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

'We make a living by what we get. But we make a life by what we give.' – Winston Churchill

Department of the Treasury COVID-19 Resources

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

Joint federal agency issuances, actions and news

FFIEC – 2021 Data Entry Software (01.29.2021)

The 2021 CRA Data Entry Software is now available.

Source link.

FFIEC – 2021 File Specifications (01.29.2021)

The 2021 File Specifications and 2021 Edits are now available.

Source link.

CFPB actions and news

COVID-19 Relief Extensions, Scams (02.01.2021)

Struggling during the pandemic? COVID-19 financial relief and protections extended
Financial relief and protections for many student loan borrowers, renters and homeowners has been extended. Here's what you need to know.

Navigating an early and unexpected retirement during COVID-19
Many people are considering early retirement, tapping into their retirement benefits, including Social Security and pensions, earlier than expected. Here are resources to help you weigh your options and to get additional help.

Guide to second round of COVID-19 (stimulus) Economic Impact Payments
At the end of December 2020, the federal government extended additional financial relief to millions of Americans through a second round of Economic Impact Payments (EIPs) issued by the Internal Revenue Service (IRS).

What you should know about tech support scams
During the pandemic, everyone is doing more online. Scammers are preying on this by offering phony tech support services. Learn how to spot, avoid and report tech support scams.

Comment: Three recent scams - #1 FTC Email Scam - Investigators say the scam starts with an email that looks to be from Joe Simons of the Federal Trade Commission; #2 Stimulus Check Text Scam - The text message says,

"You have received a direct deposit of $1,200 (or $600) from COVID-19 TREAS FUND. Further action is required to accept this payment into your account. Continue here to accept this payment (web address);" #3 IRS Phone Call Scam. Don't trust the caller ID as it can be easily rigged to appear a call is from a government agency. The IRS says it will never call you demanding immediate payment on taxes owed. Educate your customers.

FDIC actions and news

FDIC Makes Public December Enforcement Actions (01.29.2021)

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

The FDIC issued 10 orders in December 2020. The administrative enforcement actions in those orders consisted of three consent orders, one termination of consent order, three section 19 orders, two removal and prohibition orders, and two orders to pay civil money penalties.

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.

December 2020 Enforcement Decisions and Orders

Source link.

OCC actions and news

LIBOR Transition: Self-Assessment Tool for Banks (02.10.2021)

This bulletin provides a self-assessment tool for banks to evaluate their preparedness for the expected cessation of the London InterBank Offered Rate (LIBOR).

Note for Community Banks

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

Highlights

The self-assessment tool can be used to assess:

- the appropriateness of a bank's LIBOR transition plan;
- bank management's execution of the bank's transition plan; and
- related oversight and reporting.

LIBOR cessation preparedness assessments should be risk based and might not need to include all points in this bulletin. Similarly, a bank's transition plans, oversight and reporting might not need to include all points in the self-assessment.

Background

LIBOR is referenced globally, and its expected cessation could affect banks of all sizes through direct or indirect exposure. There is risk of market disruptions, litigation and destabilized balance sheets if acceptable replacement rate(s) do not attract sufficient market-wide acceptance or if contracts cannot seamlessly transition to new rate(s). A bank's risk exposure from expected LIBOR cessation depends on the bank's specific circumstances. Many community banks may not offer products or services that use LIBOR. Community banks could, however, have LIBOR exposure in such positions as Federal Home Loan Banks borrowings, mortgage-backed securities, or bonds in the banks' investment portfolios.

Banks should develop and implement risk management plans to identify and control risks related to expected LIBOR cessation. The extent of a bank's plans to address risks from expected LIBOR cessation should be tailored to the bank's specific risks. OCC Bulletin 2020-68, "LIBOR Transition: FFIEC Statement on Managing the LIBOR Transition and Guidance for Banks," and OCC Bulletin 2020-98, "LIBOR Transition: Interagency Statement on Reference Rates for Loans," provide interagency guidance for managing the risks associated with the LIBOR transition. OCC bulletin 2020-104, "LIBOR Transition: Joint Statement on U.S. Dollar LIBOR Transition," communicates the agency's expectation for banks to cease entering into new contracts that use LIBOR as a reference rate by December 31, 2021.

