to this resource over time based on feedback, emerging information and product enhancements.

Source link.

Comment: Get ready for the Fed's alternative to instant payments.

Beige Book (10.20.2021)

Overall Economic Activity

Economic activity grew at a modest to moderate rate, according to the majority of Federal Reserve Districts. Several Districts noted, however, that the pace of growth slowed this period, constrained by supply chain disruptions, labor shortages, and uncertainty around the Delta variant of COVID-19. A majority of Districts indicated positive growth in consumer spending; however, auto sales were widely reported as declining due to low inventory levels and rising prices. Travel and tourism activity varied by District with some seeing continued or strengthening leisure travel while others saw declines that coincided with rises in COVID cases and the start of the school year. Manufacturing grew moderately to robustly in most parts of the country, as did trucking and freight. Growth in nonmanufacturing activity ranged from slight to moderate for most Districts. Loan demand was generally reported as flat to modest this period. Residential real estate activity was unchanged or slowed slightly but the market remained healthy, overall. Reports on nonresidential real estate varied across Districts and market segments. Agriculture conditions were mixed and energy markets were little changed, on balance. Outlooks for near-term economic activity remained positive, overall, but some Districts noted increased uncertainty and more cautious optimism than in previous months.

Employment and Wages

Employment increased at a modest to moderate rate in recent weeks, as demand for workers was high, but labor growth was dampened by a low supply of workers. Transportation and technology firms saw particularly low labor supply, while many retail, hospitality, and manufacturing firms cut hours or production because they did not have enough workers. Firms reported high turnover, as workers left for other jobs or retired. Child-care issues and vaccine mandates were widely cited as contributing to the problem, along with COVID-related absences. Many firms offered increased training to expand the candidate pool. In some cases, firms increased automation to help offset labor shortages. The majority of Districts reported robust wage growth. Firms reported increasing starting wages to attract talent and increasing wages for existing workers to retain them. Many also offered signing and retention bonuses, flexible work schedules, or increased vacation time to incentivize workers to remain in their positions.

Prices

Most Districts reported significantly elevated prices, fueled by rising demand for goods and raw materials. Reports of input cost increases were widespread across industry sectors, driven by product scarcity resulting from supply chain bottlenecks. Price pressures also arose from increased transportation and labor constraints as well as commodity shortages. Prices of steel, electronic components, and freight costs rose markedly this period. Many firms raised selling prices indicating a greater ability to pass along cost increases to customers amid strong demand. Expectations for future price growth varied with some expecting price to remain high or increase further while others expected prices to moderate over the next 12 months.

Source link.

Other federal action and news

CSBS Will Inflation Eat Your Turkey Dinner? (11.10.2021)

"States of the Economy" is a monthly look at the economic picture across the country. In this episode CSBS Senior Economist Tom Siems and host Matt Longacre discuss what the latest inflation and jobs numbers, business confidence measures and more are telling us about the current trajectory of the U.S. economy.

Chapters

- 0:18 - What's the Big Picture?
- 1:54 - Let's Talk Inflation
- 3:40 - The October Jobs Report
- 5:44 - Workers Missing in the Math
- 7:20 - Tapering Begins
- 9:12 - Other Interesting Economic Indicators
- 11:10 - What Regulators Should Look Out For

Source link.

Comment: Food prices are up 3.7% this year, while the 20-year average is about 2.4%, according to the American Farm Bureau Federation.

The ETS on Vaccination and Testing was officially filed in the Office of the Federal Register on November 4, 2021, and it became effective when it was published on November 5, 2021. Written comments on any aspect of the ETS must be submitted by December 6, 2021 in Docket number OSHA-2021-0007. Written comments on the information collection determination as described in V.K. of the ETS preamble [2021-23643] must be submitted by January 4, 2022 in Docket number OSHA-2021-0008.

Source link.

Comment: On November 12, 2021, the U.S. Court of Appeals for the Fifth Circuit granted a motion to stay OSHA's COVID-19 Vaccination and Testing Emergency Temporary Standard, published on November 5, 2021 (86 Fed. Reg. 61402) ("ETS"). The court ordered that OSHA "take no steps to implement or enforce" the ETS "until further court order."

