



## Capitol Comments May 2017

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

**Opening Comment:** *New regulatory climate remains an issue. With the advent of a new presidential administration and the pending changes in top regulators, the agencies appear to be taking a deep breath and putting out a fairly limited set of final and proposed rules. One presidential Executive Order would require elimination of two regs for every new one. However, the EO applies to “executive agencies,” and it does not apply to the SEC nor most likely to the OCC, FDIC or CFPB. Also, it can’t require elimination of rules required by statute. Still, it creates a different climate with regard to proliferation of new rules. Watch this space for response to this effort on regulatory burden relief.*

### CFPB actions

#### CFPB Seeking Comment on Plan for Assessing the Mortgage Servicing Rule

On May 04, 2017, CFPB released its plan to assess the effectiveness of the Real Estate Settlement Procedures Act (RESPA) mortgage servicing rule. They are asking the public to comment on the plan, to suggest sources of data, and generally to provide other information that would help with the assessment.

Mortgage loan servicers are typically responsible for several activities relating to mortgage loans such as:

- Processing loan payments
- Responding to borrower inquiries
- Keeping track of principal and interest paid
- Managing escrow accounts
- Reporting to investors
- Pursuing collection and loss mitigation activities (including foreclosures and loan modifications) under certain circumstances

The RESPA Servicing Final Rule gave borrowers new consumer protections related to mortgage loan servicing, many of which were aimed at helping consumers who were having trouble making their mortgage payments. The rule also provided a limited exemption for small servicers with regard to the loss mitigation provisions.

**Comment:** *This official request asks for comment on the CFPB’s plan and for suggestions on data and other information that would prove helpful. Under the Dodd-Frank Act, the CFPB must review some of the rules within five years after the effective date. To read the release and learn how to submit comments, click [here](#).*

#### CFPB Asks for Public Feedback on Ways to Bridge the Information Gap on Small Business Lending

WASHINGTON, D.C. – On May 10, 2017, the Consumer Financial Protection Bureau launched an inquiry into ways to gather and use new and existing information to identify the financing needs of small businesses, especially those owned

by women and minorities. Small businesses typically need access to credit to take advantage of growth opportunities, yet public information on this lending market is inconsistent and incomplete. The Request for Information asks for public feedback to help the Bureau better understand how to bridge this information gap. Section 1071 of the Dodd-Frank Act requires the CFPB to collect data about small business lending to help identify needs and opportunities in the market and to facilitate enforcement of fair lending laws.

***Comment: Alleging that public information on small business lending is inconsistent and incomplete, the CFPB is seeking public comments from individual businesses, consumer groups, community development organizations, banks, and regulators. To read the release and learn how to submit comments, click [here](#). Meanwhile, many state associations and ICBA are pressing hard for legislative relief from this data collection. In addition to being burdensome (and likely hard to do!), the rule will be used in the same manner as HMDA to find fair lending concerns through statistical analyses.***

## CFPB Delays Effective Date of Prepaid Accounts Under the Electronic Fund Transfer Act (Regulation E) and the Truth in Lending Act (Regulation Z)

The Bureau issued a final rule [April 25, 2017] to delay the Oct. 1, 2017 effective date of the rule governing Prepaid Accounts Under the Electronic Fund Transfer Act (Regulation E) and the Truth in Lending Act (Regulation Z) by six months, to April 1, 2018.

***Comment: Banks identified a number of issues that presented specific compliance challenges or added uncertainty. The CFPB specifically has left open the possibility that it will consider other substantive changes to the Prepaid Accounts Rule but did not provide more detail on which issues might be subject to further consideration. Although few community banks issue prepaid cards (other than gift cards, which are not covered), many do issue payroll cards, which are affected by this rule. Note that this delay does not impact the CFPB's ability to pursue enforcement action under UDAAP. To read the Final Rule, click [here](#). This prepaid rule was targeted as one of the Obama era rules to eliminate.***

## FDIC actions

### FDIC Releases Final Handbook for Organizers of De Novo Institutions

Summary: Applying for Deposit Insurance – A Handbook for Organizers of De Novo Institutions provides an overview of the business considerations and statutory requirements that de novo organizers will face as they work to apply for deposit insurance and establish a new depository institution.

