Capitol Comments

March 2021

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

'Our life is March weather, savage and serene in one hour.' – Ralph Waldo Emerson

Department of the Treasury [COVID-19 Resources]

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

Joint federal agency issuances, actions and news

Agencies Release Proposed New Interagency Questions and Answers Regarding Private Flood Insurance (03.11.2021)

WASHINGTON — Five federal regulatory agencies requested public comment on 24 proposed Interagency Questions and Answers Regarding Private Flood Insurance.

The proposal is intended to help lenders comply with the agencies' joint rule promulgated in 2019 to implement the private flood insurance provisions of the Biggert-Waters Flood Insurance Reform Act of 2012.

The proposal incorporates new questions and answers in a number of areas including:

Mandatory Acceptance,

Discretionary Acceptance, and

Private Flood Insurance General Compliance.

These Questions and Answers would supplement the 118 Interagency Questions and Answers Regarding Flood Insurance that the agencies proposed on July 6, 2020.

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

Attachment:

[Questions and Answers Regarding Private Flood Insurance]

[PDF]

Source [link].

Comment: These newly proposed Questions and Answers Regarding Private Flood Insurance are in addition to the Proposed Interagency Questions and Answers Regarding Flood Insurance that the Agencies released in 2020.

Community Reinvestment Act (CRA) Consideration for Activities in Response to the Coronavirus (03.09.2021)

Summary: The Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency have issued five new Frequently Asked Questions (FAQs) on CRA consideration for activities in response to COVID-19. There are no changes to the previous FAQs other than the addition of the five new FAQs, which are numbers 14-18.

The new FAQs clarify agency treatment of Small Business Administration (SBA) Paycheck Protection Program (PPP) loans over $1 million in certain geographies and PPP loans that have been rescinded or returned under the SBA's safe harbor. The FAQs also explain CRA consideration for processing pandemic-focused loan applications and provide guidance on retail banking services and retail lending activities that will be considered responsive to the needs of low- and moderate-income individuals during COVID-19. In addition, the revised FAQs explain CRA treatment for community development services conducted virtually by banks.

Source link.

Comment: Don't overlook the CRA credit opportunities identified in these updated FAQs. Identify activities that are in low to moderate income (LMI) tracts located in the bank's assessment area.

Federal Bank Regulators Issue Rule Supporting Treasury's Investments in Minority Depository Institutions and Community Development Financial Institutions (03.09.2021)

Federal bank regulatory agencies today announced an interim final rule that supports the Treasury Department's implementation of a program established by Congress to make capital investments in minority depository institutions and community development financial institutions.

The Treasury Department's Emergency Capital Investment Program (ECIP) will support the efforts of these financial institutions to provide loans, grants, and forbearance to small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities, which may be disproportionately affected by COVID-19. Under the program, Treasury will purchase preferred stock or subordinated debt from qualifying minority depository institutions and community development financial institutions, with the corresponding dividend or interest rate based on the institution meeting lending targets.

To facilitate implementation of ECIP, the agencies are revising their capital rules to provide that Treasury's investments under the program qualify as regulatory capital of insured depository institutions and holding companies. The rule is effective immediately upon publication in the Federal Register and comments will be accepted for 60 days after publication.

Attachment:

Interim Final Rule on Amendment to the Capital Rule to Facilitate the Emergency Capital Investment Program [PDF]

Source link.

Revised Interagency Examination Procedures for Regulation Z (03.04.2021)

The Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council recently developed the attached interagency examination procedures for Regulation Z — Truth in Lending (TILA). These revised examination procedures supersede the examination procedures transmitted with CA Letter 19-7.

The attached procedures reflect (1) amendments to Regulation Z published by the Consumer Financial Protection Bureau in 2017 and 2018 amending and clarifying the TILA-RESPA integrated disclosure rule, and (2) amendments to TILA in the Economic Growth, Regulatory Relief, and Consumer Protection Act that did not require a rulemaking to be effective.

Reserve Banks are asked to distribute this letter to the supervised institutions in their districts and to appropriate supervisory staff. Questions regarding this letter may be sent via the Board's public website.

Source link.

Comment: Consider using these in the bank's own internal audit of TILA compliance.

Federal and State Regulators Release Updates to the BSA/AML Examination Manual (02.25.2021)

WASHINGTON – The Federal Financial Institutions Examination Council (FFIEC) released updates to four sections of the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Examination Manual (Manual). Today's updates affect the following Manual sections:

- Introduction – Assessing Compliance with Bank Secrecy Act Regulatory Requirements
- Customer Identification Program
- Currency Transaction Reporting
- Transactions of Exempt Persons

The updates should not be interpreted as new instructions or as a new or increased focus on certain areas; instead, they offer further transparency into the examination process and support risk-focused examination work.

The Manual provides instructions to examiners for assessing the adequacy of a bank's or credit union's BSA/AML compliance program and its compliance with BSA regulatory requirements. The Manual itself does not establish requirements for banks; such requirements are found in statutes and regulations.

The Federal Reserve Board, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the State Liaison Committee worked closely with Treasury's Financial Crimes Enforcement Network on today's updates. These updates will be identified by a 2021 date on the FFIEC BSA/AML InfoBase. Updates to other sections of the Manual will be announced as they are completed.

Source link.

Comment: Exam procedures can provide a helpful tool in conducting the bank's own internal BSA/AML audit.

CFPB actions and news

Consumer Financial Protection Bureau Rescinds Abusiveness Policy Statement to Better Protect Consumers (03.11.2021)

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) announced it is rescinding its January 24, 2020 policy statement, “Statement of Policy Regarding Prohibition on Abusive Acts or Practices.” Going forward, the CFPB intends to exercise its supervisory and enforcement authority consistent with the full scope of its statutory authority under the Dodd-Frank Act as established by Congress. The CFPB has made these changes to better protect consumers and the marketplace from abusive acts or practices, and to enforce the law as Congress wrote it.

Congress defined abusive acts or practices in section 1031(d) of the Dodd-Frank Act. Paraphrasing Congress, that standard prohibits companies from:

- Materially interfering with someone’s ability to understand a product or service;
- Taking unreasonable advantage of someone’s lack of understanding;
- Taking unreasonable advantage of someone who cannot protect themselves; and
- Taking unreasonable advantage of someone who reasonably relies on a company to act in their interests.

The 2020 Policy Statement was inconsistent with the Bureau’s duty to enforce Congress’s standard and rescinding it will better serve the CFPB’s objective to protect consumers from abusive practices.