Financial Action Task Force Identifies Jurisdictions with Anti-Money Laundering and Combating the Financing of Terrorism and Counter-Proliferation Deficiencies (10.26.2021)

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) is informing U.S. financial institutions that the Financial Action Task Force (FATF), an intergovernmental body that establishes international standards to combat money laundering, counter the financing of terrorism, and combat weapons of mass destruction proliferation financing (AML/CFT/CPF), has issued public statements updating its lists of jurisdictions with strategic AML/CFT/CPF deficiencies following its plenary meeting this month. U.S. financial institutions should consider the FATF's stance toward these jurisdictions when reviewing their obligations and risk-based policies, procedures, and practices.

Source link.

Comment: Jordan, Mali, and Turkey were added to the jurisdictions under 'Increased Monitoring,' while Botswana and Mauritius were removed from the list. FinCEN further instructed financial institutions to comply with U.S. prohibitions against the opening or maintaining of any correspondent accounts, whether directly or indirectly, for North Korean or Iranian financial institutions, which are already prohibited under existing U.S. sanctions and FinCEN regulations.

CSBS Declining Profit Expectations Dim Community Bankers' Outlook (10.19.2021)

Community bankers indicate greater concern that their profitability will decline next year, which has made them less optimistic than they were earlier in 2021, according to the CSBS third quarter Community Bank Sentiment Index (CBSI). Compared to the second quarter survey, all seven components that comprise the index dropped, with nearly 90% of the decline coming from three factors—profitability, business conditions, and franchise value—with most of the drop due to falling profit expectations.

Community bankers are clearly concerned about how they will earn profits in an economic environment characterized by high deposit levels, low loan demand and compressed net interest margins. Moreover, the third quarter CBSI also suggests that community bankers remain uneasy about a potential heavier-handed regulatory environment and prospects of a worsening economic outlook from monetary policy decisions.

Source link.

Publications, articles, reports, studies, testimony & speeches

Industrial Production and Capacity Utilization - G.17 (11.16.2021)

Industrial production rose 1.6 percent in October after falling 1.3 percent in September; about half of the gain in October reflected a recovery from the effects of Hurricane Ida. Manufacturing output increased 1.2 percent in October; excluding a large gain in the production of motor vehicles and parts, factory output moved up 0.6 percent. The output of utilities rose 1.2 percent, and mining output stepped up 4.1 percent.

At 101.6 percent of its 2017 average, total industrial production in October was 5.1 percent above its year-earlier level and at its highest reading since December 2019. In October, capacity utilization for the industrial sector increased 1.2 percentage points to 76.4 percent; even so, it was still 3.2 percentage points below its long-run (1972–2020) average.

Source link.

Flexible Average Inflation Targeting and Prospects for U.S. Monetary Policy - Vice Chair Richard H. Clarida (11.08.2021)

Outlooks and Outcomes for the U.S. Economy

The U.S. economy in the second quarter of this year made the transition from economic recovery to economic expansion. Given the catastrophic collapse in U.S. economic activity in the first half of 2020 as a result of the global pandemic and the mitigation efforts put in place to contain it, few forecasters could have expected—or even dared to hope—in the spring of last year that the recovery in gross domestic product (GDP), from the sharpest decline in activity since the Great Depression, would be either so robust or as rapid. In retrospect, it seems clear that timely and targeted monetary and fiscal policy actions—unprecedented in both scale and scope—provided essential and significant support to the economic recovery as it got under way last year. Indeed, the National Bureau of Economic Research's Business Cycle Dating Committee determined in July that the recession that began in March of last year ended in April, making it not only the deepest recession on record, but also the briefest. The recovery that commenced in the summer of 2020 was quite robust, and, with one quarter to go, GDP growth in 2021 is projected by the Fed and many outside forecasters to be the fastest since 1983. However, it must be noted that the course of the economy this year and beyond will depend on the course of this virus. That said, under the median projection for GDP growth in the September Summary of Economic projections, the level of real GDP will have returned to its pre pandemic trend growth trajectory by the fourth quarter of 2021, which if realized would represent one of the most rapid such recoveries in 50 years.

Source link.

The U.S. Housing and Mortgage Market: Risks and Resilience - Governor Michelle W. Bowman (11.08.2021)

Good afternoon, everyone. It is a pleasure to join you today. Thank you for the invitation. Developments in the housing and mortgage markets have a major effect on the economy and the financial system, so the Federal Reserve Board monitors these markets closely. I am happy to share some of my observations about these markets and to learn from your knowledge and experiences as well.