LIBOR Self-Assessment Tool

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

Given the expectation for banks to cease entering into new contracts that use LIBOR as a reference rate by December 31, 2021, bank management should assess whether the bank's progress with preparedness is sufficient. For example, in 2021, LIBOR exposure and risk assessments and cessation preparedness plans should be at least near completion with appropriate management oversight and reporting in place. Most banks should be working toward resolving replacement rate issues while communicating with affected customers and third parties, as applicable.

Related Link

LIBOR Self-Assessment Tool (MS Word)

Source link.

Comment: The OCC's self-assessment tool is designed to assist bank management personnel in evaluating an institution's progress with the LIBOR transition. The assessment tool is in the form of a checklist focusing on four areas: Exposure Assessment and Planning; Replacement Rates; Fallback Language; and Progress and Oversight.

OCC to Host Virtual Innovation Office Hours (02.03.2021)

WASHINGTON — The Office of the Comptroller of the Currency (OCC) announced that it will hold virtual Innovation Office Hours, March 17-18, to promote responsible innovation in the federal banking system.

Office hours are one-on-one meetings with representatives from the OCC Office of Innovation to discuss financial technology (fintech), new products or services, partnering with a bank or fintech company, or other matters related to responsible innovation in financial services. Each meeting will last no longer than one hour.

Interested parties should request a virtual office hours session by February 22 and are asked to provide information on the topic(s) they are interested in discussing with the Office of Innovation. Specific meeting times and arrangements will be determined after the OCC receives and accepts the request.

The OCC Office of Innovation will hold another virtual session during June 2021.

Related Links

OCC's Responsible Innovation Web Page

OCC Office of Innovation: A General Guide (PDF)

Source link.

Real Estate for Bank Premises: Notice of Proposed Rulemaking (02.03.2021)

On January 4, 2021, the Office of the Comptroller of the Currency (OCC) approved a proposed rule that would modify the requirements applicable to premises of national banks and federal savings associations (collectively, banks). The proposed rule would consolidate and modify the requirements for real estate used as premises. The deadline for comments on the proposed rule is March 20, 2021.

Note for Community Banks

This proposed rule would apply to community banks.

Highlights

The proposed rule would create general standards that the OCC will use in determining whether the acquisition and holding of real estate is necessary for the transaction of a bank's business.

The proposed rule would create a new percentage test: Banks may acquire, hold, or convey real estate for use as "bank occupied premises." "Bank occupied premises" are real estate in which more than 50 percent of each building or severable piece of land is used by bank persons for the transaction of the bank's business.

The proposed rule would limit the uses of real estate not used by bank persons for the transaction of the bank's business. Proposed 12 CFR 7.1024(c) applies the excess capacity doctrine, which recognizes banks' need to optimize the value of bank property, by authorizing banks to sell or lease excess space or capacity in that property. The proposal provides that such excess space or capacity must have a nexus with the transaction of the bank's business or operations such that the real estate is acquired or held to provide the bank with a business location rather than as an investment.

Related Link: "National Bank and Federal Savings Association Premises" (PDF)

Source link.

Comment: The National Bank Act restricts banks from owning real estate except in connection with the transaction of business, in part, to restrict ownership of real property for speculative purposes by banks. While the OCC has published rules regarding banks' ownership of real estate, it has in many areas not defined

specific limitations, instead incorporating court decisions and interpretive releases to create a flexible approach to regulation, allowing for certain ambiguities to arise in the process.

Community Reinvestment Act: Bank Type Determinations, Distressed and Underserved Areas, and Banking Industry Compensation Provisions of the June 2020 CRA (01.29.2021)

The "Bank Type Determination" and the "List of 2021 Distressed and Underserved Census Tracts" attached to this bulletin were corrected on February 9, 2021.

