

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

*'If I had my way, I would remove January from the calendar altogether and have an extra July instead.'* – Roald Dahl

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

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

## Joint federal agency issuances, actions and news

### ***Frequently Asked Questions Regarding Suspicious Activity Reporting and Other Anti-Money Laundering (AML) Considerations (01.19.2021)***

The FDIC, Board of Governors of the Federal Reserve System, Financial Crimes Enforcement Network, National Credit Union Administration, and Office of the Comptroller of the Currency have issued responses to frequently asked questions (FAQs) regarding suspicious activity reporting and other AML considerations for financial institutions that are required to submit Suspicious Activity Reports (SARs).

The agencies jointly developed the attached answers to financial institutions' commonly asked questions about SARs and AML requirements.

The answers clarify SAR/AML requirements in order to assist financial institutions with their compliance obligations and enable them to focus resources on activities that produce the greatest value to law enforcement agencies and other government users of Bank Secrecy Act (BSA) reporting.

The FAQs address the following topics: requests by law enforcement to maintain accounts, receipt of grand jury subpoenas and law enforcement inquiries, maintaining customer relationships following the filing of SARs, filing SARs based on negative news media searches, information provided in SAR data and narrative fields, and SAR character limits.

The FAQs neither alter existing BSA/AML requirements, nor establish new supervisory expectations.

Attachment:

[Answers to Frequently Asked Questions Regarding Suspicious Activity Reporting and Other Anti-Money Laundering Considerations](#)

Source [link](#).

***Comment: Although FAQs do not have the force of law, they are extremely helpful in guiding compliance programs.***

### ***Agencies Propose Requirement for Computer Security Incident Notification (12.18.2020)***

Federal financial regulatory agencies announced a proposal that would require supervised banking organizations to promptly notify their primary federal regulator in the event of a computer security incident. In particular, alerts would be required for incidents that could result in a banking organization's inability to deliver

services to a material portion of its customer base, jeopardize the viability of key operations of a banking organization, or impact the stability of the financial sector.

The proposed rule is intended to provide the agencies with an early warning of significant computer security incidents and would require notification as soon as possible and no later than 36 hours after a banking organization determines that an incident has occurred.

In addition, the proposal would require service providers to notify affected banking organizations immediately when the service provider experiences computer security incidents that materially disrupt, degrade, or impair certain services they provide.

The deadline for comments on the proposed rule is April 12, 2021.

Source [link](#).

***Comment: The timeframe for a bank to provide the agencies an early warning, 36 hours, is extremely short. However, the key to compliance is that the 36 hours is triggered by the bank's determination that an incident has occurred. The Proposed Rule defines a "computer-security incident" as "an occurrence that (i) results in actual or potential harm to the confidentiality, integrity, or availability of an information system or the information that the system processes, stores, or transmits; or (ii) constitutes a violation or imminent threat of violation of security policies, security procedures, or acceptable use policies."***

### ***Agencies Release Annual CRA Asset-Size Threshold Adjustments for Small and Intermediate Small Institutions (12.17.2020)***

WASHINGTON—The Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation announced the annual adjustment to the asset-size thresholds used to define small bank and intermediate small bank under the Community Reinvestment Act (CRA) regulations.

The annual adjustments are required by the CRA rules. Financial institutions are evaluated under different CRA examination procedures based upon their asset-size classification. Those meeting the small and intermediate small institution asset-size thresholds are not subject to the reporting requirements applicable to large banks unless they choose to be evaluated as a large institution.

Annual adjustments to these asset-size thresholds are based on the change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

As a result of the 1.29 percent increase in the CPI-W for the period ending in November 2020, the definitions of small and intermediate small institutions for CRA examinations will change as follows:

“Small bank” means an institution that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.322 billion.

“Intermediate small bank” means a small institution with assets of at least \$330 million as of December 31 of both of the prior two calendar years and less than \$1.322 billion as of December 31 of either of the prior two calendar years.

These asset-size threshold adjustments are effective January 1, 2021. The agencies will publish the final rule in the Federal Register. In addition, the agencies will post a list of the current and historical asset-size thresholds on the website of the Federal Financial Institutions Examination Council (<https://www.ffiec.gov/cra>).

Source [link](#).

**Comment:** *This is the annual CRA asset-sized threshold adjustment.*

## CFPB actions and news

### **Consumer Financial Protection Bureau Issues Rule on Higher-Priced Mortgage Loan Escrow Exemption**

**(01.19.2021)** 

The Bureau issued a final rule that adds a new exemption from the requirement to establish escrow accounts for certain higher-priced mortgage loans. The final rule exempts from the Regulation Z HPML escrow requirement any loan made by an insured depository institution or insured credit union and secured by a first lien on the principal dwelling of a consumer if (1) the institution has assets of \$10 billion or less; (2) the institution and its affiliates originated 1,000 or fewer loans secured by a first lien on a principal dwelling during the preceding calendar year; and (3) certain of the existing HPML escrow exemption criteria are met, as described in the final rule. The rule will be effective upon publication in the Federal Register.

You can access the final rule [here](#). The Bureau has provided an unofficial redline showing the changes to the regulation and official interpretations in the final rule. The Bureau has also updated the Small Entity Compliance Guide and posted an executive summary of the final rule. These resources are available [here](#). The Bureau's press release accompanying the final rule is available [here](#).

**Comment:** *This finalized rule provides welcome relief for community banks.*

### **Consumer Financial Protection Bureau Issues Final Rule on The Role of Supervisory Guidance (01.19.2021)**

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (Bureau) issued a final rule regarding the Bureau's use of supervisory guidance for its supervised institutions. The rule codifies the statement, with amendments, that the Bureau and other federal financial regulatory agencies issued in September 2018, which clarified the differences between regulations and supervisory guidance.

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

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

The Bureau collaborated closely with other federal financial regulatory agencies in this rulemaking, including by issuing a joint proposal for public comment.

The final rule can be found here: [https://files.consumerfinance.gov/f/documents/cfpb\\_role-of-supervisory-guidance\\_final-rule\\_2021-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_role-of-supervisory-guidance_final-rule_2021-01.pdf).

**Comment:** *[First proposed](#) in October 2020, the CFPB's final rule codifies the statement, with amendments, that the Bureau and other federal financial regulatory agencies issued in September 2018, which clarified the*

*differences between regulations and supervisory guidance. In 2018, five federal agencies issued a [joint statement](#) explaining the role of supervisory guidance for regulated institutions.*

#### ***CFPB Issues Debt Collection Small Entity Compliance Guide (01.15.2021)***

The Bureau has issued a small entity compliance guide summarizing the October 2020 debt collection rule. The guide is available [here](#).

***Comment: Creditors collecting their own debts are not directly subject to this rule. However, it is important to assure that third party vendors used for collection are in compliance. This revised rule may very well be the shortest-lived one from the CFPB. The new administration is likely to re-write it and strengthen protections for consumers.***

#### ***CFPB Encouraging Financial Institutions to Serve Consumers with Limited English Proficiency (01.13.2021)***

The Consumer Financial Protection Bureau has issued guidance that encourages financial institutions to better serve limited English proficient (LEP) consumers.

The guidance provides principles to inform and guide financial institutions in their decision making on serving LEP consumers, and guidelines institutions can use to develop related compliance solutions.

[Read more about the new guidance.](#)

***Comment: Banks can expect more developments in the LEP arena. Currently, there is no state law mandating banks to provide translated forms to consumers except in the home equity lending notice.***

#### ***CFPB Blog - What You Should Know About Tech Support Scams (01.12.2021)***

During the pandemic, we're doing more online – working, connecting with family and friends, shopping, and banking. So, if something goes wrong with your device, you want to fix it right away. Scammers are preying on this, offering phony tech support services. Here's what you should know about tech support scams.

##### **How to spot tech support scams**

Scammers take advantage of your reasonable concerns about viruses and other threats, but their real goal isn't to protect your computer. Instead, they want to sell you useless services, steal your credit card number, or install malware, which lets them see everything on your computer.

How do you know if you're being scammed? Here are three common scenarios:

Scenario #1: Unsolicited call from tech support

You get a call from someone who says he's a computer technician. Maybe he claims to be from a well-known company. He says there are viruses or other malware on your computer to trick you into giving him remote access to your computer or buying software you don't need. He may ask you to pay by gift card or wire transfer.