***Comment: State associations have urged the FDIC for years to do more to address the long term drought in de novo formation. To review the new handbook, click [here](#).***

## OCC actions

### OCC Hosts Atlanta Workshop for Board Directors and Now for Bank Management

WASHINGTON — The Office of the Comptroller of the Currency will host a workshop in Atlanta at the Sheraton Atlanta Hotel, June 26-28, for directors, senior management team members and other key executives of national community banks and federal savings associations supervised by the OCC.

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

The workshop fee is \$99. Participants receive a pre-workshop reading package and course materials, assorted supervisory publications, and a Dictionary of Banking Terms. The workshop is limited to the first 35 registrants.

The workshops are taught by experienced OCC staff and are offered nationwide to enhance and expand the skills of national community bank and federal savings association directors. To register for this workshop, visit [www.occ.gov/occworkshops](http://www.occ.gov/occworkshops) or call (240) 485-1700.

***Comment: To read the entire news release, click [here](#).***

### **OCC Hosts Credit Risk and Operational Risk Workshops in Nashville**

WASHINGTON — The Office of the Comptroller of the Currency will host two workshops at the Inn at Opryland in Nashville, Tenn., June 20-21, for directors of national community banks and federal savings associations supervised by the OCC.

The Credit Risk workshop on June 20 focuses on credit risk within the loan portfolio, such as identifying trends and recognizing problems. The workshop also covers the roles of the board and management, how to stay informed of changes in credit risk, and how to effect change.

The Operational Risk workshop on June 21 focuses on the key components of operational risk—people, processes and systems. The workshop also covers governance, third-party risk, vendor management, and cybersecurity.

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

The workshops are taught by experienced OCC staff and are offered nationwide to enhance and expand the skills of national community bank and federal savings association directors. To register for this workshop, visit [www.occ.gov/occworkshops](http://www.occ.gov/occworkshops) or call (240) 485-1700.

***Comment: To read the entire news release, click [here](#).***

### **OCC Issues Revised “Public Notice and Comments” Booklet**

The Office of the Comptroller of the Currency (OCC) issued the “Public Notice and Comments” booklet of the Comptroller’s Licensing Manual. This revised booklet replaces the “Public Notice and Comments” booklet issued in March 2007. This booklet incorporates public notice and comments procedures and requirements that were updated following the integration of the Office of Thrift Supervision (OTS) into the OCC in 2011, and the issuance of revised regulations (12 CFR 5) that became effective July 1, 2015, addressing the publishing of public notices by national banks, federal savings associations, and federal branches and agencies.

Note for Community Banks - This booklet applies to all national banks, federal savings associations, and federal branches and agencies.

***Comment: The “Public Notice and Comments” booklet provides information about public notice requirements and procedures. The revised version replaces the booklet published in March 2007. To read the press release and access the revised booklet, click [here](#).***

### **OCC Issues Revised “Fiduciary Powers” Booklet**

The Office of the Comptroller of the Currency (OCC) issued the “Public Notice and Comments” booklet of the Comptroller’s Licensing Manual. This revised booklet replaces the “Public Notice and Comments” booklet issued in March 2007. This booklet incorporates public notice and comments procedures and requirements that were updated following the integration of the Office of Thrift Supervision (OTS) into the OCC in 2011, and the issuance of revised regulations (12 CFR 5) that became effective July 1, 2015, addressing the publishing of public notices by national banks, federal savings associations, and federal branches and agencies.

Note for Community Banks - This booklet applies to all national banks and federal savings associations.

***Comment: The "Fiduciary Powers" booklet outlines policies and procedures for banks and federal savings associations exercising fiduciary powers. The revised version replaces the booklet published in June 2002. To read the press release and access the revised booklet, click [here](#).***

### **OCC Announces New Deputy Comptrollers in Midsize and Community Bank Supervision**

WASHINGTON — The Office of the Comptroller of the Currency (OCC) today announced the selection of Scott Schainost to be Deputy Comptroller for Midsize Bank Supervision and Troy Thornton to be Deputy Comptroller for the OCC's Southern District.