Summary

The Office of the Comptroller of the Currency (OCC) published

- the list that identifies a bank's type based on asset size or business model for 2021;
- the list of the distressed and underserved areas where certain bank activities conducted in 2021 are eligible to receive Community Reinvestment Act (CRA) consideration; and
- the banking industry median hourly compensation value used for determining the dollar value of community development service activities during 2021.

This bulletin publishes the two lists and the median hourly compensation value pursuant to the agency's CRA rule that was published in the Federal Register on June 5, 2020, 12 CFR 25 (hereafter referred to as the June 2020 rule). The OCC will publish these two lists and the median hourly compensation value annually under the June 2020 CRA rule, which applies to national banks, federal savings associations and federal branches of foreign banking organizations that are subject to the OCC's regulations under CRA (collectively, banks).

Note for Community Banks

This rule applies to community banks subject to the CRA.

Bank Type Determinations

"Bank type" is the term that the OCC uses to identify banks that are small, intermediate, wholesale and limited purpose or banks subject to general performance standards (GPS). Bank type is determined by a bank's asset size in the case of small, intermediate and GPS banks and by business model in the case of wholesale and limited purpose banks. A bank's type generally determines the performance standards and related examination procedures used to evaluate the bank's CRA performance.

The OCC applied the asset size thresholds in the June 2020 rule1 to determine that:

- a bank with assets of $600 million or less is a small bank;
- a bank with assets greater than $600 million and equal to or less than $2.5 billion is an intermediate bank; and
- a bank with assets greater than $2.5 billion is a GPS bank.

Bank type determinations are unchanged for banks currently designated by the OCC as wholesale or limited purpose. Additionally, banks currently operating under an OCC-approved strategic plan are categorized on the list of bank type determinations as "strategic plan."

Bank types reflected in the "Bank Type Determination" list attached to this bulletin apply to activities conducted during calendar year 2021.

Distressed and Underserved Areas

The OCC designates distressed and underserved areas in accordance with the June 2020 rule.

A distressed area is a middle-income census tract identified by the OCC that meets one or more of the following conditions:

- An unemployment rate of at least 1.5 times the national average;
- A poverty rate of 20 percent or more;
- A population loss of 10 percent or more between the previous and most recent decennial census or net migration loss of 5 percent or more over the five-year period preceding the most recent census;
- An underserved area is a middle-income census tract identified by the OCC as meeting the criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the census tract is likely to have difficulty financing the fixed costs of meeting essential community needs. The OCC uses as the basis for these designations the "urban influence codes," numbered "7," "10," "11" and "12," maintained by the Economic Research Service of the U.S. Department of Agriculture;
- Not having a branch of any bank within two miles from the center of the census tract if it is an urban census tract, as defined by the Federal Financial Institutions Examination Council Census data, five miles from the center of the census tract if it is a mixed census tract, as defined by the Federal Financial Institutions Examination Council Census data; 10 miles from the center of a census tract if it is a rural census tract, as defined by the Federal Financial Institutions Examination Council Census data; five miles from the center of the census tract if the census tract is an island area, as defined by the Federal Financial Institutions Examination Council Census data; or
- Not having any branch within the census tract.

The designations for 2021 attached to this bulletin reflect local economic conditions, including unemployment, poverty and population changes.

The census tract designations reflected on the "List of 2021 Distressed and Underserved Census Tracts" attached to this bulletin apply to activities conducted in calendar year 2021. The OCC will also apply a one-year lag period for census tracts that were listed in the 2020 interagency list of distressed or underserved nonmetropolitan middle-income geographies6 but are no longer designated as distressed or underserved in the 2021 list. Qualifying activities in census tracts on the 2020 interagency list are eligible to receive CRA credit for 12 months after publication of the list if the activities meet the criteria in 12 CFR 25.04.

Banking Industry Median Hourly Compensation Value

The OCC's computation of the banking industry median hourly compensation is used to quantify the value of a bank's community development services under the June 2020 rule. The June 2020 rule provides that the dollar value of a community development service is determined by multiplying "compensation" by the total number of hours one or more employees spent performing the service. If the community development service is a partially qualifying activity, the full dollar value of the activity calculated above is multiplied by the percentage of the activity that is qualifying.