I know I am speaking to an audience with considerable expertise in these areas, and so you know already that 2020 and 2021 have been interesting times, to say the least, in housing and mortgage markets. I will focus my

comments today on three areas: the strong increase in home prices in the past year and a half, the wind-down of forbearance programs enacted after the advent of COVID-19, and what we learned about the financial stability risks associated with nonbank mortgage companies during the pandemic. As I hope will become apparent during these remarks, these three topics may seem unrelated but they are actually connected.

I will start with some comments on home prices. Home prices had been rising at a moderate rate since 2012, but since mid-2020, their growth has accelerated significantly. In total, home prices in September were 21 percent higher than in June 2020. Home price increases are also widespread. In September, about 90 percent of American cities had experienced rising home prices over the past three months, and the home price increases were substantial in most of these cities.

Source link.

Consumer Credit - G.19 (11.05.2021)

September 2021

Consumer credit increased at a seasonally adjusted annual rate of 5.6 percent during the third quarter. Revolving credit increased at an annual rate of 7.4 percent, while nonrevolving credit increased at an annual rate of 5.1 percent. In September, consumer credit increased at an annual rate of 8.3 percent.

Source link.

The Lack of New Bank Formations is a Significant Issue for the Banking Industry - Governor Michelle W. Bowman (10.22.2021)

Good morning. I appreciate the opportunity to be part of this symposium on "Banking on the Future," especially since the future of banking is one of the highest priorities in my work at the Board. Today, I will focus my remarks on the importance of community banks to our financial system and the challenges they face. In particular, I will focus on the formation of new banks and pose two key questions concerning the recent scarcity of these "de novo" banks.

The first question: Why have there been so few de novo bank formations over the last decade? And second, what can be done to encourage more de novo banks? I will begin with some background on community banks and bank formations.

The Importance of Community Banks

By serving communities, households, and businesses that may be underserved by larger institutions, community banks play a key role in advancing diversification in the U.S. banking system. First and foremost, community banks provide critical financial services to their communities and to many customers who might have limited geographic access to banking services. Because community bankers are active participants and leaders in their communities, they typically know their customers and their needs better than a banker at a branch of a larger institution. Community banks draw upon this knowledge and conduct "relationship" lending versus relying on automated underwriting models that are typical in larger institutions. Therefore, community banks are more willing to underwrite loans to creditworthy customers based on an assessment of qualitative factors that automated models do not consider. Since community bankers are part of the fabric of their communities, they better understand the local market and economic conditions in the area compared to larger institutions that are not resident within the community.

Collectively, community banks are critical in advancing the health and stability of the U.S. economy as evidenced by their participation in the Small Business Administration's Paycheck Protection Program (PPP). Community banks made 4.7 million PPP loans, totaling $429 billion, which accounted for nearly 60 percent of the program's total loan amount. In comparison with the banking industry as a whole, these banks provided more loans to traditionally underserved communities and population segments: community banks provided 87 percent of total PPP loans to minority-owned businesses, 81 percent to women-owned businesses, and 69 percent to veteran-owned businesses.

Source link.

How Long is Too Long? How High is Too High?: Managing Recent Inflation Developments within the FOMC's Monetary Policy Framework - Governor Randal K. Quarles (10.20.2021)

Thank you to the Milken Institute for the opportunity to join you today. This morning I'd like to outline my view of current economic conditions and the economic outlook and then turn to the implications for monetary policy. In particular, with employment still well below its February 2020 peak, I will focus on how the escalation in inflation this year is testing the monetary policy framework adopted by the Federal Open Market Committee (FOMC) in August 2020.1

Outlook for Economic Growth

Recent data suggest that growth in the third quarter is likely to be lower than we had expected, but the foundations remain in place for strong economic growth over the remainder of this year and next. Employment is growing, financial conditions are accommodative, businesses are investing, and households, in the aggregate, have a large stock of savings to draw on for future spending. Weaker growth in payrolls in August and September, along with uneven consumer spending in July and August, appear to reflect ongoing concerns in some parts of the country about the spread of COVID-19, especially in high-contact service industries. Supply bottlenecks and labor shortages that have been more widespread and persistent than many expected are camouflaging continued strong underlying demand for goods, services, and workers. Supply constraints are particularly evident in interest-sensitive parts of the economy, such as residential investment and vehicle sales, limiting the scope for additional monetary accommodation to stimulate activity in those sectors.