Scenario #2: Unknown pop-up appears on your screen

A pop-up window appears on your computer screen with a message warning of a security issue on your computer and tells you to call a phone number to get help. The person who answers may pretend to run a diagnostic test and claim to identify more problems.

### Scenario #3: Unsolicited email about a suspended account

You get an email saying your account has been suspended. In a recent twist, scammers are sending emails saying your Zoom account has been suspended or you missed a meeting. If you click on the link, it will install malware allowing the scammers to see what's on your computer.

#### **How to avoid tech support scams**

Here are four tips to protect against tech support scams:

Never give control of your computer to someone who contacts you out of the blue. Criminals can spoof phone numbers, so you can't rely on Caller ID. Avoid giving anyone you don't know access to your computer, or your credit card information.

Don't click links in unsolicited pop-ups or emails. If an unknown pop-up appears on your screen, avoid clicking on any links. The same is true for unsolicited emails. Instead, navigate to the company's site by typing in their URL.

Maintain your anti-virus software. Use trusted anti-virus security software and make sure to update it regularly.

Recognize legitimate tech companies. Legitimate companies won't contact you by phone, email or text message to say there's a problem with your computer. Security pop-up warnings from real tech companies won't ask you to call a phone number.

#### **Act quickly if you've been scammed**

If you've been scammed and you paid by credit or debit card, contact your credit card company or bank to ask them to stop the transaction. If you paid with a gift card, immediately contact the [company that issued the card](#), and tell them you paid a scammer and ask if they can refund your money.

You should also report any tech support scams to the Federal Trade Commission at [reportfraud.ftc.gov](https://reportfraud.ftc.gov).

For more information on fraud and scams, download the [CFPB and FDIC's Money Smart for Older Adults resource guide](#).

Source [link](#).

*Comment: This excellent information should be shared with bank customers.*

### **2021 HMDA Platform Beta Testing Open (01.11.2021)**

The Bureau is pleased to announce the beta release of the HMDA Platform for data collected in 2021 (2021 Beta Platform). The beta release provides financial institutions an opportunity to determine whether their sample LAR data comply with the reporting requirements outlined in the [Filing Instructions Guide for HMDA data collected in 2021](#).

To access the 2021 Beta Platform, financial institutions can use their login credentials from the 2020 filing period or, if they have not previously filed data, establish log-in credentials, and upload sample 2021 HMDA files to perform validation on their data. The Bureau will continue to add functionality to the 2021 Beta Platform during the testing period.

Please note that the 2021 Beta Platform is for testing purposes only. No data submitted on the 2021 Beta Platform will be considered for compliance with HMDA data reporting requirements. During the beta period,

financial institutions may test and retest 2021 HMDA data files as often as desired. Official submission of HMDA data for 2021 begins on January 1, 2022, once the live 2021 [HMDA Platform](#) opens.

In order to use the 2021 Beta Platform as well as to file HMDA data collected in 2021, financial institutions must have a Legal Entity Identifier (LEI) which uniquely identifies the institution, and that LEI must be recognized by the HMDA Platform. If your institution has not registered for an LEI and intends to file HMDA data collected in 2021, visit the [Global LEI Foundation](#) for information on obtaining an LEI.

Visit the beta version of the HMDA Platform here: <https://ffiec.beta.cfpb.gov/filing/> by selecting '2021' from the dropdown after logging in.

### ***Consumer Financial Protection Bureau's Taskforce on Federal Consumer Financial Law Releases Its Report (01.05.2021)***

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (Bureau) Taskforce on Federal Consumer Financial Law (Taskforce) released a report with recommendations on how to improve consumer protection in the financial marketplace. The Taskforce Report uses five interrelated principles that serve as the foundation for proposed systematic changes to the current legal and regulatory framework: consumer protection, information and education, competition and innovation, regulatory modernization and flexibility, and inclusion and access. Chartered by the Bureau in January of 2020, the Taskforce has examined the existing legal and regulatory environment facing consumers and financial services providers. The Taskforce was in part inspired by the National Commission on Consumer Finance, which was established by the Consumer Credit Protection Act in 1968 to conduct original research and provide recommendations relating to the regulation of consumer credit. To help inform its work, the Taskforce engaged with external stakeholders, including consumer advocates, the Bureau's combined advisory boards, state and federal regulators, and industry. The Taskforce's report discusses what it learned during its examination and outreach to stakeholders and offers recommendations for the future of consumer financial protection. "I want to thank Taskforce Chair Todd Zywicki and members Dr. Howard Beales, Dr. Thomas Durkin, Jean Noonan, and William MacLeod for applying their considerable expertise and experience in consumer protection to prepare an insightful report that will be incredibly valuable to policymakers," said Consumer Financial Protection Bureau Director Kathleen L. Kraninger. "The Bureau is already committed to many of the recommended ideas presented in the report. The Taskforce recommendations help define and illuminate our current path."

"On behalf of the Taskforce, I want to thank Director Kraninger, Deputy Director Tom Pahl, and the incredible staff of the CFPB for granting us the opportunity to serve the American consumer in this effort," said Taskforce Chair Todd Zywicki. "We were animated by the goal of promoting a strong and vibrant system that will protect consumers from harm and enhance access and choice for all Americans. The COVID-19 pandemic highlights the need to provide greater financial regulatory flexibilities and accelerated the adoption of new financial technologies, which raise both new opportunities and new threats for consumers. By leveraging our combined 150 years of professional experience of seeking to improve the health of America's financial system and the unique experiences and expertise inside and outside of the Bureau, we have created a document that will help provide guiding principles to advance the cause of consumer protection and inclusion for years to come."

In its report, the Taskforce makes approximately 100 recommendations to the Bureau, Congress, and state and federal regulators to strengthen consumer protection. Among the Taskforce recommendations are the following (listed in no particular order):

- Authorize the Bureau to issue licenses to non-depository institutions that provide lending, money transmission, and payments services;
- Expand access to the payment system by unbanked and underbanked consumers and ensure consistent treatment by applying the same rules to similar financial products;
- Identify competitive barriers and make appropriate recommendations to policymakers and regulators for expanding access to the payments systems by non-bank providers;
- Research and develop policies tailored to the unique challenges of formerly incarcerated people, and work with state and federal authorities to improve protection of this population;
- Research and develop policies to address problems of financial inclusion in rural communities;
- Facilitate creditor access to immigrants' credit information prior to their arrival in the United States in order to use that information in credit decisions;
- Research consumer reporting issues that arise in connection with a consumer's bankruptcy;
- Consider the benefits and costs of preempting state law where conflicts can impede the provision of valuable products and services, such as the regulation of FinTech companies engaged in money transmission;
- Identify opportunities to coordinate regulatory efforts. For example, the Bureau and prudential regulators should eliminate overlapping examination subject areas and reconcile inconsistent examination standards that unnecessarily expend multiple resources and can cause confusion;
- Continue to increase dialogue with state regulators to bridge knowledge gaps and streamline regulation;
- Work with other agencies to create a unified regulatory regime for new and innovative technologies providing services similar to banks;
- Establish independent review of the Bureau's regulatory cost-benefit analyses by staffing an office of cost-benefit analysis at the Bureau and or by submitting its analyses to OIRA for review;
- Evaluate any positive or negative effect on inclusion as part of the Bureau's cost-benefit analyses as appropriate;
- Exercise caution (a recommendation for the Bureau, Congress, and other federal and state regulators) in restricting the use of nonfinancial alternative data, which can be very useful indicators of creditworthiness.
- Clarify the obligations of CRAs and furnishers with respect to disputes under the FCRA;
- Assess periodically the accuracy and completeness of consumer credit reports.

To read the Taskforce Report Volume I click here:

[https://files.consumerfinance.gov/f/documents/cfpb\\_taskforce-federal-consumer-financial-law\\_report-volume-1\\_2021-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_taskforce-federal-consumer-financial-law_report-volume-1_2021-01.pdf).

To read the Taskforce Report Volume II click here:

[https://files.consumerfinance.gov/f/documents/cfpb\\_taskforce-federal-consumer-financial-law\\_report-volume-2\\_2021-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_taskforce-federal-consumer-financial-law_report-volume-2_2021-01.pdf).