The June 2020 rule defines compensation as the median hourly compensation value (i.e., total salaries and benefits divided by full-time equivalent employees) for the banking industry based on aggregate call report data for (1) median salaries and employee benefits from Schedule RI, Item 7.a and (2) the median number of full-time equivalent employees from Schedule RI Memorandum Item 5.8

The median hourly compensation value for the banking industry to be applied to qualifying community development activities that are effective October 1, 2020, through December 31, 2021, is $39.03. Banks may round the median hourly compensation value to the nearest dollar.

Related Links

- "Bank Type Determination" (XLSX) (corrected February 9, 2021)
- "List of 2021 Distressed and Underserved Census Tracts" (XLSX) (corrected February 9, 2021)

Source link.

Comment: The OCC said the list of bank-type determinations identifies banks based on asset size or business model as either small bank, intermediate bank, wholesale bank, limited purpose bank, or a bank subject to the May 2020 rule's general performance standards (GPS). A bank's type generally determines the performance standards and related examination procedures used to evaluate that bank's CRA performance, the OCC said. The list of distressed and underserved areas, the agency said, identifies middle-income census tracts where qualifying bank activities are eligible to receive CRA consideration under the community development definition of the new rule. "The designations continue to reflect local economic conditions, including unemployment, poverty, and population changes," the OCC said.

OCC Puts Hold on Fair Access Rule (01.28.2021)

WASHINGTON—The Office of the Comptroller of the Currency (OCC) announced it has paused publication of its rule to ensure large banks provide all customers fair access to their services.

The agency proposed the rule in November 2020 to codify more than a decade of OCC guidance stating that banks should conduct risk assessments of individual customers, rather than make broad-based decisions affecting whole categories or classes of customers, when providing access to services, capital, and credit.

Pausing publication of the rule in the Federal Register will allow the next confirmed Comptroller of the Currency to review the final rule and the public comments the OCC received, as part of an orderly transition.

The OCC's long-standing supervisory guidance stating that banks should avoid termination of broad categories of customers without assessing individual customer risk remains in effect.

Source link.

Comment: The rule, which would have barred banks from denying loans to businesses on political or ideological grounds, passed two weeks ago under acting Comptroller Brian Brooks, but was widely criticized across the banking industry.

Federal Reserve actions and news

Announcing amendments to Operating Circulars 4, 6 and 12 (02.16.2021)

On March 19, 2021, the new processing window for Same Day ACH will be implemented. As previously announced, the Federal Reserve has approved modifications to National Settlement Service and Fedwire® Funds Service (Off-site) to help facilitate adoption of this later processing and settlement window.

Operating Circular amendments

To support these modifications, effective March 8, 2021, the Federal Reserve Banks are amending Operating Circular 6, Funds Transfers Through the Fedwire Funds Service and Operating Circular 12, Multilateral Settlement. Additionally, effective March 19, 2021, the Federal Reserve Banks are amending Operating Circular 4, Automated Clearing House Items. Please see the Operating Circulars page for more information, including the amended operating circulars, summary of changes and redlined comparison documents.

Your continued use of the Fedwire Funds Service and the National Settlement Service on or after March 8, 2021, and FedACH® Services on or after March 19, 2021, constitutes agreement to amended Operating Circulars 6, 12 and 4, respectively.

Source link.

Comment: The Federal Reserve Banks will make these changes in support of Nacha's effective date of March 19, 2021 for the new Same Day ACH processing window. The new deadlines are 4:45 p.m. ET for originating depository financial institutions (ODFIs) to transmit files to the FedACH Service, a target deadline for distributing files to receiving depository financial institutions (RDFIs) of 5:30 p.m. ET and a target for settlement of items in those files at 6 p.m. ET.