For example, the 2020 Policy Statement stated that the CFPB would decline to seek civil money penalties and disgorgement for certain abusive acts or practices. The CFPB deters abusive practices and compensates certain harmed consumers using penalties, so the Policy Statement undermined deterrence and was contrary to the CFPB’s mission of protecting consumers.

Going forward, the CFPB intends to consider good faith, company size, and all other factors it typically considers as it uses its prosecutorial discretion. But a policy of declining to enforce the full scope of Congress’s definition of an abusive practice harms both the consumers who were taken advantage of and the honest companies that have to compete against those that violate the law.

The Rescission of the Policy Statement can be found here.

Comment: Among other things, there is a concern that the CFPB could use the abusiveness standard to impose heightened disclosure obligation in certain circumstances based on the nature of the customer relationship and/or the degree of the product or service’s complexity. Meanwhile, President Biden’s nomination of Rohit Chopra to be CFPB Director continues to be considered by the Senate. Following Chopra’s confirmation hearing, he garnered an evenly split vote by the Senate Banking Committee. Nevertheless, he is expected to move forward to a full Senate vote. During his hearing, Chopra discussed mortgages, student loans, credit reporting, and debt collection, indicating that they are priority areas, particularly during the pandemic.

CFPB Clarifies That Discrimination by Lenders on the Basis of Sexual Orientation and Gender Identity is Illegal (03.09.2021)

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) issued an interpretive rule clarifying that the prohibition against sex discrimination under the Equal Credit Opportunity Act (ECOA) and Regulation B includes sexual orientation discrimination and gender identity discrimination. This prohibition also covers discrimination based on actual or perceived nonconformity with traditional sex- or gender-based stereotypes, and discrimination based on an applicant's social or other associations.

"In issuing this interpretive rule, we're making it clear that **lenders cannot discriminate based on sexual orientation or gender identity**," said CFPB Acting Director David Uejio. "The CFPB will ensure that consumers are protected against such discrimination and provided equal opportunities in credit."

In 2016, in response to an inquiry from Services & Advocacy for GLBT Elders, the CFPB indicated that the law supports arguments that the prohibition against sex discrimination also affords broad protection from discrimination based on an applicant's sexual orientation and gender identity under ECOA. On June 15, 2020, the U.S. Supreme Court issued a landmark decision in *Bostock v. Clayton County, Georgia*, 140 S. Ct. 1731, 207 L. Ed. 2d 218 (2020), holding that the prohibition against sex discrimination in Title VII of the Civil Rights Act of 1964 encompasses sexual orientation discrimination and gender identity discrimination. On July 28, 2020, the CFPB issued a Request for Information (RFI) to solicit public comments and information to identify opportunities to prevent credit discrimination and encourage responsible innovation under ECOA and Regulation B. Among the questions posed, the CFPB asked whether the *Bostock* decision should affect how the CFPB interprets ECOA.

The CFPB is issuing today's interpretive rule consistent with the Supreme Court's *Bostock* decision and supported by many of the public comments received in response to the ECOA RFI. The CFPB will review its publications and examination guidance documents and, if needed, update these and other materials to reflect this interpretive rule. And, where appropriate, the CFPB will take enforcement action under ECOA to hold financial institutions accountable for their actions that violate ECOA. The CFPB also looks forward to working with Congress on the Equality Act, which, if enacted, would codify protections for consumers against sexual orientation and gender identity discrimination in all financial products and services.

To read the interpretive rule click here.

Comment: The CFPB explained that it adopted this interpretive rule in order to address any uncertainty as to the proper interpretation of the ECOA or Regulation B following the U.S. Supreme Court's ruling in Bostock v. Clayton County, Georgia, which held that sex discrimination under Title VII of the Civil Rights Act of 1964 includes discrimination on the basis of sexual orientation or gender identity discrimination.

CFPB Proposes Delay of Mandatory Compliance Date for General Qualified Mortgage Final Rule (03.03.2021)

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) released a notice of proposed rulemaking (NPRM) to delay the mandatory compliance date of the General Qualified Mortgage (QM) final rule from July 1, 2021 to October 1, 2022. The CFPB is proposing to extend the compliance date to ensure homeowners struggling with the financial impacts of the COVID-19 pandemic have the options they need.

“At a time when so many consumers are struggling and at risk of losing ground, particularly Black and Hispanic consumers, we need to do all we can to help people stay in their homes and to ensure the availability of responsible, affordable mortgages,” said Bureau Acting Director David Uejio. “In proposing to extend the date by which lenders must comply with the CFPB’s new General QM definition, we are working to provide needed options for both homeowners and lenders during a time of uncertainty and hardship.”

The General QM final rule is part of the CFPB’s work to protect homeowners from debt traps and unaffordable, irresponsible mortgage loans. Under the statute, QM loans are presumed to be made based on the lender’s reasonable determination of the homeowner’s ability to repay the loan. Extending the mandatory compliance date of the General QM final rule would allow lenders more time to offer QM loans based on the homeowners’ debt-to-income (DTI) ratio, and not solely based on a pricing cut-off. Extending the compliance date of the General QM final rule would also give lenders more time to use the GSE Patch, which provides QM status to loans that are eligible for sale to Fannie Mae or Freddie Mac.

The COVID-19 pandemic has left almost 3 million American homeowners behind on their mortgages. Black and Hispanic communities, in particular, have still not recovered from the impact of the Great Recession and bear the heaviest burden of job losses under COVID-19. Forbearance plans and foreclosure moratoriums have helped many homeowners stay in their homes, but those interventions may end before either the broader economy has recovered from the impact of the pandemic or the housing market has reached a new equilibrium. The CFPB believes that an extension of the mandatory compliance date may help ensure stability and access to affordable, responsible credit in the mortgage market.

If this NPRM is finalized as proposed, the old, DTI-based General QM definition; the new, price-based General QM definition; and the GSE Patch (unless the GSEs exit conservatorship prior to October 1, 2022) would all remain available as long as the lender received the consumer’s application prior to October 1, 2022.

Comments on the NPRM must be received on or before April 5, 2021.

Source link.

Comment: The likely next step from CFPB is revision of the QM requirements.

FDIC actions and news

FDIC Quarterly (03.15.2021)

The FDIC Quarterly provides a comprehensive summary of the most current financial results for the banking industry, along with feature articles. These articles range from timely analysis of economic and banking trends at the national and regional level that may affect the risk exposure of FDIC-insured institutions to research on issues affecting the banking system and the development of regulatory policy. The FDIC Quarterly brings together data and analysis that were previously available through three retired publications -- the FDIC Outlook, the FDIC Banking Review, and the FYI: An Update on Emerging Issues in Banking. Past issues of these publications are archived under their original publication names.