Mr. Thornton will serve as the Deputy Comptroller for OCC's Southern District, headquartered in Dallas. The Southern District is one of four districts that make up the OCC's community bank supervision. In this role, Mr. Thornton will oversee the supervision of more than 390 national banks, federal savings associations and trust companies, and 28 technology service providers spread over nine states from Texas to Florida. He will manage staff in 21 field and satellite offices throughout the district. He takes on this new role in June.

Mr. Thornton is filling a vacancy left by the retirement of Gilbert Barker in November 2016.

Mr. Thornton began his career at the OCC 31 years ago as a Field Examiner in Lubbock, Texas. Since then, he has served as a Field Manager, Problem Bank Analyst, Assistant Deputy Comptroller, and Associate Deputy Comptroller. Mr. Thornton has also supported the agency by chairing district risk and human resources committees, participating in the development and training of new and experienced examiners, and promoting the awareness of OCC expectations externally as a lead instructor for the OCC's Community Bank Director Workshop program.

***Comment: To read the news release, click [here](#).***

### **OCC to Host Risk Governance and Compliance Workshops in Oklahoma**

WASHINGTON — The Office of the Comptroller of the Currency will host two workshops in Oklahoma City at the Aloft Oklahoma City Downtown-Bricktown, June 6-7, for directors of national community banks and federal savings associations supervised by the OCC.

The Risk Governance workshop on June 6 combines lectures, discussion, and exercises to provide practical information for directors to effectively measure and manage risks. The workshop also focuses on the OCC's approach to risk-based supervision and major risks in the financial industry.

The Compliance Risk workshop on June 7 combines lectures, discussion, and exercises on the critical elements of an effective compliance risk management program. The workshop also focuses on major compliance risks and critical regulations. Topics of discussion include the Bank Secrecy Act, Flood Disaster Protection Act, Fair Lending, Home Mortgage Disclosure Act, Community Reinvestment Act, and other compliance areas of interest.

The workshop fee is \$99. Participants receive a pre-workshop reading package and course materials, and assorted supervisory publications. The workshop is limited to the first 35 registrants.

The workshops are taught by experienced OCC staff and are offered nationwide to enhance and expand the skills of national community bank and federal savings association directors. To register for this workshop, visit [www.occ.gov/occworkshops](http://www.occ.gov/occworkshops) or call (240) 485-1700.

***Comment: To read the entire news release, click [here](#).***

### **Thomas J. Curry Stepped Down May 5, Keith A. Noreika to Serve as Acting Comptroller of the Currency**

WASHINGTON — Thomas J. Curry resigned as Comptroller on May 5, 2017, and Keith A. Noreika began serving as Acting Comptroller of the Currency.

“Serving as Comptroller of the Currency has been the highlight of my career,” said Curry. “The Comptroller is a special job and I am proud to have served with 4,000 men and women who showed such deep dedication to the agency’s mission of ensuring the safety and soundness of the federal banking system and the fair treatment of its customers.”

Mr. Curry completed his five-year term on April 9, 2017, and plans to return home to Boston, Mass.

Mr. Noreika became Acting Comptroller of the Currency on Friday, May 5, 2017. Previously, he was a partner at Simpson Thacher & Bartlett LLP and prior to that, a partner at Covington & Burling, specializing in banking regulation. He has extensive experience advising regional, multinational, and other banks on structuring their operations, including compliance with the Volcker Rule and Consumer Financial Protection Bureau regulations, and Bank Secrecy Act and anti-money laundering rules. Mr. Noreika has represented national banks before the Supreme Court and has worked extensively with all federal bank regulatory agencies.

Mr. Noreika has been an adjunct faculty member at the University of Pennsylvania Law School and the University of Virginia School of Law. He received his juris doctor in 1997 from Harvard Law School, where he was editor of the Harvard Law Review. He earned his bachelor of science from The Wharton School of the University of Pennsylvania in 1994.

***Comment: Until a replacement is named by the Trump administration, Keith Noreika will serve as acting comptroller of the currency. To read the entire news release, click [here](#). In a controversial first act, Noreika has indicated that he will review whether he can revise the Volcker Rule without amendment to the Dodd Frank Act. By appointing him as “acting comptroller,” Trump has sidestepped Senate approval.***

## Other federal action and news

### CSBS Announces Vision 2020 for Fintech and Non-Bank Regulation

Washington, D.C. – On May 10, 2017, the Conference of State Bank Supervisors (CSBS) Board of Directors announced Vision 2020, a series of initiatives to modernize state regulation of non-banks, including financial technology firms. Achieving this vision should result in a regulatory system that makes supervision more efficient and recognizes standards across state lines – actions that will better support start-ups and enable national scale while protecting consumers and the financial system.