***Comment: Although the CFPB has identified significant accomplishments under Kraninger, she will quickly be replaced by Rohit Chopra. He worked with Senator Warren on establishing the CFPB before joining it in 2011 to head up the student lending market area, identifying abuses by private lenders.***

## **CFPB Announces Asset-Size Threshold Adjustments Under HMDA (Regulation C), TILA (Regulation Z), and FCRA (12.23.2020)**

The Bureau has issued three annual threshold adjustment final rules.

First, the Bureau has announced the asset-size exemption thresholds for depository institutions under Regulation C. Second, the Bureau has announced the asset-size exemption thresholds for certain creditors under the escrow requirements and small creditor portfolio and balloon-payment qualified mortgage requirements, and the small creditor exemption from the prohibition against balloon-payment high-cost mortgages under Regulation Z. Third, the Bureau has announced the annual adjustment to the maximum amount consumer reporting agencies may charge consumers for making a file disclosure to a consumer under FCRA. The ceiling on allowable charges under Section 612(f) of the Fair Credit Reporting Act (FCRA) will increase to \$13.00, effective for 2021.

These adjustments are effective on January 1, 2021, consistent with relevant statutory or regulatory provisions.

You can access the Regulation C notice at: <http://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/home-mortgage-disclosure-regulation-c-adjustment-asset-size-exemption-threshold/>.

You can access the Regulation Z notice at: <http://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/truth-lending-act-regulation-z-adjustment-asset-size-exemption-threshold/>.

You can access the FCRA notice at: <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/fair-credit-reporting-act-disclosures/>.

***Comment: These are routine annual adjustments.***

## **CFPB Issues Advisory Opinion on Special Purpose Credit Programs (12.21.2020)**

The Bureau is issuing an advisory opinion on special purpose credit programs (SPCP). This advisory opinion clarifies the content that a for-profit organization must include in a written plan that establishes and administers a special purpose credit program under Regulation B. In addition, it clarifies the type of research and data that may be appropriate to inform a for-profit organization's determination that a special purpose credit program is needed to benefit a certain class of persons.

You can find the special purpose credit program Advisory Opinion on the Bureau's Advisory Opinion Program web page here: <https://www.consumerfinance.gov/compliance/advisory-opinion-program/>.

***Comment: The advisory opinion clarifies (i) the content that a for-profit organization must include in an SPCP written plan, including details regarding the class of persons designed to benefit from the program and the procedures for extending credit pursuant to the program; and (ii) the type of research and data that may be appropriate to inform a for-profit organization's determination that a SPCP would benefit a certain class of people, which can include external sources such as HMDA data.***

## **Consumer Financial Protection Bureau Releases Report On Implementing The Dodd-Frank Act's Small Business Lending Data Collection Requirement (12.15.2020)**

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (Bureau) released a panel report as part of its rulemaking process under Dodd-Frank Act Section 1071 governing the collection and reporting of small business lending data.

A panel was convened pursuant to the Small Business Regulatory Enforcement Fairness Act, comprised of representatives of the Bureau, the Office of Advocacy of the Small Business Administration, and the Office of Management and Budget. The panel consulted with representatives of small entities likely to be affected directly by a Section 1071 regulation, referred to as small entity representatives or SERs. The SERs provided feedback on the Bureau’s proposals under consideration for Section 1071 and the potential economic impacts of complying with those proposals. The panel and SERs also discussed regulatory alternatives to minimize potential impacts.

In their feedback, SERs were generally supportive of the Bureau’s statutory mission to enact rules under Section 1071 and several SERs stated that a 1071 rulemaking is necessary to better understand the small business lending market. Further, SERs requested, and the panel agreed, that, among other things, the Bureau should issue implementation and guidance materials specifically to assist small financial institutions in complying with an eventual Section 1071 rule, and to consider providing sample disclosure language.

The feedback from small entity representatives and the panel’s findings and recommendations will be used by the Bureau as it prepares a notice of proposed rulemaking to implement Section 1071. Feedback on the Bureau’s proposals under consideration submitted by other stakeholders will also be considered as part of the rulemaking process.

The panel report can be found here: [https://files.consumerfinance.gov/f/documents/cfpb\\_1071-sbrefa-report.pdf](https://files.consumerfinance.gov/f/documents/cfpb_1071-sbrefa-report.pdf).

Additional materials related to this rulemaking are available here: <https://www.consumerfinance.gov/1071-rule/>.

***Comment: This is another rule that is likely to be significantly expanded under the new administration. While it is unclear when an NPRM will surface, we know that the next steps in the process will be taken after President Joe Biden takes office and the CFPB has a new Director.***

## FDIC actions and news

### **FDIC Approves Rule on the Role of Supervisory Guidance (01.19.2021)**

WASHINGTON— The Federal Deposit Insurance Corporation (FDIC) approved a final rule outlining and confirming the agency’s use of supervisory guidance for regulated institutions. The final rule codifies the interagency statement on the role of supervisory guidance, as amended, issued in September 2018 to clarify the differences between regulations and guidance, and states that the Statement is binding on the agency.

Unlike a law or regulation, supervisory guidance does not have the force and effect of law, and the FDIC does not take enforcement actions based on supervisory guidance. Rather, supervisory guidance outlines the FDIC’s supervisory expectations or priorities and articulates the FDIC’s general views regarding appropriate practices for a given subject area.

The codified Statement includes provisions stating that supervisory guidance does not create binding, enforceable legal obligations; that the agency does not issue supervisory criticisms (which includes, in the FDIC’s

case, matters requiring board attention (MRBAs)) for “violations” of or “non-compliance” with supervisory guidance; and describes the appropriate use of supervisory guidance.

The FDIC issued a final rule that is specifically addressed to the FDIC and FDIC-supervised institutions, rather than a joint rulemaking with the other financial regulators. The final rule will go into effect 30 days after publication in the Federal Register.

FDIC: PR-5-2021

### [Role of Supervisory Guidance Final Rule](#)

Source [link](#).

***Comment: This rule is a final confirmation of earlier guidance stating that supervisory guidance does not support enforcement actions. [First proposed in October 2020](#), this final rule codifies what the federal financial regulatory agencies issued in September 2018, which clarified the differences between regulations and supervisory guidance. In 2018, five federal agencies issued a [joint statement](#) explaining the role of supervisory guidance for regulated institutions.***

### ***FDIC Selects 11 Companies to Compete in Final Phase of Tech Sprint (01.11.2021)***

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) announced the selection of 11 companies to compete in the third and final phase of the agency’s Rapid Phased Prototyping Competition, a tech sprint designed to develop an innovative new approach to financial reporting, particularly for community banks.

The FDIC selected the following companies to continue to Phase III of this competition:

1. ACTUS Financial Research Foundation, Inc.
2. BearingPoint
3. DSQuorum, LLC (Data Society)
4. Fed Reporter, Inc.
5. Fidelity Information Services, LLC
6. First Data Government Solutions, LP (Fiserv)
7. Neocova Corporation
8. Novantas, Inc.
9. Palantir Technologies Inc.
10. PeerIQ
11. S&P Global Market Intelligence, LLC

The FDIC’s Rapid Phased Prototyping Competition seeks to develop technology for a timelier and less burdensome financial reporting and analysis process. Once completed, the system would better equip regulators to detect signs of risk and to take early actions designed to protect consumers, banks, the financial system and the economy.

This rapid phased prototyping procurement model uses a “show me, don’t tell me” approach – asking competitors to rapidly produce working prototypes of new technologies over several competitive phases. In Phase II, each of the companies met with FDIC staff during sprint check-ins to receive feedback on their concepts and demonstrated initial prototypes. In the third and final phase of the prototyping competition, the finalists will demonstrate their final prototypes during presentations held in March 2021. [Read more about Rapid Phased Prototyping.](#)

Source [link](#).

### ***FDIC Makes Public November Enforcement Actions (12.28.2021)***

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

The FDIC issued 10 orders in November 2020. The administrative enforcement actions in those orders consisted of two civil money penalties, one removal order, two terminations of consent orders, one termination of an order for restitution, one termination of a supervisory prompt corrective action directive and four Section 19 applications.

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.

[November 2020 Enforcement Decisions and Orders](#)

Source [link](#).