FDIC Quarterly, 2021, Volume 15, Number 1 - PDF (PDF Help)

Quarterly Banking Profile: Fourth Quarter 2020

FDIC-insured institutions reported aggregate net income of $59.9 billion in fourth quarter 2020, an increase of $5 billion (9.1 percent) from a year earlier. The primary driver of higher net income was the reduction in provision expenses. More than half of all institutions (57.4 percent) reported year-over-year increases in quarterly net income. The share of unprofitable institutions remained relatively stable from a year ago at 7.3 percent. The average return on assets ratio was 1.11 percent for the quarter, down 8 basis points from a year earlier.

Community Bank Performance

Community banks—which represent 91 percent of insured institutions—reported year-over-year net income growth of $1.3 billion (21.2 percent) in fourth quarter 2020, despite an increase in provisions for loan and lease losses and a narrower net interest margin. More than half of all community banks (57 percent) reported higher net income from the year-ago quarter. Increased income from loan sales drove the improvement in quarterly net income and offset the increase in provisions year over year.

Insurance Fund Indicators

The Deposit Insurance Fund (DIF) balance totaled $117.9 billion at the end of fourth quarter, an increase of $1.5 billion from the previous quarter. Assessment income, interest earned on investments, and negative provisions for insurance losses were the largest sources of the increase, offset partially by operating expenses, unrealized losses on available-for-sale securities, and other unrealized losses. The DIF reserve ratio was 1.29 percent on December 31, 2020, down 1 basis point from September 30, 2020, and down 12 basis points from December 31, 2019.

Featured Articles:

Farm Banks: Resilience Through Changing Conditions - PDF

The U.S. agricultural sector has experienced large swings over the past decade and a half, from a lengthy period of prosperity in agriculture that ended in 2013 to subsequent years that presented a slow, weak recovery. Most farmers and farm banks were cautious with farm real estate lending during the strong years. As a result, farm banks have held up well despite the agricultural industry's challenges since 2014. The COVID-19 pandemic initially looked to be harmful for U.S. agriculture, but record government payments helped forecasted 2020 farm income reach the highest level since 2013.

2020 Summary of Deposits Highlights - PDF

The 2020 Summary of Deposits Survey showed deposit growth of 21.7 percent between June 2019 and June 2020, the largest one-year increase in nearly 80 years. The large year-over-year increase in deposits occurred primarily in the first two quarters of 2020, and was likely driven by reactions of individuals, businesses, and U.S. fiscal and monetary authorities to the COVID-19 pandemic. Deposits increased the most for noncommunity banks, midsize banks, banks with a mortgage lending specialization, and offices in metropolitan counties. The number of bank offices declined for the 11th consecutive year but at a lower rate than in the previous three years. The relatively low rate of decline in the number of offices was influenced by a low rate of closures among offices acquired through mergers. Further, the number of noncommunity bank offices and offices in metropolitan counties declined at low rates from June 2019 to June 2020 compared to previous years.

Source link.

2020 Financial Institution Diversity Self-Assessments: Voluntary Self-Assessments Accepted Now through June 30, 2021 (03.15.2021)

The FDIC's Office of Minority and Women Inclusion (OMWI) encourages all FDIC-supervised financial institutions with 100 or more employees to submit voluntary self-assessments of their diversity policies and practices. The FDIC gathers and analyzes this information in accordance with Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The window for submissions for the 2020 reporting period is open until June 30, 2021.

Statement of Applicability: The information conveyed in this Financial Institution Letter (FIL) is applicable to all FDIC-supervised financial institutions with 100 or more employees.

Highlights:

- OMWI's Financial Institution Diversity program assesses the diversity policies and practices among FDIC-supervised financial institutions in the following areas:
    - Organizational commitment to diversity and inclusion,
    - Workforce profile and employment practices,
    - Procurement and business practices/supplier diversity,
    - Practices to promote transparency of organizational diversity and inclusion, and
    - Entities' self-assessment.
- Participation in the Financial Institution Diversity Self-Assessment (FID-SA) is voluntary but encouraged for all FDIC-supervised financial institutions with 100 or more employees. The assessment is not an examination requirement; results have no impact on an institution's safety and soundness, consumer compliance, or CRA examination ratings.
- The FDIC treats all information gathered through the self-assessments as confidential commercial information. Requests for data or information will be processed in accordance with the Freedom of Information Act.
- The self-assessment is fully automated and accessible online through the secure FDIC*connect* portal. The assessment can be completed electronically by multiple authorized users. Previous submissions can be viewed, and content from a previous submission can be easily imported for the current reporting period. Institutions can also attach supporting material, print their assessment, and save it to a .pdf format.
- If you need to obtain access to the FDIC*connect* portal, contact your institution's FDIC*connect* Coordinator. If you do not know who your institution's coordinator is, send an email to FDIC*connect*@fdic.gov.
- Additional resources to help you complete the self-assessment, including a user guide, facts sheet, and video tutorial, are available on the FID-SA Diversity Self-Assessment Portal webpage.

FDIC Financial Institution Diversity Program
FID-SA Diversity Self-Assessment Portal Page
Analyses of Diversity Self-Assessments

Source link.

Comment: The Dodd Frank Act provided for this diversity activity. With a new administration, we expect to see a greater emphasis in this area, including in boards of directors. Be sure that vendors provide the bank with their diversity policy and data.

FDIC to Host a Meeting of the Advisory Committee of State Regulators (03.11.2021)

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) will convene a meeting of its Advisory Committee of State Regulators on Thursday, March 18, at 1:00 p.m. ET. The Committee members will discuss and receive updates on a range of policy issues regarding the regulation of state-chartered financial institutions throughout the U.S. and its territories.

The meeting's agenda includes a discussion of state banking conditions, a report on FDIC research relating to community banking and agricultural lending, a dialogue regarding state-federal coordination, and an update on the FDIC's office of innovation – FDiTech. Read the full agenda here.

On November 19, 2019, the FDIC Board of Directors approved the formation of the Advisory Committee of State Regulators as a forum where state banking regulators and the FDIC can discuss a variety of current and emerging issues that have potential implications regarding the regulation and supervision of state-chartered financial institutions. Information about the Committee's work, including a list of its members, is available on the Committee's website.

The virtual meeting is open to the public via live webcast.

Source link.

Emergency Capital Investment Program Available for Community Development Financial Institutions and Minority Depository Institutions (03.09.2021)

The Federal Deposit Insurance Corporation (FDIC) is advising certified Community Development Financial Institutions (CDFIs) and minority depository institutions (MDIs) of the Emergency Capital Investment Program (ECIP) established by the Consolidated Appropriations Act, 2021. Under the ECIP, certified CDFIs and MDIs may be eligible for capital investments from the U.S. Department of the Treasury (Treasury) to, among other things, provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities, that may be disproportionately impacted by the economic effects of the Coronavirus Disease 2019 (COVID-19) pandemic.