The CSBS Board approved a policy statement: “CSBS, the states and territories will create consistent and data-driven solutions that support innovation by minimizing friction in the state regulatory system. By 2020, state regulators will adopt an integrated, 50-state licensing and supervisory system, leveraging technology and smart regulatory policy to transform the interaction between industry, regulators and consumers.”

“We are committed to a multi-state experience that is as seamless as possible,” added CSBS Chairman and Texas Commissioner of Banking Charles G. Cooper. “Through Vision 2020, state regulators will transform the licensing process, harmonize supervision, engage fintech companies, assist state banking departments, make it easier for banks to provide services to non-banks, and make supervision more efficient for third parties.”

Among the initial set of actions that CSBS and state regulators are taking:

- Redesign the Nationwide Multistate Licensing System (NMLS). CSBS has launched a technology effort that redesigns and expands NMLS, the common platform for state non-bank regulation. The redesign will use data and analytics to provide a more automated licensing process for new applicants, streamline multi-state regulation, and shift state resources to higher-risk cases. State regulators also will ensure transparency through NMLS Consumer Access, which was viewed 3.7 million times last year.
- Harmonize multi-state supervision. CSBS has created working groups to establish model approaches to key aspects of non-bank supervision. The groups will work to enhance uniformity in examinations, facilitate best practices, and capture and report non-bank violations at the national level. To further streamline the process, CSBS will create a common technology platform for state examinations.
- Form an industry advisory panel. CSBS will establish a fintech industry advisory panel to identify points of friction in licensing and multi-state regulation, and provide feedback to state efforts to modernize regulatory regimes. The panel



will focus on lending and money transmission, and discuss a wide range of solutions. Individual state regulators already have been engaging the fintech industry in formal dialogue.

- Assist state banking departments. CSBS education programs will make state departments more effective in supervising banks and non-banks. Updated standards and analytics will help states determine where new expertise is most needed, identify and address weaknesses, update supervisory processes, and compare themselves to and learn from other state departments. These higher standards will be validated through an enhanced CSBS accreditation program.
- Make it easier for banks to provide services to non-banks. CSBS is stepping up efforts to address de-risking – where banks are cautious about doing business with non-banks, due to regulatory uncertainty – by increasing industry awareness that strong regulatory regimes exist for compliance with laws for money laundering, the Bank Secrecy Act, and cybersecurity.
- Make supervision more efficient for third parties. Banks of all sizes work with a variety of third-party service providers, including fintech companies. CSBS supports federal legislation that would allow state and federal regulators to better coordinate supervision of bank third-party service providers.

Together, these and other initiatives will help advance the vision for a more streamlined state regulatory system that supports business innovation, local and national economic growth, and essential protections for consumers and taxpayers.

***Comment: The intent appears to provide an alternative solution for emerging Fintech firms and non-bank financial services. Vision 2020 comes after the CSBS sued the Office of the Comptroller of the Currency and their attempt to create a national Fintech Charter (and thus exempt a certain amount of state regulation). To read the entire news release, click [here](#).***

### **FinCEN Awards Recognize Law Enforcement Success Stories Supported by Bank Secrecy Act Reporting**

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) held its third annual Law Enforcement Awards ceremony at the U.S. Department of the Treasury. FinCEN presented awards to law enforcement agencies that use Bank Secrecy Act reporting provided by financial institutions in their criminal investigations. The goals of the program are to recognize law enforcement agencies that made effective use of financial institution reporting to obtain a successful prosecution, and to demonstrate to the financial industry the value of its reporting to law enforcement. The program emphasizes that prompt and accurate reporting by the financial industry is vital to the successful partnership with law enforcement to fight financial crime.

“The scope and quality of the data that we are collecting through Bank Secrecy Act reporting is constantly improving, and FinCEN has made great advancements to provide law enforcement and stakeholders faster and easier access to financial intelligence that will assist with investigations and prosecutions,” said Treasury Secretary Steven T. Mnuchin, who congratulated award recipients at the opening of the awards ceremony. “These success stories highlight the value of our ongoing efforts to strengthen partnerships to combat money laundering, fraud, corruption, criminal trafficking, and other illicit activities.”