### ***FDIC Releases New Application Programming Interface and Modernized Version of BankFind (12.21.2020)***

The Federal Deposit Insurance Corporation (FDIC) announced the release of two bank data tools—the Application Programming Interface (API) for financial data and a modernized version of BankFind. These tools make it simpler for the public to connect with the FDIC by offering easy-to-use interfaces, interactive maps, a sleek mobile-ready experience and modern data delivery options.

The new API provides the public with over 1,100 Call Report data variables that financial institutions report quarterly. The API is available on FDIC.gov (banks.data.fdic.gov/bankfind-suite) and Data.gov, and complements other APIs on insured institutions including names, locations, events and changes, and historical and failure data. Additional Call Report data will be made available in 2021.

BankFind allows the public to search for institutions insured by the FDIC and provides detailed information on their history and location of branch offices. The release is part of a larger launch of FDIC's BankFind Suite (the Suite) -- a "one-stop" digital experience for FDIC's public data. Similar to those applications found on a smartphone, the Suite gives users access to multiple "apps," including FDIC's public APIs. The redesigned BankFind interface makes it easier to locate banks or branch locations by institution name, URL, FDIC certificate number, ZIP Code, city, or state.

Source [link](#).

***Comment: The FDIC's website continues to be upgraded, creating excellent tools for a variety of stakeholders including the public and financial institutions.***

### ***FDIC Releases New 2020 Community Banking Study (12.16.2020)***

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) released a new large-scale study on the state of the nation's community banks. The FDIC's 2020 Community Banking Study finds community banks played a

critical role in providing access to credit in several key areas of the U.S. economy, particularly through lending to support commercial real estate, small businesses and agriculture.

The FDIC study found that, relative to the broader banking sector, community banks continued to report positive financial performance and demonstrated this strength during the COVID-19 pandemic. The 2020 Study also included an examination of the influence of regulation and technology on community banks.

“The FDIC recognizes the critical role community banks play in providing loan and deposit services to customers throughout the United States,” said FDIC Chairman Jelena McWilliams. “By continuing to study community banks, the FDIC can provide support to these institutions and the communities they serve.”

Key Findings:

**Structural Changes** – Voluntary mergers between unaffiliated institutions were the primary cause of the decline in the number of insured depository institutions between 2012 and 2019: the number of community banks fell from 6,802 to 4,750 and the number of non-community banks dropped from 555 to 427. Community banks acquired more than two-thirds of the community banks that closed during the study period.

**Regulation** – The scope of regulatory change from 2008 through 2019 underscores that regulatory burden can be challenging for small banks with limited compliance resources. Banks’ regulatory compliance function is likely a factor contributing to scale economies, thereby indirectly affecting some banks’ decisions to enter or exit the industry and the distribution of residential mortgage holdings across banks of different sizes.

**Community Bank Lending** – Though community banks tend to be relatively small, their commercial real estate (CRE), small business and agriculture lending far exceed their relative size within the overall banking industry. While community banks account for just 15 percent of the banking industry’s total loans, they hold 30 percent of all CRE loans, 36 percent of small business loans, and 70 percent of agricultural loans.

In addition, community banks were successful in areas with growing economies and populations while they continued to meet the credit needs of less economically vibrant areas, such as rural counties and areas with declining populations. Community banks have also proven to be resilient in their performance over the last seven years and during the COVID-19 pandemic.

**Technology** – Several factors drove community banks’ adoption of technology including bank characteristics, the economic and competitive environment, and the attitudes and expectations of bank leadership. Based on FDIC research and survey data from the Conference of State Bank Supervisors, larger community banks and community banks with higher loan-to-asset ratios and higher growth were greater technology adopters. Similarly, community banks that faced greater competition and whose leadership had more optimistic expectations about the future were more likely to adopt technology.

Source [link](#).

## OCC actions and news

### ***OCC Approves Final Rule on Supervisory Guidance (01.19.2021)***

WASHINGTON—The Office of the Comptroller of the Currency (OCC) approved a final rule confirming the OCC’s use of supervisory guidance for banks.

The final rule codifies a statement, as amended, that was issued by the OCC, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, and Bureau of

Consumer Financial Protection on September 11, 2018 (2018 Statement). The 2018 Statement clarified the differences between regulations and guidance. The OCC is adopting the rule proposed on November 5, 2020, without substantive change. Neither the final rule nor the 2018 Statement reflect a change from longstanding OCC policy.

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

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

The final rule will become effective 30 days following publication in the Federal Register.

Source [link](#).

*Comment: [First proposed](#) in October 2020, this final rule codifies what the federal financial regulatory agencies issued in September 2018, which clarified the differences between regulations and supervisory guidance. In 2018, five federal agencies issued a [joint statement](#) explaining the role of supervisory guidance for regulated institutions.*

### ***OCC Publication Focuses on Bank Investments in Opportunity Zones (01.19.2021)***

WASHINGTON—The Office of the Comptroller of the Currency (OCC) published the latest edition of its Community Developments Investments newsletter, “Strengthening Communities With Opportunity Zone Investments.”

This edition of Community Developments Investments explains how banks can support distressed communities by making investments in tax-advantaged qualified opportunity funds (QOF) as part of their community development strategies. For example, the newsletter highlights transactions in which a national bank created and sponsored its own QOF. The newsletter also highlights banks that invested in QOFs sponsored by third-party intermediaries. The newsletter discusses tools that banks can use to evaluate the social and economic benefits created by QOF-financed projects in designated opportunity zones.

Earlier in 2020, the OCC published a banker-oriented fact sheet on opportunity zones. The fact sheet explains how the tax benefit operates, outlines the risks and regulatory considerations of QOF investments, and discusses how QOF investments will be considered under OCC’s recently revised Community Reinvestment Act regulations.

This edition of Community Developments Investments is part of a group of resources available to banks interested in exploring community development and economic inclusion opportunities in their communities. These resources are available on [www.occ.gov](http://www.occ.gov). Banks interested in learning more about these opportunities may contact the OCC’s District Community Affairs Officers located throughout the nation.

Related Links

[Community Developments Investments: “Strengthening Communities With Opportunity Zone Investments”](#)

[Community Developments Fact Sheet: Opportunity Zones](#)

Source [link](#).

***Comment: These materials are excellent resources for CRA planning. Although the OCC produces this publication and other materials, they should be reviewed by state chartered banks as well.***

### ***OCC Releases 2021 Schedule of Virtual Bank Director Workshops (01.14.2021)***

WASHINGTON — The Office of the Comptroller of the Currency (OCC) announced its 2021 schedule of free, virtual workshops for board of directors of national banks and federal savings associations.

The OCC examiner-led workshops provide practical training and guidance to directors of national community banks and federal savings associations in a virtual learning environment to support the safe and sound operation of community-based financial institutions.

“Community banks are fundamental to meeting the financial services needs of consumers and small businesses throughout the country,” said Acting Comptroller of the Currency Brian P. Brooks. “The OCC’s Bank Director Workshops are uniquely tailored to help bank directors understand the regulatory environment, their roles and responsibilities, and risks facing the industry so their institutions can continue to be a source of strength for economic opportunity and community development.”

The OCC offers four virtual workshops:

- Building Blocks: Keys to Success for Directors and Senior Management
- Risk Governance: Improving Director Effectiveness
- Credit Risk: Directors Can Make a Difference
- Operational Risk: Navigating Rapid Changes

To view the schedule of virtual workshops and register online, visit the OCC’s website. For questions or other assistance about the workshops, please contact the OCC Bank Director Workshop Team at (202) 649-6490 or [BankDirectorWorkshop@occ.treas.gov](mailto:BankDirectorWorkshop@occ.treas.gov).

Source [link](#).

### ***Civil Money Penalties: Notice Adjusting Maximum Civil Money Penalties for 2021 (01.13.2021)***

On December 31, 2020, the Office of the Comptroller of the Currency (OCC) published in the Federal Register the attached notice to adjust the maximum amount of each civil money penalty (CMP) within its jurisdiction pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Adjustment Act). The adjusted maximum penalties are effective as of January 1, 2021, for violations occurring on or after November 2, 2015.

#### **Note for Community Banks**

The OCC may exercise its discretion to impose inflation-adjusted maximum CMPs on any national bank or federal savings association, if appropriate.