Statement of Applicability:

This Financial Institution Letter (FIL) applies to any FDIC-supervised financial institution that is a certified CDFI or MDI.

Read the FIL

FDIC Releases Strategic Plan to Reinforce Diversity, Equity, and Inclusion Within the Agency and Among the Financial Institutions It Supervises (03.3.2021)

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) today released the agency's latest strategic plan to incorporate and promote diversity, equity, and inclusion (DEI) in every aspect of its mission and operations. Read the FDIC's Diversity, Equity, and Inclusion Strategic Plan.

"My goal is to build and maintain an FDIC workforce that is talented, diverse, and committed to fostering a safe, fair, and inclusive workplace and banking system," said FDIC Chairman Jelena McWilliams. "To be successful, our DEI efforts must be led and managed as an organizational priority. This plan is unlike others we have had in the past. I stand behind it with my commitment that we will work toward an inclusive FDIC where all feel that they belong."

Internally, the FDIC's plan continues to integrate the core principles of DEI into the agencies hiring, training, and career development programs. Externally, the plan will improve these principles in the agency's contracting opportunities, enhance its ability to assess diversity policies and practices at financial institutions, and provide additional support for Minority Depository Institutions.

Nikita Pearson, Director of the FDIC's Office of Minority and Women Inclusion, added, "The FDIC can play a bigger role, within our mandate, in addressing inequities. When we help remove obstacles in the banking system that stand in the way of people achieving their very best, we strengthen society as a whole."

Source link.

Comment: Note that this Plan includes the program for the FDIC itself in managing diversity and inclusion.

FDIC Makes Public January Enforcement Actions (02.26.2021)

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

The FDIC issued 11 orders in January 2021. The administrative enforcement actions in those orders consisted of two consent orders, two section 19 orders, two prohibition orders, two orders to pay civil money penalties, one order terminating consent order, and two orders terminating consent orders and orders for restitution.

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.

January 2021 Enforcement Decisions and Orders

Source link.

FDIC-Insured Institutions Reported Net Income of $59.9 Billion In Fourth Quarter 2020 (02.23.2021)

- Full-Year 2020 Net Income Declined 36.5 Percent to $147.9 Billion
- Quarterly Net Income Increased 9.1 Percent from a Year Ago
- Net Interest Margin Remained Unchanged from Third Quarter at a Record Low Level
- Loan Balances Declined from the Previous Quarter, Led by Lower Commercial and Industrial Lending Activity
- Asset Quality Metrics Remained Stable from the Previous Quarter and a Year Ago
- Community Banks Reported a 21.2 Percent Increase in Quarterly Net Income Year-Over-Year

"While banking industry income for the full year 2020 declined from full year 2019 levels, banks remained resilient in fourth quarter 2020, consistent with the improving economic outlook."

— FDIC Chairman Jelena McWilliams

WASHINGTON— For the commercial banks and savings institutions insured by the Federal Deposit Insurance Corporation (FDIC), aggregate net income totaled $59.9 billion in fourth quarter 2020, an increase of $5 billion

(9.1 percent) from a year ago. The improvement in quarterly net income was led by a reduction in provision expenses. Financial results for fourth quarter 2020 are included in the FDIC's latest Quarterly Banking Profile released today.

Source link.

OCC actions and news

Servicemembers Civil Relief Act: Revised Comptroller's Handbook Booklet and Rescissions (03.04.2021)

The Office of the Comptroller of the Currency (OCC) issued the revised "Servicemembers Civil Relief Act" booklet of the Comptroller's Handbook. This booklet provides information and procedures for examiners in connection with the consumer protections that servicemembers are eligible for under the Servicemembers Civil Relief Act (SCRA).

Rescissions

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

OCC Bulletin 2011-16, "Servicemembers Civil Relief Act: Revised Examination Procedures"

"Servicemembers Civil Relief Act of 2003" booklet of the Comptroller's Handbook issued in May 2011

Note for Community Banks

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

Highlights

- The revised booklet
- summarizes SCRA requirements.
- discusses risks associated with a bank's SCRA activities.
- discusses risk management of SCRA compliance.
- includes examination procedures regarding a bank's SCRA risk management and compliance.

Background

The purposes of the SCRA are to (1) provide for, strengthen, and expedite the national defense through protections extended by the SCRA to servicemembers of the United States to enable them to devote their entire energy to the defense needs of the nation, and (2) to provide for the temporary suspension of judicial and administrative proceedings and transactions that may adversely affect the civil rights of servicemembers during their military service. Among other things, the SCRA establishes a maximum of 6 percent interest on financial obligations incurred by servicemembers prior to military service, restricts foreclosures or seizures of personal property on obligations held or guaranteed by servicemembers, provides protections against default judgments, and permits early termination of certain leases, including motor vehicle leases.

Source link.

Comment: Like other OCC handbooks, this is an excellent, readable resource.

OCC Enforcement Actions and Terminations (02.18.2021)

WASHINGTON—The Office of the Comptroller of the Currency (OCC) 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.

All public enforcement actions taken since August 1989 are available for download by viewing the searchable enforcement actions database at http://apps.occ.gov/EnforcementActions/.

Source link.

Fictitious Regulatory Agency Notifications: Fictitious Notification Regarding the Release of Funds Supposedly Under the Control of the Office of the Comptroller of the Currency (02.17.2021)

Consumers have reported receiving various fictitious email messages related to an inheritance/beneficiary scam, which allege to be initiated by the Office of the Comptroller of the Currency (OCC) or senior officials of the agency regarding funds purportedly under the control of the OCC. The notification informs the recipient that a REVENUE TRANSFER ORDER CERTIFICATE/CLEARANCE IDENTIFICATION PIN is required to allow for a purported transfer of funds. Potential victims may be instructed to contact one of the following individuals within 48 hours:

- Chung Lee Pui, Fraud and Payments Agent, ATOM Bank of England, Northumbria House, Akley Heads Durham, DH1 5TS England. Mr. Pui's contact information is provided as +44-703-193-7992.
- Walter Hama, Fraud and Payments Agent, ATOM Bank London Office, Northumbria House, Akley Heads Durham DH1 5TS City in England. Mr. Hama's contact information is provided as +44-745-205-7102 or [walterhamaatombankcustomers@gmail.com].

Any communication claiming that the OCC is involved in holding any funds for the benefit of any individual or entity is fraudulent. The OCC does not participate in the transfer of funds for, or on behalf of, individuals, business enterprises, or governmental entities.