I expect that these developments, however, have for the most part simply postponed activity temporarily and that robust growth will return in the coming months. There is evidence in recent weeks that we seem to be moving into a new phase of the economy. Nominal retail sales rose seven-tenths of 1 percent in September on the heels of a nine-tenths increase in August, an indication that consumers kept up their pace of spending. Robust business investment in equipment and intangibles continued in the second quarter, and indicators suggest another gain in the third quarter. Forward indicators of business spending and the need for firms to replenish depleted inventories point to strong investment into next year.

Source link.

The Economic Outlook and a Cautionary Tale on "Idiosyncratic" Price Changes and Inflation - Governor Christopher J. Waller (10.19.2021)

Thank you to the institute for the opportunity to speak to you. Today my goal is to explain my outlook for the U.S. economy as well as how that perspective shapes my views on the appropriate approach to monetary policy.1 I have three points I would like you to take away from my comments. First, while there has been a significant

slowdown in third quarter gross domestic product (GDP) growth, it should rebound in the first half of 2022. Second, I believe that substantial progress has been made on both the inflation and employment legs of our dual mandate. Hence, I believe that we should soon commence tapering our asset purchases. Finally, the next several months are critical for assessing whether the high inflation numbers we have seen are transitory. If monthly prints of inflation continue to run high through the remainder of this year, a more aggressive policy response than just tapering may well be warranted in 2022.

In terms of economic growth, data for the third quarter of 2021 show that the economic recovery slowed as the effects of the Delta variant caused consumers and businesses to start pulling back on some forms of economic activity such as travel and leisure. Measures of consumer mobility, which are a good indicator of spending, grew strongly starting last winter but then started falling in June, around when the effects of Delta started to become significant. I and most other forecasters expected that real GDP would grow close to the very strong rate posted in the first half of the year, but it now appears that GDP growth will be closer to 3 percent at an annual rate.

The two major causes of this slowdown have been the extent of the economic effects of the Delta surge and the extent of supply constraints, both of which had larger effects than I and most forecasters expected. That was due to both the disappointingly low levels of vaccination in some areas and how highly contagious Delta proved to be. Meanwhile, we have seen labor shortages in many regions and many sectors that seem unwarranted given the level of unemployment and other indicators of slack in the labor market. And supply constraints have been very widespread, with many causes, only some of them directly related to COVID-19. U.S. imports have been disrupted both at the point of export and at U.S. ports, with backups at major ports larger than some have ever experienced. Thus, a lack of inputs and a lack of labor to use them have created a dramatic headwind for GDP.

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
09.01.2021	Small Business Lending Data Collection under the Equal Credit Opportunity Act - The Bureau of Consumer Financial Protection (Bureau) is publishing for public comment a proposed rule amending Regulation B to implement changes to the Equal Credit Opportunity Act (ECOA) made by section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-FrankAct). Consistent with section 1071, the Bureau is proposing to require covered financial institutions to collect and report to the Bureau data on applications for credit for small businesses, including those that are owned by women or minorities. The Bureau's proposal also addresses its approach to privacy interests and the publication of section 1071 data; shielding certain demographic data from underwriters and other persons; recordkeeping requirements; enforcement provisions; and the proposed rule's effective and compliance dates. DATES: Comments must be received on or before January 6, 2022.

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:

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.

02.17.2021 Higher-Priced Mortgage Loan Escrow Exemption (Regulation Z) -The Bureau of Consumer Financial Protection (Bureau) is issuing this final rule to amend Regulation Z, which implements the Truth in Lending Act, as mandated by section 108 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The amendments exempt certain insured depository institutions and insured credit unions from the requirement to establish escrow accounts for certain higher-priced mortgage loans. DATES: This final rule is effective February 17, 2021.

03.01.2021 Qualified Mortgage Definition under the Truth in Lending Act (Regulation Z): Seasoned QM Loan Definition - With certain exceptions, Regulation Z requires creditors to make a reasonable, good faith determination of a consumer's ability to repay any residential mortgage loan, and loans that meet Regulation Z's requirements for "qualified mortgages" (QMs) obtain certain protections from liability. Regulation Z contains several categories of QMs, including the General QM category and a temporary category (Temporary GSE QMs) of loans that are eligible for purchase or guarantee by government-sponsored enterprises (GSEs) while they are operating under the conservatorship or receivership of the Federal Housing Finance Agency (FHFA). The Bureau of Consumer Financial Protection (Bureau) is issuing this final rule to create a new category of QMs (Seasoned QMs) for first-lien, fixed-rate covered transactions that have met certain performance requirements, are held in portfolio by the originating creditor or first purchaser for a 36-month period, comply with general restrictions on product features and points and fees, and meet certain underwriting requirements. The Bureau's primary objective with this final rule is to ensure access to responsible, affordable mortgage credit by adding a Seasoned QM definition to the existing QM definitions. DATES: This final rule is effective March 1, 2021.