#### **Highlights**

The notice updates the inflation-adjusted maximum CMPs that the OCC may impose, using the inflation adjustment required under the 2015 Adjustment Act, as provided by the Office of Management and Budget (OMB) in OMB Memorandum M-21-10 issued on December 23, 2020. This revision does not affect the OCC's discretion to assess a CMP in an amount lower than the maximum allowed.

## **Background**

The 2015 Adjustment Act requires federal agencies with CMP authority to annually adjust each CMP authorized by law that the agency has jurisdiction to administer, in accordance with the guidance published by the OMB. Agencies must adjust their CMPs no later than January 15 of each year and publish those adjustments in the Federal Register.

[Notification of Inflation Adjustments for Civil Money Penalties](#) (PDF)

Source [link](#).

## ***Acting Comptroller of the Currency Issues Statement on CFPB Task Force Study Regarding Federal Fintech Charters (01.06.2021)***

WASHINGTON — Acting Comptroller of the Currency Brian P. Brooks issued the following statement upon release of the Consumer Financial Protection Bureau's (CFPB) task force report (PDF) endorsing the need for federal charters for financial technology (fintech) companies.

The thoughtful report by the task force created by the CFPB concludes that the nation needs federal charters for fintechs to effectively, efficiently, and safely serve the financial needs of consumers across the nation under a single uniform set of rules. We absolutely agree with that conclusion.

Under the law, the agency that grants national charters to companies engaged in lending, payments, or deposit-taking is the Office of the Comptroller of the Currency (OCC), which has the responsibility for prudential supervision to ensure these chartered institutions operate in a safe, sound, and fair manner. In its wisdom, Congress in the Dodd-Frank Act separated chartering and prudential supervision from consumer protection enforcement, assigning chartering authority to the OCC and specific consumer protection enforcement authority to the CFPB.

The additional protections implemented following the last financial crisis put two cops on the beat and separated those responsibilities so neither would be compromised in service to the other. That dynamic should be preserved so that the CFPB continues to enforce compliance with enumerated financial consumer protection laws for the financial companies designated by the Dodd-Frank Act, while at the same time avoiding the creation of a prudential supervision gap that could lead to serious safety and soundness risks.

Source [link](#).

## ***OCC Proposes Rule Regarding Permissible Bank Premises (12.23.2020)***

WASHINGTON—The Office of the Comptroller of the Currency (OCC) invited comment on a notice of proposed rulemaking to codify permissibility standards for real estate used as national bank or federal savings association premises.

The proposed rule would clarify standards for determining when real estate is necessary for the transaction of an institution's business.

Comments will be accepted for 45 days following publication in the Federal Register.

Source [link](#).

***Comment: National banks have relied on a hodgepodge of interpretive letters and cases to try to determine when a commercial facility (e.g. tower) can satisfy the criteria as “bank” premises. Although the pandemic has shown that brick and mortar facilities are of decreasing importance, this rule is important in providing clarity for new branches and home offices.***

### ***Office of the Comptroller of the Currency Issues Interpretation of 12 U.S.C. § 25b (12.18.2020)***

WASHINGTON—The Office of the Comptroller of the Currency (OCC) issued an interpretation of 12 U.S.C. 25b, which codifies preemption standards and establishes procedural requirements for certain preemption actions by the agency.

Federal preemption derives from the Supremacy Clause of the U.S. Constitution and has been recognized as fundamental to the federal government and the operation of the federal banking system. In the landmark case of *McCulloch v. Maryland*, the U.S. Supreme Court held that under the Supremacy Clause, states “have no power, by taxation or otherwise, to retard, impede, burden, or in any manner control, the operations” of an entity created under federal law.

Federal preemption permits national banks and federal savings associations, many of which operate across state lines, to operate under a uniform set of rules to support nationwide banking. The agency has concluded that the federal banking system, and its customers, would benefit from a comprehensive interpretation of these provisions, which sets out a consistent framework for compliance.

Source [link](#).

***Comment: National charters have been able to use preemption to collaborate with nonbanks to avoid certain state law limitations. We can expect the incoming administration to revisit this issue.***

### ***OCC Reports Decline in Mortgage Performance (12.16.2020)***

WASHINGTON—The Office of the Comptroller of the Currency (OCC) reported that the performance of first-lien mortgages in the federal banking system declined during the third quarter of 2020.

The OCC Mortgage Metrics Report, Third Quarter 2020 showed that 92.5 percent of mortgages included in the report were current and performing at the end of the quarter, compared to 96.4 percent a year earlier.

The percentage of seriously delinquent mortgages—mortgages that are 60 or more days past due and all mortgages held by bankrupt borrowers whose payments are 30 or more days past due—was 5.8 percent in the third quarter of 2020, compared to 6.8 percent in the prior quarter and 1.5 percent a year ago.

Servicers initiated 369 new foreclosures during the third quarter of 2020-, a 48.2 percent increase from the previous quarter and a 98.3 percent decrease from a year ago. Events associated with the COVID-19 pandemic, including foreclosure moratoriums, caused significant decreases in these metrics.

Servicers completed 14,097 mortgage modifications in the third quarter of 2020, and 40.8 percent of the modifications reduced borrowers’ monthly payments. Of these 14,097 modifications, 10,050, or 71.3 percent, were “combination modifications”— modifications that included multiple actions affecting affordability and sustainability of the loan, such as an interest rate reduction and a term extension. Among the 10,050

combination modifications completed during the quarter, 78.1 percent included capitalization of delinquent interest and fees, 69.9 percent included an interest rate reduction or freeze, 54.4 percent included a term extension and 47.4 percent included principal deferral. Of the modifications with a single action, 3,692 or 91.9 percent received a term extension.

The first-lien mortgages included in the OCC's quarterly report comprise 27 percent of all residential mortgage debt outstanding in the United States or approximately 14.4 million loans totaling \$2.87 trillion in principal balances. This report provides information on mortgage performance through September 30, 2020, and it can be downloaded from the OCC's website, [www.OCC.gov](http://www.OCC.gov).

Source [link](#).

***Comment: As the pandemic continues to negatively affect the economy, we can expect further deterioration.***

### ***New Brokered Deposits Rule Promotes Bank-Fintech Partnerships (12.15.2020)***

WASHINGTON—Acting Comptroller of the Currency Brian P. Brooks issued the following statement with his vote to support the Federal Deposit Insurance Corporation's (FDIC) new brokered deposits rule.

The rule regarding brokered deposits approved by the FDIC Board helps modernize the concept of brokered deposits in ways that give consumers more choices and control over their financial decisions and promote innovation between commercial banks and the financial technology industry.

Under the previous status quo, the broad definition of brokered deposits discouraged bank and fintech partnerships by imposing unnecessary burden and costs—specifically, by deeming app-based fintech services that facilitate consumer savings accounts potential deposit-brokering activity. This rule recognizes that fintech partnerships help banks reach new customers and extend their services to previously unbanked and underserved populations without triggering onerous regulatory requirements.

The new rule makes three basic improvements over the previous status quo. First, fintechs that partner exclusively with a single bank deposit platform are not considered brokered-deposit arrangements under the rule; only arrangements where a broker has discretion to place deposits at any of multiple banks would trigger deposit-broker regulation. Second, companies that simply facilitate consumers' deposits into a bank via a more convenient interface and never take possession of the consumers' funds will no longer be deemed brokered-deposit arrangements. Third, companies that accept deposits as part of a suite of services focused on consumer lending will not be considered deposit brokers under the new rule's "primary purpose" exception.

These improvements to the brokered-deposit rule help promote greater access to financial services by supporting fintech and bank partnerships and allowing a wider array of services to be available in the market, especially for unbanked and underbanked Americans for whom the easier user interface of fintech apps is a gateway to the mainstream financial system.

Rules such as these take an extraordinary amount of work by staff. I congratulate them on their good work and I am proud to support the rule.

Source [link](#).

## **Federal Reserve actions and news**

***Beige Book (01.13.2021)***

This report was prepared at the Federal Reserve Bank of San Francisco based on information collected on or before January 4, 2021. This document summarizes comments received from contacts outside the Federal Reserve System and is not a commentary on the views of Federal Reserve officials.