Do not respond in any manner to any proposal purported to be issued by the OCC that requests personal account information or requires the payment of any fee in connection with the proposal, or that suggests the OCC is a participant in the transfer of funds for or on behalf of others. The OCC recommends that consumers file complaints with the following agencies, as appropriate:

- OCC: by email at occalertresponses@occ.treas.gov; by fax to (571) 293-4925; or by calling the Special Supervision Division at (202) 649-6450.

- U.S. Department of the Treasury, Office of Inspector General (OIG): by telephone at (800) 359-3898 or by visiting the OIG website.
- Federal Trade Commission (FTC): by telephone at (877) FTC-HELP or, for filing a complaint electronically, via the FTC's website.
- National Consumers League (NCL): by telephone at (202) 835-3323 or by email. To file a fraud complaint, visit the NCL fraud website.
- Better Business Bureau (BBB): The BBB system serves markets throughout Canada, Puerto Rico, and the United States and is the marketplace leader in advancing trust between businesses and consumers. The website offers contact information for local BBBs, objective reports on more than 2 million businesses, consumer scam alerts, and tips on a wide variety of topics that help consumers find trustworthy businesses and make wise purchasing decisions.
- Federal Bureau of Investigation Internet Crime Complaint Center (to report scams that may have originated via the internet).
- If correspondence is received via the U.S. Postal Service, contact the U.S. Postal Inspection Service by telephone at (888) 877-7644; by mail at U.S. Postal Inspection Service, Office of Inspector General, Operations Support Group, 222 S. Riverside Plaza, Suite 1250, Chicago, IL 60606-6100; or via the online complaint form.

For additional information regarding other types of financial fraud, please visit the OCC's Fraud Resources page, which can also be found from visiting OCC.gov.

Source link.

Federal Reserve actions and news

Get Ready for Instant Payments (03.11.2021)

Faster, or instant payments are a hot topic. And there is no better time than the present to continue learning about this evolving area of payments.

Whether you are interested in starting your own instant payments transformation, or simply seeking to learn the basics, explore the most recent articles in the Federal Reserve's ongoing instant payments education series.

Learn More

Learning to Speak the Same Fraud Language (03.09.2021)

An international community of anti-fraud professionals is learning more about the FraudClassifier℠ model in a recent Fraud Magazine article. Published by the Association of Certified Fraud Examiners (ACFE) in its March/April issue, the article outlines how the model provides an intuitive classification approach to help fraud fighters better understand the nature and magnitude of fraud. Click below to read more.

Learn More

Federal Reserve Board Announces it Will Extend its Paycheck Protection Program Liquidity Facility, or PPPLF, by Three Months to June 30, 2021 (03.08.2021)

The Federal Reserve Board on Monday announced it will extend its Paycheck Protection Program Liquidity Facility, or PPPLF, by three months to June 30, 2021. The extension will provide continued support for the flow of credit to small businesses through the Paycheck Protection Program, or PPP.

The PPPLF extends term credit to financial institutions making PPP loans, accepting the PPP loans as collateral. The liquidity provided by the PPPLF helps eligible financial institutions fund additional PPP loans. The PPPLF was established under the Board's 13(3) authority and the extension from March 31 to June 30, 2021, was approved by the Secretary of the Treasury.

The other currently active 13(3) facilities—the Commercial Paper Funding Facility, the Money Market Mutual Fund Liquidity Facility, and the Primary Dealer Credit Facility—have not had significant usage since last summer and will expire as scheduled on March 31.

Source link.

Beige Book - Summary of Commentary on Current Economic Conditions by Federal Reserve District (03.03.2021)

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

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

Overall Economic Activity

Economic activity expanded modestly from January to mid-February for most Federal Reserve Districts. Most businesses remain optimistic regarding the next 6-12 months as COVID-19 vaccines become more widely distributed. Reports on consumer spending and auto sales were mixed. Although a few Districts reported slight improvements in travel and tourism activity, overall conditions in the leisure and hospitality sector continued to be restrained by ongoing COVID-19 restrictions. Despite challenges from supply chain disruptions, overall manufacturing activity for most Districts increased moderately from the previous report.

Among Districts reporting on nonfinancial services, activity was mixed, though most reported modest growth over the reporting period. Some Districts noted that financial institutions experienced declines in loan volumes, but most cited lower delinquency rates and elevated deposit levels. Historically low mortgage interest rates continued to spur robust demand for both new and existing homes in most Districts, and home prices continued to rise in many areas of the U.S. On balance, commercial real estate conditions in the hotel, retail, and office sectors deteriorated somewhat, while activity in the multifamily sector remained steady and the industrial segment continued to strengthen. Districts reporting on energy observed a slight uptick in activity related to oil and gas production and energy consumption. Overall, reports on agricultural conditions were somewhat improved since the previous report. Transportation activity grew modestly for many Districts.

Employment and Wages

Most Districts reported that employment levels rose over the reporting period, albeit slowly. Labor demand varied considerably by industry and by skill level, and many contacts noted continued difficulties attracting and retaining qualified workers. Labor supply shortages were noted by contacts as most acute among low-skill occupations and skilled trade positions. Constraints on labor supply included those related to COVID-19, childcare, and unemployment benefits. Overall, contacts expect modest improvements in employment levels in the near term. Several Districts reported modest wage increases for high-demand positions with many also noting upward pressure on wages to attract and retain employees. On balance, wage increases for many Districts are expected to persist or to pick up somewhat over the next several months.

Prices

On balance, nonlabor input costs rose moderately over the reporting period, with steel and lumber prices increasing notably. In many Districts, the rise in costs was widely attributed to supply chain disruptions and to strong overall demand. Transportation costs continued to increase, in part due to rising fuel costs and capacity constraints. Reports on pricing power were mixed, with some retailers and manufacturers affected by input cost increases reporting the ability to pass prices through, while many others were unable to raise prices. Several Districts reported anticipating modest price increases over the next several months.

Source link.

FedPayments Improvement Pulse: February Edition (02.25.2021)

Engagement In Action: The Fraudclassifier^{sm} Model

Update: FedNow^{sm} Service To Launch In 2023

Your Voice Matters – Stay Engaged

Hear From Federal Reserve Experts At Upcoming Industry Events

Bank of America 2021 Electronic Payments Symposium – March 22-23, 2021

Visit our Events page to learn more.

Join FedPayments Improvement On Social Media

Stay up to date on the latest news, initiatives and engagement opportunities — connect with us on LinkedIn and Twitter!

Source link.