03.15.2021 OCC Final Rule on Supervisory Guidance - The OCC is adopting a final rule that codifies the Interagency Statement Clarifying the Role of Supervisory Guidance, issued by the OCC, Board of Governors of the Federal Reserve System (Board), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and Bureau of Consumer Financial Protection (Bureau) (collectively, the agencies) on September 11, 2018 (2018 Statement). By codifying the 2018 Statement, with amendments, the final rule confirms that the OCC will continue to follow and respect the limits of administrative law in carrying out its 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. Because it is incorporated into the final rule, the 2018 Statement, as amended, is binding on the OCC. The final rule adopts the rule as proposed without substantive change. DATES: This final rule is effective March 15, 2021.

03.15.2021 CFPB Final Rule On The Role Of Supervisory Guidance - The Bureau of Consumer Financial Protection (Bureau) is adopting a final rule that codifies the Interagency Statement Clarifying the Role of Supervisory Guidance, issued by the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and the Bureau (collectively, the agencies) on September 11, 2018 (2018 Statement). By codifying the 2018 Statement, with amendments, the final rule confirms that the Bureau will continue to follow and respect the limits of administrative law in carrying out its 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. Because it is incorporated into the final rule, the 2018 Statement, as amended, is binding on the Bureau. The final rule adopts the rule as proposed without substantive change. DATES: This final rule is effective March 15, 2021.

04.01.2021 Unsafe and Unsound Banking Practices: Brokered Deposits and Interest Rate Restriction - The FDIC is finalizing revisions to its regulations relating to the brokered deposits and interest rate restrictions that apply to less than well capitalized insured depository institutions. For brokered deposits, the final rule establishes a new framework for analyzing certain provisions of the "deposit broker" definition, including "facilitating" and "primary purpose." For the interest rate restrictions, the FDIC is amending its methodology for calculating the national rate, the national rate cap, and the local market rate cap. Further, the FDIC is explaining when nonmaturity deposits are accepted and when nonmaturity deposits are solicited for purposes of applying the brokered deposits and interest rate restrictions. DATES: Effective Date: April 1, 2021; with an extended compliance date of January 1, 2022, as provided in section I(C)(4).

04.01.2021 FDIC Rule on the Role of Supervisory Guidance - The FDIC is adopting a final rule that codifies the Interagency Statement Clarifying the Role of Supervisory Guidance, issued by the FDIC, Board of Governors of the Federal Reserve System (Board), Office of the Comptroller of the Currency, Treasury (OCC), National Credit Union Administration (NCUA), and Bureau of Consumer Financial Protection (Bureau)(collectively, the agencies) on September 11, 2018 (2018 Statement). By codifying the

2018 Statement, with amendments, the final rule confirms that the FDIC will continue to follow and respect the limits of administrative law in carrying out its 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. Because it is incorporated into the final rule, the 2018 Statement, as amended, is binding on the FDIC. The final rule adopts the rule as proposed without substantive changes. DATES: This final rule is effective April 1, 2021.

04.01.2021 Unsafe and Unsound Banking Practices: Brokered Deposits and Interest Rate Restriction - The FDIC is finalizing revisions to its regulations relating to the brokered deposits and interest rate restrictions that apply to less than well capitalized insured depository institutions. For brokered deposits, the final rule establishes a new framework for analyzing certain provisions of the "deposit broker" definition, including "facilitating" and "primary purpose." For the interest rate restrictions, the FDIC is amending its methodology for calculating the national rate, the national rate cap, and the local market rate cap. Further, the FDIC is explaining when nonmaturity deposits are accepted and when nonmaturity deposits are solicited for purposes of applying the brokered deposits and interest rate restrictions. DATES: Effective Date: April 1, 2021; with an extended compliance date of January 1, 2022, as provided in section I(C)(4).