- [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**

Most Federal Reserve Districts reported that economic activity increased modestly since the previous Beige Book period, although conditions remained varied: two Districts reported little or no change in activity, while two others noted a decline. Reports on consumer spending were mixed. Some Districts noted declines in retail sales and demand for leisure and hospitality services, largely owing to the recent surge in COVID-19 cases and stricter containment measures. Most Districts reported an intensification of the ongoing shift from in-person shopping to online sales during the holiday season. Auto sales weakened somewhat since the previous report, while activity in the energy sector was said to have expanded for the first time since the onset of the pandemic. Manufacturing activity continued to recover in almost all Districts, despite increasing reports of supply chain challenges. Residential real estate activity remained strong, but accounts of weak conditions in commercial real estate markets persisted. Banking contacts saw little or no change in loan volumes, with some anticipating stronger demand from borrowers in coming months for new government-backed lending programs. Although the prospect of COVID-19 vaccines has bolstered business optimism for 2021 growth, this has been tempered by concern over the recent virus resurgence and the implications for near-term business conditions.

## **Employment and Wages**

A majority of Districts reported that employment rose, although the pace was slow, and the recovery remained incomplete. However, a growing number of Districts reported a drop in employment levels relative to the previous reporting period. Labor demand was strongest in the manufacturing, construction, and transportation sectors, with some employers noting staffing shortages and difficulty attracting qualified workers, especially for entry-level and on-site positions. These hiring difficulties were exacerbated by the recent resurgence in COVID-19 cases and the resulting workplace disruptions in some Districts. Contacts in the leisure and hospitality sectors reported renewed employment cuts due to stricter containment measures. Firms in most Districts reported that wages increased modestly, as labor market conditions improved somewhat in some areas but generally remained weak. Employers in some Districts reported raising wages or offering more generous benefits, such as year-end bonuses and flexible work arrangements, to limit employee turnover.

## **Prices**

Almost all Districts saw modest price increases since the last report, with growth in input prices continuing to outpace that of finished goods and services. Most notably, prices for construction and building materials, steel products, and shipping services were reported to have risen further. Contacts in several Districts noted an improved ability to raise final selling prices to consumers, especially in the retail, wholesale trade, and manufacturing sectors, and some cited plans to increase selling prices in coming months. Energy prices picked up in the reporting period but remained below pre-pandemic levels. Home prices continued to climb, driven by low inventories and rising construction costs.

Source [link](#).

### ***Federal Reserve Board Invites Public Comment on Proposed Amendments to Regulation D and Issues Final Rule Amending Regulation D with Regard to Reserve Requirement Ratios on Transaction Accounts***

**(12.22.2020)** 

The Federal Reserve Board on Tuesday issued a notice of proposed rulemaking that requests public comment on proposed amendments to Regulation D (Reserve Requirements of Depository Institutions). Under the proposal, references to an "interest on required reserves" ("IORR") rate and to an "interest on excess reserves" ("IOER") rate would be replaced with a single "interest on reserve balances" ("IORB") rate. The proposed amendments would make other conforming changes, such as simplifying the formula used to calculate the amount of interest paid on balances maintained by or on behalf of eligible institutions in master accounts at Federal Reserve Banks. Comments on the proposed rulemaking will be accepted for 60 days after publication in the Federal Register, which is expected shortly.

Concurrently, the Board announced that it is adopting as a final rule, without change, an interim final rule amending Regulation D to lower reserve requirement ratios on transaction accounts maintained at depository institutions to zero percent. The Board received no comments on the interim final rule.

Source [link](#).

### ***Federal Reserve announces members of its Community Depository Institutions Advisory Council for 2021***

**(12.17.2020)**

The Federal Reserve Board on Thursday, December 17 announced the members of its Community Depository Institutions Advisory Council (CDIAC) and the president of the council for 2021.

CDIAC advises the Board on the economy, lending conditions, and other issues of interest to community depository institutions. Members are selected from representatives of commercial banks, thrift institutions, and credit unions serving on local advisory councils at the 12 Federal Reserve Banks. One member of each of the Reserve Bank councils serves on CDIAC, which meets twice a year with the Federal Reserve Board in Washington, DC. Further information on CDIAC, including records from past meetings, can be found here: <http://www.federalreserve.gov/aboutthefed/cdiac.htm>.

Dorothy A. Savarese, chair and chief executive officer of Cape Cod 5, Orleans, Mass., will serve as CDIAC president in 2021.

The other members of CDIAC in 2021 are:

Erik Beguin

Chief Executive Officer and Founder  
Austin Capital Bank  
Austin, Texas

Dabney T.P. Gilliam, Jr.  
President and Chief Executive Officer  
The Bank of Charlotte County  
Phenix, Va.

Brad Koehn  
Regional President  
Midwest Bank  
Lincoln, Neb.

Shari Laven  
Chief Executive Officer  
Viking Bank  
Alexandria, Minn.

Kent A. Liechty  
President and Chief Executive Officer  
First Bank of Berne  
Berne, Ind.

Faheem A. Masood  
President and Chief Executive Officer  
ESL Federal Credit Union  
Rochester, N.Y.

David R. Melville III  
Chief Executive Officer and President  
b1BANK  
Baton Rouge, La.

Margaret Oldner  
Chief Executive Officer  
Stone Bank  
Little Rock, Ark.

T. Michael Price  
President and Chief Executive Officer  
First Commonwealth Financial Corporation  
Indiana, Pa.

Janet Silveria  
President and Chief Executive Officer  
Community Bank of Santa Maria  
Santa Maria, Calif.

Jeane M. Vidoni  
President and Chief Executive Officer  
Penn Community Bank  
Perkasie, Pa.

Source [link](#).

## Other federal action and news

### ***CSBS Blog - What Keeps Your Local Community Banker Up at Night? (01.19.2021)***

Community bankers know their customers and their local economic markets. Indeed, “know your customer” is likely the main tenet for becoming a successful community banker. They watch, listen and learn by talking to, and getting to know, everyone in the community. By asking good questions and forging solid relationships, community bankers understand how businesses and consumers interact, where value is created, and the extent and magnitude of risks. So, with the world completing nearly a year of great uncertainty and economic turmoil amidst the COVID-19 pandemic and subsequent lockdowns, what are community bankers’ main concerns today? What is keeping your local community banker up at night?

Source [link](#).

### ***FinCEN Extends Comment Period for Rule Aimed at Closing Anti-Money Laundering Regulatory Gaps for Certain Convertible Virtual Currency and Digital Asset Transactions (01.14.2021)***

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) announced it is reopening the comment period for its recent proposed rulemaking regarding certain transactions involving convertible virtual currency (CVC) or digital assets with legal tender status (LTDA).

Under the Notice of Proposed Rulemaking (NPRM), banks and money services businesses (MSBs) would be required to submit reports, keep records, and verify the identity of customers in relation to transactions above certain thresholds involving CVC/LTDA wallets not hosted by a financial institution (also known as “unhosted wallets”) or CVC/LTDA wallets hosted by a financial institution in certain jurisdictions identified by FinCEN.

The Notice identifies additional statutory authority for the proposed rule under the Anti-Money Laundering Act of 2020, provides additional information regarding the reporting form, and reopens the comment period for the proposal. Specifically, FinCEN is providing an additional 15 days for comments on the proposed reporting requirements regarding information on CVC or LTDA transactions greater than \$10,000, or aggregating to greater than \$10,000, that involve unhosted wallets or wallets hosted in jurisdictions identified by FinCEN. FinCEN is providing an additional 45 days for comments on the proposed requirements that banks and MSBs report certain information regarding counterparties to transactions by their hosted wallet customers, and on the proposed recordkeeping requirements.

FinCEN appreciates the robust responses already provided by commenters and has reviewed more than 7,500 comments submitted during the NPRM’s original comment period. FinCEN looks forward to reviewing any additional information submitted during the extended comment period, and to continuing its active engagement with the cryptocurrency industry to ensure innovation with integrity that appropriately addresses anti-money laundering and national security risks.

Source [link](#).