Other federal action and news

Notice to Financial Institutions: New Treasury Automated Clearing House (ACH) Company Entry Description for IRS Economic Impact Payments (03.11.2021)

Please be advised that the U.S. Department of the Treasury's Bureau of the Fiscal Service (Treasury) will be processing Economic Impact Payments (EIPs) authorized by the American Rescue Plan Act of 2021, using a new company entry description for ACH payments.

Effective immediately, financial institutions should be prepared to begin receiving EIPs with the new company entry description. This notice is being provided to allow financial institutions to make any processing or system preparations necessary to receive these payments.

Source link.

CSBS March 2021 Economic Update: Hysteresis and the New "Normal" (03.11.2021)

From the February payroll employment report to rising yields on the 10-year Treasury note, many U.S. economic indicators over the past month are pointing to a recovery that is well underway. Consumer and business confidence have been boosted by signs that the economy is reopening because of declines in Covid-19 cases and deaths, and a promising start to the vaccine rollout. In the coming months, as the economy hopefully enters a new phase as a result of herd immunity, consumers, workers and business leaders will begin to learn what the "new normal" economy looks like.

Source link.

CSBS States of the Economy - March 2021 (03.10.2021)

"States of the Economy" is a monthly look at the economic picture across the country. In our discussion, CSBS Senior Economist Tom Siems focuses on how the national economic picture impacts local communities and what state regulators are looking out for.

Chapters

- 0:20 - The economic situation summarized
- 2:02 - What's the good news?
- 5:58 - What's the bad news?
- 8:16 - What's going to happen next?
- 12:43 - What should regulators be looking out for?

Source link.

FinCEN Informs Financial Institutions of Efforts Related to Trade in Antiquities and Art (03.09.2021)

The Financial Crimes Enforcement Network (FinCEN) is issuing this Notice to inform financial institutions about (1) the Anti-Money Laundering Act of 2020 (the AML Act)1 efforts related to trade in antiquities and art, (2) select sources of information about existing illicit activity related to antiquities and art, and (3) provide specific instructions for filing Suspicious Activity Reports (SARs) related to trade in antiquities and art. FinCEN encourages financial institutions to continue filing SARs regarding these topics.

New AML Act Measures • Antiquities Regulations: Section 6110(a) of the AML Act amends the definition of "financial institution" under the Bank Secrecy Act (BSA) to include persons "engaged in the trade of antiquities" and directs FinCEN to promulgate implementing regulations. The BSA obligations imposed by Section 6110(a) will take effect on the effective date of those final regulations. • Art Study: Section 6110(c) of the AML Act requires the Secretary of the Treasury, in coordination with the Director of the Federal Bureau of Investigation, the Attorney General, and the Secretary of Homeland Security, to perform a study of the facilitation of money laundering and the financing of terrorism through the trade in works of art. The study will include an analysis of, among other things, which markets should be subject to regulations and the degree to which the regulations, if any, should focus on high-value trade in works of art, and on the need to identify the actual purchasers of such works, in addition to other persons engaged in the art trade.

Source link.

Networked Supervision: An Opportunity for Regulatory Change (03.03.2021)

For 12 years, regulators and industry met in person at destinations across the United States for the NMLS Annual Conference & Training – an event that had grown from a small gathering of 100 people to nearly 800 people in San Francisco in February 2020. But something changed last year.

Shortly after our return from what had been the largest NMLS Annual Conference to date, the COVID-19 pandemic gripped the U.S. We saw shifts in our economy, changes in how and where we work, and use of new technologies to keep us connected. Like other industries, we decided to host the 2021 NMLS Annual Conference virtually. The environment had forced us to shift, and we succeeded. Approximately 1,000 attendees joined the NMLS Annual Conference this year – all online.

Similar to how we have adapted and responded to the pandemic in ways that are vital for our safety and those we support, Networked Supervision provides us with a framework for adapting and preparing for the future of financial regulation at the state level. The future will require more robust technology, specifically technology that is data driven and automated. In addition, standardized approaches will drive the licensing and examination process.

Source link.

FTC Help Fight COVID Vaccine Scams: Share These Tips with Those you Know (03.02.2021)

Since the start of the pandemic, people are spending a lot more time alone at home. What's more, there's a lot of confusion about when, how, and where to sign up and get vaccinated. Add those two things together, and you get scammers taking advantage and spreading false information, hoping isolated people will believe their lies.

Source link.

Comment: Share these tips with your customers.

State Financial Regulators Announce 2021 Priorities (02.23.2021)

Washington, D.C. — Conference of State Bank Supervisors President and CEO John W. Ryan announced today in a speech at the Nationwide Multistate Licensing System (NMLS) Annual Conference the state system's 2021 priorities to advance Networked Supervision, a strategy that uses technology, data and uniform practices to strengthen regulation.

"Technology is constantly changing every sector of financial services. And it is changing how states regulate these service providers. State regulators are focusing on how technology can make us ever better and more effective," said Ryan.

Ryan described how technology advancements are helping fill information gaps that in the past had prevented states from fully applying their knowledge. He highlighted the State Examination System (SES), launched last year, as an example of technology empowering the state network and increasing its agility. SES is a nationwide technology platform that allows state examiners to collect information from supervised institutions securely and perform key aspects of formal examinations – without onsite visits.

SES is one of the latest developments in a "trajectory" that states have been following for many years, Ryan continued. He described the state system's evolution from the National Cooperative Agreement, to the creation of the NMLS to, most recently, states' successfully streamlining key aspects of nonbank licensing and supervision through the Vision 2020 initiatives.

"Networked Supervision is the next logical step as we continue to evolve and strengthen financial regulation. The challenges that come with a changing financial services landscape must be met with an integrated and empowered state system," said Ryan.

Networked Supervision will give states new capabilities for managing risk and increase data flow and partnership opportunities with states' federal counterparts. States currently hold the largest and most comprehensive database of mortgage and MSB call report data.

"The benefits of Networked Supervision will extend to federal regulators in the form of more flexible and real-time data and better risk identification tools," said Ryan.

Ryan outlined the states' 2021 priorities by industry sector and urged the audience to embrace the responsibility of improving regulation, saying, "Technology will make the system better, faster and more efficient – but we must remember that people, judgement and perspective are even more important."

State regulators 2021 priorities organized by sector include:

For Money Service Businesses:

Provide a coordinated exam for MSBs operating in 40 or more states through the One Company, Exam program to reduce duplicative exams (currently 75 companies).

Implement a standardized licensing process through the Multi-State MSB Licensing Agreement (MMLA) (currently includes 28 participating states).

Modernize the Nationwide Multistate Licensing System (NMLS) to automate and strengthen common standards across state lines by implementing the CSBS model law.