07.29.2021 Regulation D: Reserve Requirements of Depository Institutions - The Board of Governors of the Federal Reserve System ("Board") is adopting amendments to Regulation D (Reserve Requirements of Depository Institutions) to eliminate references to an "interest on required reserves" rate and to an "interest on excess reserves" rate and replace them with a reference to a single "interest on reserve balances" rate; and to simplify the formula used to calculate the amount of interest paid on balances maintained by or on behalf of eligible institutions in master accounts at Federal Reserve Banks, and to make other conforming amendments. The Board requested comment on the amendments and received one comment that addressed issues not raised by the proposed amendments. Accordingly, the Board is adopting the final rule as proposed without change. DATES: Effective July 29, 2021.

08.31.2021 Protections for Borrowers Affected by the COVID-19 Emergency Under the Real Estate Settlement Procedures Act (RESPA), Regulation X - The Bureau of Consumer Financial Protection (Bureau) is issuing this final rule to amend Regulation X to assist mortgage borrowers affected by the COVID-19 emergency. The final rule establishes temporary procedural safeguards to help ensure that borrowers have a meaningful opportunity to be reviewed for loss mitigation before the servicer can make the first notice or filing required for foreclosure on certain mortgages. In addition, the final rule would temporarily permit mortgage servicers to offer certain loan modifications made available to borrowers experiencing a COVID-19-related hardship based on the evaluation of an incomplete application. The Bureau is also finalizing certain temporary amendments to the early intervention and reasonable diligence obligations that Regulation X imposes on mortgage servicers. DATES: This final rule is effective on August 31, 2021.

11.26.2021 Real Estate Lending Standards - The FDIC is issuing a final rule to amend Interagency Guidelines for Real Estate Lending Policies (Real Estate Lending Standards). The purpose of the final rule is to incorporate consideration of the community bank leverage ratio (CBLR) rule, which does not require electing institutions to calculate tier 2 capital or total capital, into the Real Estate Lending Standards. The final rule allows a consistent approach for calculating the ratio of loans in excess of the supervisory loanto-value limits (LTV Limits) at all FDICsupervised institutions, using a methodology that approximates the historical methodology the FDIC has followed for calculating this measurement without requiring institutions to calculate tier 2 capital. The final rule also avoids any regulatory burden that could arise if an FDICsupervised institution subsequently decides to switch between different capital frameworks. DATES: The final rule is effective on November 26, 2021.

10.01.2022 Qualified Mortgage Definition under the Truth in Lending Act (Regulation Z): General QM Loan Definition - With certain exceptions, Regulation Z requires creditors to make a reasonable, good faith determination of a consumer's ability to repay any residential mortgage loan, and loans that meet Regulation Z's requirements for "qualified mortgages" (QMs) obtain certain protections from liability. One category of QMs is the General QM category. For General QMs, the ratio of the consumer's total monthly debt to total monthly income (DTI or DTI ratio) must not exceed 43 percent. This final rule amends the General QM loan definition in Regulation Z. Among other things, the final rule removes the General QM loan definition's 43 percent DTI limit and replaces it with price-based thresholds. Another category of QMs consists of loans that are eligible for purchase or guarantee by either the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac) (government-sponsored enterprises or GSEs), while operating under the conservatorship or receivership of the Federal Housing Finance Agency (FHFA). The GSEs are currently under Federal conservatorship. In 2013, the Bureau established this category of QMs (Temporary GSE QMs) as a temporary measure that would expire no later than January 10, 2021 or when the GSEs cease to operate under conservatorship. In a final rule released on October 20, 2020, the Bureau extended the Temporary GSE QM loan definition to expire on the mandatory compliance date of final amendments to the General QM loan definition in Regulation Z (or when the GSEs cease to operate under the conservatorship of the FHFA, if that happens earlier). In this final rule, the Bureau adopts the amendments to the General QM loan definition that are referenced in that separate final

rule. DATES: The Consumer Financial Protection Bureau (CFPB) formally delayed the mandatory compliance date of the General Qualified Mortgage (QM) final rule from July 1, 2021 to October 1, 2022.

Common words, phrases and acronyms

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

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

Reg. P	Privacy of Consumer Financial Information
Reg. X	Real Estate Settlement Procedures Act
Reg. Z	Truth in Lending
RESPA	Real Estate Settlement Procedures Act

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