***Comment: The shorter extension for comments on the \$10,000 threshold – 15 days - may indicate that FinCEN is likely to pass this aspect of the rule change but is still open to modifying aspects of the remaining record keeping requirements.***

### ***CSBS Blog - Forces and Counterforces Shape Community Banker Sentiment (01.12.2021)***

The headline number from CSBS's fourth quarter 2020 Community Bank Sentiment Index (CBSI) is 98, a one-point increase from 97 in the previous quarterly survey and closer to the neutral reading of 100. While any upward movement in the index is encouraging, a deeper dive into the slight increase shows that components exhibiting positive sentiment continued to ascend whereas negative-sentiment indicators dropped further. The latest survey emphasizes that the greatest force behind rising community banker optimism is their outlook on future business conditions, and the greatest counterforce is rising concern that the regulatory burden will be heavier.

Source [link](#).

### ***Community Bankers Positive on Business Conditions; Concerned About Reg Burden and Profitability (01.06.2021)***

Washington, D.C. – Community bankers' assessment about future economic and financial conditions improved at the end of 2020 but still indicates a marginally negative outlook that falls well below confidence levels before the COVID-19 pandemic and economic lockdowns, according to the most recent Community Bank Sentiment Index (CBSI).

The Conference of State Bank Supervisors publicly released the fourth quarter CBSI results, collecting data from 284 community banks across the nation during the month of December. The results showed a sentiment index of 98 points, up from 97 in the third quarter and the low 90s in the first half of 2020. Prior to the pandemic, the sentiment index hovered in the low 120s.

“Community bankers see significant issues in the future with profitability and regulatory burden,” said CSBS President and CEO John Ryan. “The silver lining may be their generally positive view of the business environment as we emerge from the pandemic. The banking industry is a critical component to our economic recovery, and it appears to be well positioned to do that.”

The CBSI captures on a quarterly basis what community bankers nationwide think about the future. Participant answers are analyzed and compiled into a single number; an index reading of 100 indicates a neutral sentiment. Anything above 100 indicates a positive sentiment, and anything below 100 indicates a negative sentiment.

Key findings from the fourth quarter 2020 results include:

- Four of the seven components in the CBSI indicating positive sentiment increased from the previous survey; the other three components indicating negative sentiment dropped further.
- Bankers' outlook for future business conditions improved the most, rising to 120 from 103 in the previous quarter.

- The regulatory burden component dropped 17 points to an historic low of 40, indicating greater concern that bank regulation will be more heavy-handed in the future.
- Bankers' outlook on future profitability remains a concern, falling to 62 from 68 in the third quarter and closer to the record low of 55 in the second quarter of 2020.

For more on the CBSI, visit [www.csbs.org/cbindex](http://www.csbs.org/cbindex).

Source [link](#).

### ***FinCEN Asks Financial Institutions to Stay Alert to COVID-19 Vaccine-Related Scams and Cyberattacks (12.28.2020)***

The Financial Crimes Enforcement Network (FinCEN) issued a Notice to alert financial institutions about the potential for fraud, ransomware attacks, or similar types of criminal activity related to COVID-19 vaccines and their distribution. This Notice also provides specific instructions for filing Suspicious Activity Reports (SARs) regarding such suspicious activity related to COVID-19 vaccines and their distribution.

Source [link](#).

***Comment: Consider sharing this information with consumers to help them be aware of these risks.***

### ***Treasury News Release: The Financial Crimes Enforcement Network Proposes Rule Aimed at Closing Anti-Money Laundering Regulatory Gaps for Certain Convertible Virtual Currency and Digital Asset Transactions (12.18.2020)***

The Financial Crimes Enforcement Network (FinCEN), a bureau within the U.S. Department of the Treasury, is requesting comments on proposed requirements for certain transactions involving convertible virtual currency (CVC) or digital assets with legal tender status (LTDA). Under the Notice of Proposed Rulemaking (NPRM) submitted to the Federal Register, banks and money services businesses (MSBs) would be required to submit reports, keep records, and verify the identity of customers in relation to transactions above certain thresholds involving CVC/LTDA wallets not hosted by a financial institution (also known as “unhosted wallets”) or CVC/LTDA wallets hosted by a financial institution in certain jurisdictions identified by FinCEN.

The United States welcomes responsible innovation, including new technologies that may improve the efficiency of the financial system and expand access to financial services. The action seeks to protect national security and aid law enforcement by increasing transparency in digital currencies and closing loopholes that malign actors may exploit.

“This rule addresses substantial national security concerns in the CVC market, and aims to close the gaps that malign actors seek to exploit in the recordkeeping and reporting regime,” said Secretary Steven T. Mnuchin. “The rule, which applies to financial institutions and is consistent with existing requirements, is intended to protect national security, assist law enforcement, and increase transparency while minimizing impact on responsible innovation.”

The proposed rule complements existing BSA requirements applicable to banks and MSBs by proposing to add reporting requirements for CVC and LTDA transactions exceeding \$10,000 in value. Pursuant to the proposed rule, banks and MSBs will have 15 days from the date on which a reportable transaction occurs to file a report with FinCEN. Further, this proposed rule would require banks and MSBs to keep records of a customer's CVC or

LTDA transactions and counterparties, including verifying the identity of their customers, if a counterparty uses an unhosted or otherwise covered wallet and the transaction is greater than \$3,000.

This includes collecting the following:

1. The name and address of the financial institution's customer;
2. The type of CVC or LTDA used in the transaction;
3. The amount of CVC or LTDA in the transaction;
4. The time of the transaction;
5. The assessed value of the transaction, in U.S. Dollars, based on the prevailing exchange rate at the time of the transaction;
6. Any payment instructions received from the financial institution's customer;
7. The name and physical address of each counterparty to the transaction of the financial institution's customer;
8. Other counterparty information the Secretary may prescribe as mandatory on the reporting form for transactions subject to reporting pursuant to § 1010.316(b);
9. Any other information that uniquely identifies the transaction, the accounts, and, to the extent reasonably available, the parties involved; and,
10. Any form relating to the transaction that is completed or signed by the financial institution's customer.

Comments from all interested parties will help inform the scope of any future regulatory actions and should be submitted within 15 days of the NPRM's publicly display by the Federal Register.

[View the NPRM in the Federal Register.](#)

[View Frequently Asked Questions.](#)

Source [link](#).

### ***CSBS Releases Comprehensive State Usury Rate Tool (12.21.2020)***

The Conference of State Bank Supervisors added state usury rates to the 50-state [Consumer Finance Laws Survey](#), a tool that gives users a clear look at similarities and differences across state compliance requirements, including applicable allowable interest rates.

"This tool can help start-ups and established financial companies assess and compare compliance requirements as they consider their areas of operation and opportunities for growth," said John W. Ryan, CSBS president and CEO. "State usury laws reflect the way local communities balance credit accessibility and affordability. That can change over time, which is why this tool will be useful for financial companies and the consumers that they serve."

Usury laws define the maximum interest rate that can be charged to borrowers, depending on the types of loans they are receiving. Legal interest rates vary by state and by the lender, borrower, loan amount and subject of the transaction. The new usury rate tool breaks down state-specific interest rate laws, including maximum rates, penalties and exceptions to interest rate limits.

CSBS and state regulators also offer tools to track specific licensing and rate requirements for [payday loans](#) and [consumer lending](#).

Survey data is verified by each state regulatory authority as of the date listed on the map and will be updated annually.

The state consumer law survey is among the commitments state regulators made to strengthen and streamline state regulation based on [CSBS Fintech Industry Advisory Panel](#) recommendations. It is also a key part of [CSBS Vision 2020](#), a bundle of initiatives driving toward a more uniform and networked system of nonbank licensing and supervision.

Source [link](#).

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

### ***Industrial Production and Capacity Utilization - G.17 (01.15.2021)***

Industrial production advanced 1.6 percent in December, with gains of 0.9 percent for manufacturing, 1.6 percent for mining, and 6.2 percent for utilities. The increase for utilities resulted from a rebound in demand for heating after unseasonably warm weather in November. For the fourth quarter as a whole, total industrial production rose at an annual rate of 8.4 percent. At 105.7 percent of its 2012 average, total industrial production in December was 3.6 percent lower than it was a year earlier and 3.3 percent below its pre-pandemic February reading. Capacity utilization for the industrial sector rose 1.1 percentage points in December to 74.5 percent, a rate that is 5.3 percentage points below its long-run (1972–2019) average.

Source [link](#).