Form an MSB industry advisory group to provide feedback on NMLS development and other priorities.

For Mortgage Companies:

Pilot a joint, multistate exam for a mortgage company through the One Company, One Exam program to reduce duplicative exams for nationwide mortgage companies.

Finalize and approve model regulatory prudential standards for nonbank mortgage servicers to create consistent standards for safety and soundness and corporate governance.

For Nonbank Companies:

Coordinate cyber-risk examinations for nonbank entities to ease regulatory burden, provide more consistency and enhance effectiveness.

For Banks:

Create a community of large bank examiners to examine current practices and identify streamlining opportunities.

Source link.

Publications, articles, reports, studies, testimony & speeches

Fourth Quarter 2020: On the Eve of Additional Stimulus (03.16.2021)

First Glance 12L provides a first look at banking and economic conditions within the Twelfth District. The report, "On the Eve of Additional Stimulus", notes that Paycheck Protection Program loan forgiveness boosted quarterly bank profits but eroded loan growth. Surging virus activity reduced District payrolls in late 2020, but by early 2021, easing case counts, vaccine rollout, and new federal stimulus brightened the outlook. The report recaps several key banking risks such as the cybersecurity breach of SolarWinds and takes a closer look at state and local government fiscal challenges.

Source link.

Global Perspectives with Cynthia Marshall (03.09.2021)

On March 9, Robert S. Kaplan, president and CEO of the Dallas Fed, discussed national and global economic issues with Cynthia Marshall, CEO of the Dallas Mavericks.

Source link.

Climate Change Risks in Financial Markets (03.05.2021)

In its latest episode, LaSalle Street, a podcast from the Financial Markets Group at the Federal Reserve Bank of Chicago, explores how climate change risk is impacting global financial markets now and what to expect in the future.

Market experts discuss developments in technology, investing practices, and the regulatory landscape as well as the role financial markets and the public sector can play in advancing the management of climate change risk.

Joining LaSalle Street for this wide-ranging discussion is Anita Herrera, General Counsel & Chief Regulatory Officer at Nodal Exchange, LLC; Steven Kennedy, Global Head of Public Policy, International Swaps and Derivatives; Christopher Palazzolo, Principal and Head of Responsible Investment and EMEA, AQR Capital; and Steven Rothstein, Managing Director, Accelerator, Ceres, Inc.

Moderating the discussion is Nahiomy Alvarez, Senior Financial Markets Analyst at the Chicago Fed. Alessandro Cocco, Vice President of the Financial Markets Group at Chicago Fed, provides an introduction.

LaSalle Street is a podcast on derivatives markets, clearinghouses, digital currencies, financial technology, systemic stability, and other emerging issues shaping our global financial markets. It is hosted by members of the Financial Markets Group at the Chicago Fed, headquartered on LaSalle Street in the heart of Chicago's financial district.

Source link.

Consumer Credit - G.19 (03.05.2021)

January 2021

In January, consumer credit decreased at a seasonally adjusted annual rate of 0.4 percent. Revolving credit decreased at an annual rate of 12.2 percent, while nonrevolving credit increased at an annual rate of 3.2 percent.

Source link.

U.S. Economic Outlook and Monetary Policy: An Update - Governor Lael Brainard (03.02.2021)

It has been one year since the first wave of the COVID-19 pandemic hit our shores—a year marked by heartbreak and hardship. We are all looking forward to a brighter time ahead, when vaccinations are widespread, the recovery is broad based and inclusive, and services, schools, sports, and social life are in person. The expected path of the U.S. economy has strengthened with the prospect of widespread vaccinations and additional fiscal stimulus, but risks remain, and we are currently far from our goals.1

Current Situation

After a dark winter with elevated case counts and setbacks on service-sector jobs, case counts have come down and spending is picking up. Economic forecasts for growth during the first quarter have been significantly upgraded in response to the better-than-expected data.2 January data for household spending overall came in strong—confirming that the renewal of fiscal support at the end of the year provided a much needed boost to household incomes and spending at the turn of the year. The income support provided by fiscal authorities to hard-hit workers, households, businesses, and states and localities, as well as the actions of the Federal Reserve to promote orderly functioning in financial markets and low borrowing costs for households and businesses, have been providing vital support for the economy.

Source link.

Recession Continues to Hammer Smallest Businesses, Survey Says (02.22.2021)

Article highlights:

- Employers of 50 or fewer, especially sole proprietors, more likely to report big decline in revenue.
- Challenges include access to credit, intense competition for less work.
- Consumer fear of COVID-19 affecting many industries, even those not selling directly to consumers.

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
01.12.2021	Computer-Security Incident Notification Requirements for Banking Organizations and Their Bank Service Providers - The OCC, 01.04.202Board, and FDIC (together, the agencies) invite comment on a notice of proposed rulemaking (proposed rule or proposal) that would require a banking organization to provide its primary federal regulator with prompt notification of any ‘‘computer-security incident’’ that rises to the level of a ‘‘notification incident.’’ The proposed rule would require such notification upon the occurrence of a notification incident as soon as possible and no later than 36 hours after the banking organization believes in good faith that the incident occurred. This notification requirement is intended to serve as an early alert to a banking organization's primary federal regulator and is not intended to provide an assessment of the incident. Moreover, a bank service provider would be required to notify at least two individuals at affected banking organization customers immediately after the bank service provider experiences a computer- security incident that it believes in good faith could disrupt, degrade, or impair services provided for four or more hours. DATES: Comments must be received by April 12, 2021.
01.04.2021	Rule Regarding Permissible Bank Premises - The Office of the Comptroller of the Currency (OCC) is issuing a notice of proposed rulemaking to amend its regulations on national bank or Federal savings association ownership of real property. The OCC also proposes to consolidate 12 CFR 7.3001 on sharing national bank or Federal savings association space and employees with the rule covering ownership of property. The OCC proposes to continue to cover the national bank and Federal savings association charters under the same regulation, but, because different statutory regimes cover each charter, the OCC seeks comment on whether to apply different requirements to national banks and Federal savings associations. DATES: Comments must be received by March 22, 2021.