The program includes six award categories recognizing achievements in combatting significant threats to the integrity of the financial system and the safety of our communities. The program is open to all Federal, state, local, and tribal law enforcement agencies.

***Comment: To read the entire news release, click [here](#). Consider using these and other FinCEN reported stories as case studies for bank BSA/AML training.***

### **CSBS Files Complaint Against Comptroller of the Currency**

Washington, D.C. – The Conference of State Bank Supervisors (CSBS) announced it has filed a complaint in the United States District Court for the District of Columbia against the Office of the Comptroller of Currency (OCC). The complaint

seeks to prevent the agency from moving forward with an unlawful attempt to create a national nonbank charter that will harm markets, innovation and consumers.

“The OCC’s action is an unprecedented, unlawful expansion of the chartering authority given to it by Congress for national banks. If Congress had intended it to be used for another purpose, it would have explicitly authorized the OCC to do so,” said John W. Ryan, CSBS President and CEO. “If the OCC is allowed to proceed with the creation of a special purpose nonbank charter, it will set a dangerous precedent that any federal agency can act beyond the legal limits of its authority. We are confident that we will prevail on the merits.”

***Comment: The CSBS letter refers to previous comment letters stating that the charter would be an unprecedented, unlawful expansion of the OCC’s authority. The letter goes on to detail how the proposed charter would result in a fatally flawed regulatory framework. To read the news release and access the comment letter, click [here](#).***

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

### Federal Reserve Bank of Dallas: Soft First-Quarter GDP Data Inconsistent with Other Strong Indicators

The advance estimate of U.S. gross domestic product (GDP) growth in the first quarter was rather disappointing. Personal consumption expenditures (PCE), business fixed investment, residential fixed investment and net exports contributed to output growth; however, these gains were nearly offset by a decline in private inventory investment and government spending. The latest data on inflation measures also showed prices rising at a slower rate than earlier in the year and lagging wage growth. In contrast, employment growth was particularly strong in April and Institute for Supply Management (ISM) indexes for the manufacturing and service sectors remained positive.

#### Slow First Quarter Largely Due to Weak Personal Consumption Expenditures

The advance estimate of real GDP for first quarter 2017 showed the economy growing at a lackluster seasonally adjusted annual rate of 0.7 percent (Chart 1), considerably below consensus forecast. PCE contributed a meager 0.2 percentage points to output growth, a sizeable drop from the 2.4 percentage-point contribution in fourth quarter 2016. The slowdown in consumption growth was partially a result of a cutback in purchases of high-priced items such as automobiles and in part due to a decrease in consumption of utilities—particularly for heating—likely due to a milder winter season.

***Comment: To read the report, click [here](#).***

### FRB Releases Senior Loan Officer Opinion Survey on Bank Lending Practices

The April 2017 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 roughly corresponds to the first quarter of 2017.<sup>1</sup> The survey also included a set of special questions on commercial real estate (CRE) lending conditions. This summary discusses the responses from 72 domestic banks and 20 U.S. branches and agencies of foreign banks.

***Comment: To view the survey results, click [here](#).***

### CFPB Deputy Director David Silberman Speaks at the Community Bank Advisory Council

Regarding Data Aggregators – “One pressing issue is how to satisfy the demands of consumers without exposing the providers that maintain this data to undue costs and risks. Another pressing issue is how to prevent consumers from subjecting themselves to undue risks, including the possibility that their data could be misused.

Over the past few months, we have received about 70 comments from financial institutions, data aggregators, companies that use aggregated data, trade associations, consumer groups, and individuals. We are sifting through the

comments, which are extensive and thoughtful. They present a wide range of ideas about how best to achieve the broad goals we have in mind.