Engagement in Action: FraudClassifier Model Receives Positive Industry Reception (02.16.2021)

Last June, the Federal Reserve announced the FraudClassifierSM model, which enables organizations to classify fraud, create a holistic view of fraudulent events and help them manage fraud more strategically.

Since then, we have held numerous virtual discussions with payments and fraud professionals about the model, how it works, its value propositions and why they should consider adoption. Here is a snapshot of what we have been hearing from our industry colleagues:

- "**This model is great!"** Industry stakeholders in our engagements commended the model for being both comprehensive and intuitive in its application. As one early adopter stated, "The beauty of the FraudClassifier model is that it is both easy to use and provides valuable fraud information, regardless of the size of your institution."
- **There's true value to the model.** For many stakeholders, the fundamental value of the model is the ability to use it to consistently classify fraud within their organizations – which in turn, can help them better identify and react more quickly to fraud trends. More specifically, some said insights generated by using the model could help adjust their current preventive fraud analytics to reduce the risk of loss exposure while also protecting customers' accounts.
- **Small and mid-size financial institutions are beginning to use the model.** Some organizations have shared that the model has helped them classify fraud types that they previously did not track, such as authorized party fraud. These organizations have found the model implementation was simple, employees are using the model consistently, and they are gaining valuable insights through its classifications – read about one organization's experience.
- **Large banks are enthusiastic.** We also have had a positive response from a number of large financial institutions and the associations that represent them. We remain engaged with financial institutions of all sizes, while industry associations have been helpful partners by hosting presentations for their members about the model.

- **Technology providers see opportunities.** Notable leaders in fraud analytics, case management systems and core platform providers told us they have already incorporated, or plan to incorporate, the model into their product roadmaps.
- **Research opportunities.** Organizations that publish research on fraud are advancing their efforts to incorporate the model's methodology into their own initiatives. Some noted this may include mapping historical data from their previous fraud studies into the model to identify any classification differences from their current systems. Others are evaluating modifications to their survey and/or research efforts.
- **COVID-19 trends.** While the ongoing pandemic has shifted fraud patterns and increased global fraud risk (Off-site), COVID-19 has become an unwelcome diversion. The findings of our engagements indicate FI operational staffs have prioritized running their financial institutions' day-to-day and COVID-related initiatives, such as handling Economic Impact Payments (EIPs) for individuals and making Paycheck Protection Program (PPP) business loans. Projects to facilitate incremental improvements in fraud management may not have made the priority list these past months – but we like to think that as vaccinations roll out to the general public, work will resume to examine the model's capabilities and how it can make a difference in their own organizations.

We are inspired by the enthusiastic reception and feedback we have heard from stakeholders across the payments ecosystem and are looking forward to continuing the dialogue. In addition to ongoing awareness and education, we plan to focus our discussions on how organizations plan to use – or have already adopted – the FraudClassifier model.

Our journey toward improving the U.S. payment system is rooted in collaboration between the Fed and the industry. Likewise, the industry's journey to adopt the FraudClassifier model will benefit from conversations between the Fed, early adopters, fraud experts and other stakeholders on the various ways to adopt and benefit from the model. Stay tuned for updates.

Source link.

Comment: The model involves a decision tree with three questions. The first is, "Who initiated the payment?" The second is, "How was the fraud executed?" The third asks for specifics around the fraud tactic. This classification approach helps capture information on what fraud occurred and how it was perpetrated.

FedNow Service Payment Flow: What You Need to Know (02.10.2021)

Get a preview of how the FedNow Service payment flow will work and the benefits instant payments can provide to financial institutions and the people and businesses they serve in this new video.

Watch now.

Racism and the Economy Housing (02.10.2021) 

We want to extend an invitation to you to join us on Monday, March 1, 2021, from 1 p.m. to 3 p.m. CT, for "Racism and the Economy: Focus on Housing," the fourth installment of our virtual event series examining the impact of structural racism on our economy and advancing ideas to improve economic outcomes for all Americans.