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:
09.30.2020	Regulatory Capital Rule: Revised Transition of the Current Expected Credit Losses Methodology for Allowances - The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) are adopting a final rule that delays the estimated impact on regulatory capital stemming from the implementation of Accounting Standards Update No. 2016-13, Financial Instruments—Credit Losses, Topic 326, Measurement of Credit Losses on Financial Instruments (CECL). The final rule provides banking organizations that implement CECL during the 2020 calendar year the option to delay for two years an estimate of CECL's effect on regulatory capital, relative to the incurred loss methodology's effect on regulatory capital, followed by a three-year transition period. The agencies are providing this relief to allow these banking organizations to better focus on supporting lending to creditworthy households and businesses in light of recent strains on the U.S. economy as a result of the coronavirus disease 2019, while also maintaining the quality of regulatory capital. This final rule is consistent with the interim final rule published in the Federal Register on March 31, 2020, with certain clarifications and minor adjustments in response to public comments related to the mechanics of the transition and the eligibility criteria for applying the transition. DATES: The final rule is effective September 30, 2020.
10.01.2020	Regulatory Capital Rule: Temporary Changes to and Transition for the Community Bank Leverage Ratio Framework - The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation are adopting as final the revisions to the community bank leverage ratio framework made under two interim final rules issued in the Federal Register on April 23, 2020. The final rule adopts these interim final rules with no changes. Under the final rule, the community bank leverage ratio will remain 8 percent through calendar year 2020, will be 8.5 percent through calendar year 2021, and will be 9 percent thereafter. The final rule also maintains a two-quarter grace period for a qualifying community banking organization whose leverage ratio falls no more than 1 percentage point below the applicable community bank leverage ratio requirement. DATES: The final rule is effective October 1, 2020.

10.20.2020 Community Reinvestment Act Regulations - The Office of the Comptroller of the Currency (OCC) is adopting a final rule to strengthen and modernize the Community Reinvestment Act (CRA) by clarifying and expanding the activities that qualify for CRA credit; updating where activities count for CRA credit; creating a more consistent and objective method for evaluating CRA performance; and providing for more timely and transparent CRA-related data collection, recordkeeping, and reporting. DATES: This rule is effective on October 1, 2020. Banks must comply with the final amendments by October 1, 2020, January 1, 2023, or January 1, 2024, as applicable. Until the compliance dates, banks must continue to comply with parts 25 and 195 that are in effect on September 30, 2020 (as set forth in appendix C to 12 CFR 25). Alternatively, the OCC may permit a bank to voluntarily comply, in whole or in part, with the amendments adopted in this release prior to the applicable compliance dates. Parts 25 and 195 that are in effect on September 30, 2020 (as set forth in appendix C) expire on January 1, 2024.

10.20.2020 Applicability of Annual Independent Audits and Reporting Requirements for Fiscal Years Ending in 2021 - In light of recent disruptions in economic conditions caused by the coronavirus disease 2019 (COVID–19) and strains in U.S. financial markets, some insured depository institutions (IDIs) have experienced increases to their consolidated total assets as a result of large cash inflows resulting from participation in the Paycheck Protection Program (PPP), the Money Market Mutual Fund Liquidity Facility (MMLF), the Paycheck Protection Program Liquidity Facility (PPPLF), and the effects of other government stimulus efforts. Since these inflows may be temporary, but are significant and unpredictable, the FDIC is issuing an interim final rule (IFR) that will allow IDIs to determine the applicability of part 363 of the FDIC's regulations, Annual Independent Audits and Reporting Requirements, for fiscal years ending in 2021 based on the lesser of their (a) consolidated total assets as of December 31, 2019, or (b) consolidated total assets as of the beginning of their fiscal years ending in 2021. Notwithstanding any temporary relief provided by this IFR, an IDI would continue to be subject to any otherwise applicable statutory and regulatory audit and reporting requirements. The IFR also reserves the authority to require an IDI to comply with one or more requirements of part 363 if the FDIC determines that asset growth was related to a merger or acquisition. DATES: This IFR is effective immediately and will remain in effect through December 31, 2021, unless extended by the FDIC.

10.26.2020 HUD's Implementation of the Fair Housing Act's Disparate Impact Standard - HUD has long interpreted the Fair Housing Act ("the Act") to create liability for practices with an unjustified discriminatory effect, even if those practices were not motivated by discriminatory intent. This rule amends HUD's 2013 disparate impact standard regulation to better reflect the Supreme Court's 2015 ruling in Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc. and to provide clarification regarding the application of the standard to State laws governing the business of insurance. This rule revises the burden-shifting test for determining whether a given practice has an unjustified discriminatory effect and adds to illustrations of discriminatory housing practices found in HUD's Fair Housing Act regulations. This Final Rule also establishes a uniform standard for determining when a housing policy or practice with a discriminatory effect violates the Fair Housing Act and provides greater clarity of the law for individuals, litigants, regulators, and industry professionals. DATES: The final rule is effective October 26, 2020.

11.30.2020 Debt Collection Practices (Regulation F) - The Bureau of Consumer Financial Protection (Bureau) is issuing this final rule to revise Regulation F, which implements the Fair Debt Collection Practices Act (FDCPA) and currently contains the procedures for State application for exemption from the provisions of the FDCPA. The Bureau is finalizing Federal rules governing the activities of debt collectors, as that term is defined in the FDCPA. The Bureau's final rule addresses, among other things, communications in connection with debt collection and prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection. DATES: This rule is effective November 30, 2020.

12.02.2020 Temporary Asset Thresholds - To mitigate temporary transition costs on banking organizations related to the coronavirus disease 2019 (COVID event), the OCC, Board, and the FDIC (together, the agencies) are issuing an interim final rule to permit national banks, savings associations, state banks, bank holding companies, savings and loan holding companies, and U.S. branches and agencies of foreign banking organizations with under $10 billion in total assets as of December 31, 2019, (community banking organizations) to use asset data as of December 31, 2019, in order to determine the applicability of various regulatory asset thresholds during calendar years 2020 and 2021. For the same reasons, the Board is temporarily revising the instructions to a number of its regulatory reports to provide that community banking organizations may use asset data as of December 31, 2019, in order to determine reporting requirements for reports due in calendar years 2020 or 2021. DATES: Effective date: This rule is effective on December 2, 2020. Comment date: Comments must be received on or before February 1, 2021.

12.29.2020 True Lender Rule - The Office of the Comptroller of the Currency (OCC) is issuing this final rule to determine when a national bank or Federal savings association (bank) makes a loan and is the "true lender," including in the context of a partnership between a bank and a third party, such as a marketplace lender. Under this rule, a bank makes a loan if, as of the date of origination, it is named as the lender in the loan agreement or funds the loan. DATES: This rule is effective on December 29, 2020.

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.

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).

07.01.2021 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: This final rule is effective upon publication in the Federal Register. However, the mandatory compliance date is July 1, 2021.

TBD 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 60 days after publication in the Federal Register.

TBD 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 rule is effective on date of publication in the Federal Register.

TBD 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 on 30 days after publication in the Federal Register.

TBD — 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 on 30 days after publication in the Federal Register.

TBD — 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 on 30 days after publication in the Federal Register.

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