*Certain perspectives presented in the comments are not surprising. Banks and other financial companies raise concerns about consumer data security and offer solutions that may address those concerns. Aggregators and users of the data, by contrast, are recommending less fettered access and greater freedom to store and use the data that consumers permit them to collect. This would give them more flexibility to enhance their services and their business models. Almost everyone is offering arguments that their approach will better protect the interests of consumers. At stake is how consumers can control what data is shared, and whether security or other concerns should restrict how it is shared, with whom, how often, and for what purposes."*

**Comment:** *To read the Deputy Director Silberman's remarks in their entirety, click [here](#).*

## **FBI: BUSINESS E-MAIL COMPROMISE; E-MAIL ACCOUNT COMPROMISE**

This Public Service Announcement (PSA) is an update to Business E-mail Compromise (BEC) PSAs 1-012215-PSA, 1-082715a-PSA and I-061416-PSA, all of which are posted on [www.ic3.gov](http://www.ic3.gov). This PSA includes new Internet Crime Complaint Center (IC3) complaint information and updated statistical data as of December 31, 2016.

**Comment:** *This PSA addresses a very serious problem for all community bankers – Business E-Mail Compromise. This PSA includes the fact that in one years' time, losses from BEC/EAC increased 2,370%. This PSA should be distributed to all departments and shared with business accountholders. To read the PSA, click [here](#). The recent "WannaCry" ransomware attack, which started May 12, 2017, has raised international awareness of the dangers of cyberattacks and brought home the significance of maintaining operating system patches.*

## **S&P CoreLogic Releases Case-Shiller Home Price Indices For April, 2017**

The S&P CoreLogic Case-Shiller Home Price Indices are the leading measures of U.S. residential real estate prices, tracking changes in the value of residential real estate both nationally as well as in 20 metropolitan regions.

The S&P CoreLogic Case-Shiller 20-City Composite Home Price NSA Index seeks to measure the value of residential real estate in 20 major U.S. metropolitan areas: Atlanta, Boston, Charlotte, Chicago, Cleveland, **Dallas**, Denver, Detroit, Las Vegas, Los Angeles, Miami, Minneapolis, New York, Phoenix, Portland, San Diego, San Francisco, Seattle, Tampa and Washington, D.C.

**Comment:** *To read the report, click [here](#).*

## **FRB Issues Beige Book**

Commonly known as the Beige Book, this report is published eight times per year – the third of which for 2017 was released April 19. 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.

**Comment:** *The report noted that "consumer spending varied as reports of stronger light vehicle sales were accompanied by somewhat softer readings in non-auto retail spending." To download the \*.pdf, click [here](#).*



## 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.

Posted Date	SUMMARY OF PROPOSED RULE
04.13.2017	The Bureau of Consumer Financial Protection (Bureau) <a href="#">proposes</a> amendments to Regulation C to make technical corrections to and to clarify certain requirements adopted by the Bureau's Home Mortgage Disclosure (Regulation C) final rule ( 2015 HMDA Final Rule or the Final Rule), which was published in the <i>Federal Register</i> on October 28, 2015. The Bureau also proposes a new reporting exclusion. Comments on the proposal will be due 30 days after it is published in the Federal Register.