This event will focus on systemic racism in our housing markets and its impact on economic outcomes for all Americans. Our keynote speakers will outline the historical and contemporary context of how racism, racial exclusion, and predatory inclusion have limited housing opportunities and wealth-building for communities of color. Leaders from the public, nonprofit, and academic sectors will then present policy proposals for dismantling the deep inequities in housing market valuation, mortgage lending, and patterns of housing development. These proposals will kick-start a wide-ranging conversation among researchers, policymakers, and community leaders who are committed to eliminating racial disparities in housing opportunity.

Federal Reserve Board announces the second extension of a rule to bolster the effectiveness of the Small Business Administration's Paycheck Protection Program (PPP) (02.09.2021)

The Federal Reserve Board announced the second extension of a rule to bolster the effectiveness of the Small Business Administration's (SBA) Paycheck Protection Program (PPP). Like the earlier extensions, this one will temporarily modify the Board's rules so that certain bank directors and shareholders can apply to their banks for PPP loans for their small businesses.

To prevent favoritism, the Board limits the types and quantity of loans that bank directors, shareholders, officers, and businesses owned by these persons can receive from their affiliated banks. However, these limits have prevented some small business owners from accessing PPP loans—especially in rural areas.

The SBA clarified last year that PPP lenders can make PPP loans to businesses owned by their directors and certain shareholders, subject to certain limits, and without favoritism. The Board's rule extension will allow those individuals to apply for PPP loans, consistent with SBA's rules and restrictions. The extension only applies to PPP loans.

The Board is providing the rule extension to allow banks to continue to make PPP loans to a broad range of small businesses within their communities. The SBA explicitly has prohibited banks from prioritizing or providing favorable processing time to PPP loan applications from a director or equity holder, and the Board will administer the rule extension accordingly.

The rule extension is effective immediately and applies to PPP loans made through March 31, 2021. Comments will be accepted for 45 days after publication in the Federal Register.

Source link.

The October 2020 Senior Loan Officer Opinion Survey on Bank Lending Practices (02.01.2021)

The October 2020 Senior Loan Officer Opinion Survey on Bank Lending Practices addressed changes in the standards and terms on, and demand for, bank loans to businesses and households over the past three months, which generally correspond to the third quarter of 2020.

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

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

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

Source link.

Consumer Compliance Outlook Latest Issue is Now Available (01.29.2021)

The latest issue of *Consumer Compliance Outlook* is now available on the *Outlook* website. This issue contains the following articles and features:

- HMDA Data Collection and Reporting: Keys to an Effective Program
- Mortgage Servicing: Managing Change
- Compliance Alert: Federal Reserve Board Issues CRA ANPR
- News from Washington: Regulatory Updates
- On the Docket: Recent Federal Court Opinions
- Regulatory Calendar
- Entire issue (pdf download)

We also want to share a link to a webinar the St. Louis Fed hosted in October titled *Strategies and Resources for Addressing Financial Services Fraud During The COVID-19 Pandemic*. The presentation slides are availabe here.

Comment: Circulating Consumer Compliance Outlook and discussing the issues outlined should be part of every community bank's Compliance Management Program.

Announcing the FedNowSM Pilot Program participants (01.25.2021)

On January 25, 2021, the Federal Reserve announced that more than 110 organizations from the FedNow Community will participate in the FedNow Pilot Program. The program will support development, testing and adoption of the FedNow Service, as well as encourage development of services and use cases that leverage FedNow functionality.

"We're gratified by the industry's tremendous interest and willingness to devote time and energy to help us develop the FedNow Service," said Esther George, president and CEO of the Federal Reserve Bank of Kansas City and executive sponsor of the Federal Reserve's payments improvement initiatives. "As a result, we've adjusted to accommodate more participants than we originally planned."

Through their involvement in the FedNow Pilot Program, participating financial institutions and processors will help shape the product's features and functions, provide input into the overall user experience, ensure readiness for testing and be the first to experience the FedNow Service before its general availability. In the initial advisory phase, participant input will help to further define the service and adoption roadmap, industry readiness approaches and overall instant payments strategy.