### ***Full Employment in the New Monetary Policy Framework - Governor Lael Brainard (01.13.2021)***

*I want to thank the Canadian Association for Business Economics for inviting me to join you today, particularly president Bonnie Lemcke and past president Armine Yalnizyan. It is a pleasure to be here with Carolyn Wilkins.*

*I am honored to deliver the inaugural Mike McCracken Lecture on Full Employment.<sup>1</sup> Widely known for his critical contributions in bringing computer modeling to Canadian economic forecasting, Mike McCracken is perhaps best known for his tireless advocacy that "lower unemployment remains the most important goal for the economy," which is particularly resonant for me, along with his emphasis on thinking critically and expansively about full employment.<sup>2</sup> A similar theme was highlighted by community and labor representatives as well as educators at our Fed Listens events, and it is now reflected in the Federal Reserve's new monetary policy framework.<sup>3</sup>*

*Lifting the lives of working people is at the heart of economic policymaking. The deep and disparate damage caused by the pandemic, coming just over a decade after the financial crisis, underscores the vital importance of full employment, particularly for low- and moderate-income workers and those facing systemic challenges in the labor market.*

Source [link](#).

### ***Supporting Responsible Use of AI and Equitable Outcomes in Financial Services Governor Lael Brainard (01.12.2021)***

*Today's symposium on the use of artificial intelligence (AI) in financial services is part of the Federal Reserve's broader effort to understand AI's application to financial services, assess methods for managing risks arising from this technology, and determine where banking regulators can support responsible use of AI and equitable outcomes by improving supervisory clarity.<sup>1</sup>*

*The potential scope of AI applications is wide ranging. For instance, researchers are turning to AI to help analyze climate change, one of the central challenges of our time. With nonlinearities and tipping points, climate change is highly complex, and quantification for risk assessments requires the analysis of vast amounts of data, a task for which the AI field of machine learning is particularly well-suited.<sup>2</sup> The journal Nature recently reported the development of an AI network which could "vastly accelerate efforts to understand the building blocks of cells and enable quicker and more advanced drug discovery" by accurately predicting a protein's 3-D shape from its amino acid sequence.*

Source [link](#).

### **Consumer Credit - G.19 (01.08.2021)**

November 2020

In November, consumer credit increased at a seasonally adjusted annual rate of 4.4 percent. Revolving credit decreased at an annual rate of 1.0 percent, while nonrevolving credit increased at an annual rate of 6.1 percent.

Source [link](#).

### **U.S. Economic Outlook and Monetary Policy - Vice Chair Richard H. Clarida (01.08.2021)**

*It is my pleasure to meet virtually with you today at the Council on Foreign Relations.<sup>1</sup> I regret that we are not doing this session in person, as we did last year, and I hope the next time I am back, we will be gathering together in New York City again. I look forward to my conversation with Steve Liesman and to your questions, but first, please allow me to offer a few remarks on the economic outlook, Federal Reserve monetary policy, and our new monetary policy framework.*

#### *Current Economic Situation and Outlook*

*In the second quarter of last year, the COVID-19 (coronavirus disease 2019) pandemic and the mitigation efforts put in place to contain it delivered the most severe blow to the U.S. economy since the Great Depression. Economic activity rebounded robustly in the third quarter and has continued to recover in the fourth quarter from its depressed second-quarter level, though the pace of improvement has moderated. Household spending on goods, especially durable goods, has been strong and has moved above its pre-pandemic level, supported in part by federal stimulus payments and expanded unemployment benefits. In contrast, spending on services remains well below pre-pandemic levels, particularly in sectors that typically require people to gather closely, including travel and hospitality. In the labor market, more than half of the 22 million jobs that were lost in March and April have been regained, as many people were able to return to work. Inflation, following large declines in the spring of 2020, picked up over the summer but has leveled out more recently; for those sectors that have been most adversely affected by the pandemic, price increases remain subdued.*

*While gross domestic product growth in the fourth quarter downshifted from the once-in-a-century 33 percent annualized rate of growth reported in the third quarter, it is clear that since the spring of 2020, the economy has turned out to be more resilient in adapting to the virus, and more responsive to monetary and fiscal policy support, than many predicted. Indeed, it is worth highlighting that in the baseline projections of the Federal Open Market Committee (FOMC) summarized in the latest Summary of Economic Projections (SEP), most of my colleagues and I revised up our outlook for the economy over the medium term, projecting a relatively rapid return to levels of employment and inflation consistent with the Federal Reserve's statutory mandate as*

compared with the recovery from the Global Financial Crisis (GFC).<sup>2</sup> In particular, the median FOMC participant projects that by the end of 2023—a little less than three years from now—the unemployment rate will have fallen below 4 percent, and PCE (personal consumption expenditures) inflation will have returned to 2 percent. Following the GFC, it took more than eight years for employment and inflation to return to similar mandate-consistent levels.

While the recent surge in new COVID cases and hospitalizations is cause for concern and a source of downside risk to the very near-term outlook, the welcome news on the development of several effective vaccines indicates to me that the prospects for the economy in 2021 and beyond have brightened and the downside risk to the outlook has diminished. The two new SEP charts that we released for the first time following the December FOMC meeting speak to these issues by providing information on how the risks and uncertainties that surround the modal or baseline projections have evolved over time. While nearly all participants continued to judge that the level of uncertainty about the economic outlook remains elevated, fewer participants saw the balance of risks as weighted to the downside than in September. Although a little more than half of participants judged risks to be broadly balanced for economic activity, a similar number continued to see risks weighted to the downside for inflation.

Source [link](#).

### **Oil and Gas Activity on the Rebound, Outlook Improves (12.30.2020)**

What's New This Quarter

Special questions this quarter focus on capital spending in 2021, the oil price that firms are using for budgeting, expectations for a consolidation among exploration and production (E&P) firms, plans for reducing greenhouse emissions, expectations for the upcoming reserve-based lending redetermination, and shifts in the revenue mix for oil and gas support services firms.

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**

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10.19.2020	<a href="#">Community Reinvestment Act</a> - The Board of Governors of the Federal Reserve System (Board) is publishing for public comment an advance notice of proposed rulemaking (ANPR) to solicit public input regarding modernizing the Board's Community Reinvestment Act regulatory and supervisory framework. The Board is seeking comment on all aspects of the ANPR from all interested parties and also requests commenters to identify other issues that the Board should consider. <a href="#">Comments must be submitted on or before February 16, 2021.</a>
11.06.2020	<a href="#">Consumer Access to Financial Records</a> - Section 1033 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) provides, among other things, that subject to rules prescribed by the Bureau of Consumer Financial Protection (Bureau), a consumer financial services provider must make available to a consumer information in the control or possession of the provider concerning the consumer financial product or service that the consumer obtained from the provider. The Bureau is issuing this Advance Notice of Proposed Rulemaking (ANPR) to solicit comments and information to assist the Bureau in developing regulations to implement section 1033. <a href="#">DATES: Comments must be received on or before February 4, 2021.</a>

- 12.04.2020 [Community Reinvestment Act Regulations](#) - The Office of the Comptroller of the Currency (OCC) is issuing a notice of proposed rulemaking to request comment on the OCC's proposed approach to determine the Community Reinvestment Act (CRA) evaluation measure benchmarks, retail lending distribution test thresholds, and community development minimums under the general performance standards. The proposal further explains how the OCC would assess significant declines in CRA activities levels in connection with performance context following the initial establishment of the benchmarks, thresholds, and minimums. Finally, the proposed rule would make clarifying and technical amendments to the CRA final rule. DATES: Comments must be received on or before February 2, 2021.
- 12.15.2020 [Exemptions to Suspicious Activity Report Requirements](#) - The FDIC is inviting comment on a proposed rule that would modify the requirements for FDIC-supervised institutions to file Suspicious Activity Reports (SARs). The proposed rule would amend the FDIC's SAR regulation to allow the FDIC to issue exemptions from the SAR requirements. The proposed rule would make it possible for the FDIC to grant relief to FDIC-supervised institutions that develop innovative solutions to meet Bank Secrecy Act (BSA) requirements more efficiently and effectively. DATES: Comments are due 30 days after publication in the Federal Register.
- 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 45 days from publication 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.

### 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	<a href="#">Consumer Financial Protection Bureau</a>
CARD Act	<a href="#">Credit Card Accountability Responsibility and Disclosure Act of 2009</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 agencies	FDIC, FRB, and OCC
Federal financial institution regulatory agencies	BFCP, 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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