## Selected federal rules - upcoming effective dates

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

EFFECTIVE DATE:	SUMMARY OF FINAL RULE:
09.30.2017	<a href="#">Joint Agencies: Loans in Areas Having Special Flood Hazards</a> A lender that loses the small lender exemption shall mail or deliver to the borrower no later than September 30 of the first calendar year in which the lender loses its small lenders exemption a notice in writing, or if the borrower agrees, electronically, informing the borrower of the option to escrow all premiums and fees for any required flood insurance and the method(s) by which the borrower may request escrow, using language similar to the model clause in appendix B. A lender loses the exemption when its assets are $\geq$ \$1 billion. This applies to any loan secured by residential improved real estate or a mobile home that is outstanding on July 1 of the first calendar year in which the lender no longer qualifies for the small lender exemption (exception is for lenders with $<$ \$1 billion in assets).
10.01.2017	<a href="#">Prepaid Accounts under the Electronic Fund Transfer Act (Regulation E) and the Truth In Lending Act (Regulation Z)</a> . The CFPB is issuing this final rule to create comprehensive consumer protections for prepaid accounts under Regulation E, which implements the Electronic Fund Transfer Act; Regulation Z, which implements the Truth in Lending Act; and the official interpretations to those regulations. The final rule modifies general Regulation E requirements to create tailored provisions governing disclosures, limited liability and error resolution, and periodic statements, and adds new requirements regarding the posting of account agreements. Additionally, the final rule regulates overdraft credit features that may be offered in conjunction with prepaid accounts. Subject to certain exceptions, such credit features will be covered under Regulation Z where the credit feature is offered by the prepaid account issuer, its affiliate, or its business partner and credit can be accessed in the course of a transaction conducted with a prepaid card. DATES: This rule is effective on October 1, 2017. The requirement in § 1005.19(b) to submit prepaid account agreements to the Bureau is delayed until October 1, 2018. See the CFPB's <a href="#">prepaid rule implementation page</a> . <b>Comment: The CFPB issued a Final Rule on April 25, 2017 delaying to delay the October 1, 2017 effective date of the rule governing Prepaid Accounts Under the Electronic Fund Transfer Act (Regulation E) and the Truth in Lending Act (Regulation Z) (the Prepaid Accounts Final Rule) by six months, until April 1, 2018.</b>
10.03.2017	Although the Military Lending Act was effective October 3, 2016, credit cards are exempt until October 3, 2017. <a href="#">80 Fed Reg 43560</a>
10.19.2017	<a href="#">Mortgage Servicing Rules</a> . The CFPB updated its mortgage servicing rules and expanded foreclosure protections. The final rule provides protections when a mortgage is transferred between servicers. Mortgage servicers must now offer mitigation services more than once if a borrower brings their mortgage current, then again becomes delinquent. The rule provides additional protections to mortgagors who acquired the mortgage, often through death or divorce. The rules require servicers to provide periodic statements to borrowers in bankruptcy in certain circumstances. The statements must contain specific information tailored for bankruptcy and about loss mitigation options. The CFPB published a summary for consumers on its website. <b>Servicers have a full year from the October 19, 2016, publication date (and for some changes 18 months) to implement the rules.</b>
10.19.2017	<a href="#">Safe harbors from FDCPA liability for actions complying with mortgage servicing rules under RESPA and Reg. Z</a> . The CFPB specified mortgage servicing rules in Regulations X and Z. This interpretive rule constitutes an advisory opinion for purposes of the FDCPA and provides safe harbors from liability for servicers acting in compliance with specified mortgage servicing rules in

three situations: Servicers do not violate FDCPA section 805(b) when communicating about the mortgage loan with confirmed successors in interest in compliance with specified mortgage servicing rules in Regulation X or Z; servicers do not violate FDCPA section 805(c) with respect to the mortgage loan when providing the written early intervention notice required by Regulation X to a borrower who has invoked the cease communication right under FDCPA section 805(c); and servicers do not violate FDCPA section 805(c) when responding to borrower-initiated communications concerning loss mitigation after the borrower has invoked the cease communication right under FDCPA section 805(c).

- 01.01.2018 [Home Mortgage Disclosure \(Regulation C\)](#). The CFPB amended Regulation C to implement amendments to HMDA made by section 1094 of the Dodd-Frank Act. Consistent with section 1094 of the Dodd-Frank Act, the CFPB is adding several new reporting requirements and clarifying several existing requirements. The CFPB is also modifying the institutional and transactional coverage of Regulation C. The final rule also provides extensive guidance regarding compliance with both the existing and new requirements.
- Comment: In 2018, all banks covered by Regulation C that originated at least 25 covered closed-end mortgage loans in either of the two preceding calendar years (2016 and 2017), OR all banks covered by Regulation C that originated at least 100 covered open-end lines in either of the two preceding calendar years (2016 and 2017) must report. Those reports are due in 2019. For HMDA data collected on or after January 1, 2018, bank's will collect, record, and report additional information about originations of, purchases of, and applications for covered loans. Data collection and reporting applies to most residential mortgage loan applications regardless of their ultimate disposition; it is not limited to loans that are approved. There are 25 new data points.***
- 04.01.2018 [Prepaid Accounts under the Electronic Fund Transfer Act \(Regulation E\) and the Truth In Lending Act \(Regulation Z\)](#). The CFPB is issuing this final rule to create comprehensive consumer protections for prepaid accounts under Regulation E, which implements the Electronic Fund Transfer Act; Regulation Z, which implements the Truth in Lending Act; and the official interpretations to those regulations. The final rule modifies general Regulation E requirements to create tailored provisions governing disclosures, limited liability and error resolution, and periodic statements, and adds new requirements regarding the posting of account agreements. Additionally, the final rule regulates overdraft credit features that may be offered in conjunction with prepaid accounts. Subject to certain exceptions, such credit features will be covered under Regulation Z where the credit feature is offered by the prepaid account issuer, its affiliate, or its business partner and credit can be accessed in the course of a transaction conducted with a prepaid card. DATES: This rule was originally effective on October 1, 2017 but a Final Rule published April 25, 2017 amended the effective date until April 1, 2018. The requirement in § 1005.19(b) to submit prepaid account agreements to the Bureau is delayed until October 1, 2018. See the CFPB's [prepaid rule implementation page](#).
- 05.11.2018 FinCEN is issued [final rules](#) under the Bank Secrecy Act to clarify and strengthen customer due diligence requirements for: Banks; brokers or dealers in securities; mutual funds; and futures commission merchants and introducing brokers in commodities. The rules contain explicit customer due diligence requirements and include a new requirement to identify and verify the identity of beneficial owners of legal entity customers, subject to certain exclusions and exemptions.
- 10.01.2018 [Prepaid Accounts under the Electronic Fund Transfer Act \(Regulation E\) and the Truth In Lending Act \(Regulation Z\)](#). Although the CFPB's rule regarding prepaid accounts is effective 10.01.2017, the requirement to submit account agreements to the CFPB is effective 10.03.2018. See the CFPB's [prepaid rule implementation page](#).