In addition to expressions of interest from eligible financial institutions and processors, the Federal Reserve received more than 80 submissions from organizations that provide payment systems and services for financial institutions and end users or that are interested in implementing instant payments to meet business or consumer needs.

In response to this broad interest, the Federal Reserve is creating an "ecosystem participant" program beginning later in 2021. Among other activities, ecosystem participants will provide feedback on specific features and use cases and help support end-to-end testing of solutions leveraging the FedNow Service, in coordination with corresponding financial institution partners. Their participation is expected to help drive adoption, innovation, and breadth and depth of end-user solutions over time. Additional details will be announced soon.

Organizations that won't be participating in the program will continue to have opportunities to provide input into the FedNow Service through their involvement in FedNow Community roundtables, working groups and surveys and may elect to become an early user of the service upon general availability. Join the Community to receive more information on the FedNow Service and upcoming engagement opportunities.

If you have any questions related to the pilot program or the Community, please email SYSFedNowCommunity @chi.frb.org.

Source link.

Other federal action and news

Fact Sheet: Biden Administration Announces Extension of COVID-19 Forbearance and Foreclosure Protections for Homeowners (02.16.2021)

As millions of Americans face continued hardship from the COVID-19 pandemic, President Biden is continuing to take action to help keep individuals and families in their homes. The COVID-19 pandemic has triggered a housing affordability crisis. Today, 1 in 5 renters is behind on rent and just over 10 million homeowners are behind on mortgage payments. People of color face even greater hardship and are more likely to have deferred or missed payments, putting them at greater risk of eviction and foreclosure.

Today, as part of the President's commitment to deliver immediate relief for American families bearing the brunt of this crisis, the Department of Housing and Urban Development, Department of Veterans Affairs, and Department of Agriculture announced a coordinated extension and expansion of forbearance and foreclosure relief programs. These critical protections were due to expire in March, leaving many at risk of falling further into debt and losing their homes. Now, homeowners will receive urgently needed relief as we face this unprecedented national emergency. Today's action builds on steps the President took on Day One to extend foreclosure moratoriums for federally guaranteed mortgages.

The actions announced today will:

- Extend the foreclosure moratorium for homeowners through June 30, 2021;
- Extend the mortgage payment forbearance enrollment window until June 30, 2021 for borrowers who wish to request forbearance; and
- Provide up to six months of additional mortgage payment forbearance, in three-month increments, for borrowers who entered forbearance on or before June 30, 2020.

Source link.

Comment: Protections were set to disappear at the end of March. Currently, roughly 5.4% of mortgages across the country are still in forbearance, according to the Mortgage Bankers Association. The move by the White House comes roughly a week after the Federal Housing Finance Agency announced it would extend the forbearance period for borrowers with loans backed by Fannie Mae and Freddie Mac by three months.

CSBS - States of the Economy with Tom Siems (02.10.2021)

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

Chapters

0:24 - A quick summary of our current economic situation

1:40 - What's the good news?

4:23 - What's the bad news?

7:00 - What comes next?

8:00 - What community banks are saying

10:09 - The "Back to Normal" Index

11:24 - What numbers should regulators be watching?

Source link.

FTC - The Top Frauds of 2020 (02.04.2021)

2020 was a tough year. Between the pandemic and the economic crisis, we all had our hands full. And scammers didn't take any time off either — 2020 was a busy year for fraud. In 2020, the FTC got more than 2.2 million reports about fraud, with people telling us they lost nearly $3.3 billion.

Here's what we heard from you in 2020:

The top fraud of 2020 was imposter scams. Scammers showed up wearing many different hats — from that of a government official, to a known business, to a dear family member or friend. The FTC got nearly 500,000 reports of imposter scams, and people reported losing a lot of money to these scammers: $1.2 billion, with a median loss of $850. Government and business imposter scams were also among the top categories of COVID-19 and stimulus related reports, proving once again, that scammers follow the headlines.

Online shopping and negative reviews was the second most reported fraud category of 2020. With the pandemic came an increase in online shopping, and then a wave of reports about sellers failing to deliver on promises — or just failing to deliver, period. The FTC got more than 350,000 reports, with people telling us they lost a total of more than $245 million, with a median loss of about $100.