#### Common words, phrases, and acronyms

APOR	“Average Prime Offer Rates” are derived from average interest rates, points, and other pricing terms offered by a representative sample of creditors for mortgage transactions that have low-risk pricing characteristics.
CARD Act	<a href="#">Credit Card Accountability Responsibility and Disclosure Act of 2009</a>
CFPB	<a href="#">Consumer Financial Protection Bureau</a>
CFR	<a href="#">Code of Federal Regulations</a> . Codification of rules and regulations of federal agencies.
CRA	<a href="#">Community Reinvestment Act</a> . This Act is designed to encourage loans in all

	segments of communities.
CRE	Commercial Real Estate
CSBS	<a href="#">Conference of State Bank Supervisors</a>
CTR	<a href="#">Currency Transaction Report</a> . Filed for each deposit, withdrawal, exchange of currency that involves a transaction in currency of more than \$10,000.
Dodd-Frank Act	<a href="#">The Dodd–Frank Wall Street Reform and Consumer Protection Act</a>
DOJ	<a href="#">Department of Justice</a>
FDIC	<a href="#">Federal Deposit Insurance Corporation</a>
EFTA	<a href="#">Electronic Fund Transfer Act</a>
Federal bank regulatory	FDIC, FRB, and OCC

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

MLO	Mortgage Loan Originator
MOU	Memorandum of Understanding
NFIP	<a href="#">National Flood Insurance Program</a> . U.S. government program to allow the purchase of flood insurance from the government.
NMLS	<a href="#">National Mortgage Licensing System</a>
OCC	<a href="#">Office of the Comptroller of the Currency</a>
OFAC	<a href="#">Office of Foreign Asset Control</a>
OREO	<a href="#">Other Real Estate Owned</a>
QRM	Qualified Residential Mortgage
Reg. B	<a href="#">Equal Credit Opportunity</a>
Reg. C	<a href="#">Home Mortgage Disclosure</a>
Reg. DD	<a href="#">Truth in Savings</a>
Reg. E	<a href="#">Electronic Fund Transfers</a>
Reg. G	<a href="#">S.A.F.E. Mortgage Licensing Act</a>
Reg. P	<a href="#">Privacy of Consumer Financial Information</a>
Reg. X	<a href="#">Real Estate Settlement Procedures Act</a>
Reg. Z	<a href="#">Truth in Lending</a>
RESPA	<a href="#">Real Estate Settlement Procedures Act</a>
SAR	<a href="#">Suspicious Activity Report</a> – Report financial institutions file with the U.S. government (FinCEN) regarding activity that may be criminal in nature.
SDN	Specially Designated National
TILA	<a href="#">Truth in Lending Act</a>
TIN	Tax Identification Number
Treasury	<a href="#">U.S. Department of Treasury</a>

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