The phone is still the top way that scammers are reaching us — both through phone calls and text messages. In fact, there was a sharp increase in the number of reports saying that scammers contacted them by text message. And, not surprisingly, many of these text messages were related to the pandemic. We heard about text message scams luring people to click on links with promises of stimulus relief, economic relief or loans for small businesses, or "waiting packages."

Source link.

Comment: Community banks are well positioned to provide payments fraud prevention education to their customers. Consider offering tips to consumers and businesses on your website about how to avoid becoming fraud victims. You might also discuss payments fraud and risk mitigation during regular meetings with customers.

FinCEN Statement on Financial Crimes Tech Symposium (02.04.2021)

Section 6211 of the Anti-Money Laundering Act of 2020 (the "AML Act") requires the Department of the Treasury to periodically convene a global anti-money laundering and financial crime symposium focused on how new technology can be used to more effectively combat financial crimes and other illicit activities. The AML Act further requires that such symposia shall be convened in coordination with a new Bank Secrecy Act Advisory Group (BSAAG) Subcommittee on Innovation and Technology, as established under section 6207 of the AML Act.

The Financial Crimes Tech Symposium will build upon the success of FinCEN's Innovation Initiative, which was launched with the release of the Joint Statement on Responsible AML/CFT Innovation (December 2018) to foster a better understanding of the opportunities and challenges of Bank Secrecy Act and Anti-Money Laundering (BSA/AML)-related innovation in the financial services sector. A cornerstone of FinCEN's Innovation Initiative, FinCEN's "Innovation Hours" program (IH Program), began in March 2019 and marked its first year anniversary in July 2020. Despite the ongoing challenges of the COVID-19 pandemic, the IH Program continues to provide the private sector with opportunities to present their innovative products and services to FinCEN and engage on solutions designed to improve how consumers and businesses move money, conduct transactions, or ultimately enhance BSA/AML efforts to keep Americans and our financial system safe from harm. The symposia will provide a platform for firms to review new technologies and demonstrate proof of concept for a broad range of attendees, including domestic and international financial regulators, regulated firms, technology providers, representatives from law enforcement and national security agencies, and academics, among others.

As FinCEN works with the BSAAG to design and plan for an inaugural Financial Crimes Tech Symposium, with details to be announced at a future date, FinCEN invites feedback from the private sector and other interested parties to factor into the planning process. If you would like to share feedback for FinCEN and the BSAAG to consider in planning for a forthcoming symposium, please utilize the Innovation Hours contact form to submit your ideas.

Source link.

FTC - Scammers Cash In on COVID-19 Vaccination Confusion (01.27.2021)

With every passing day, the news on COVID-19 vaccine distribution seems to change. One reason is that distribution varies by state and territory. And scammers, always at the ready, are taking advantage of the confusion. Besides a big dose of patience, here are some tips to help you avoid a vaccine-related scam, no matter where you live:

Contact a trusted source for information. Check with state or local health departments to learn when and how to get the COVID-19 vaccine. You can also talk with your health care provider or pharmacist.

Don't pay to sign up for the vaccine. Anyone who asks for a payment to put you on a list, make an appointment for you, or reserve a spot in line is a scammer.

Ignore sales ads for the COVID-19 vaccine. You can't buy it – anywhere. The vaccine is only available at federal- and state-approved locations.

Watch for unexpected or unusual texts. If your health care provider or pharmacist has used text messages to contact you in the past, you might get a text from them about the vaccine. If you get a text, call your health care provider or pharmacist directly to make sure they sent the text. But scammers are texting, too. So don't click on links in text messages – especially messages you didn't expect.

Don't open emails, attachments, or links from people you don't know, or that come unexpectedly. You could download dangerous malware onto your computer or phone.

Don't share your personal, financial, or health information with people you don't know. No one from a vaccine distribution site, health care provider's office, pharmacy, or health care payer, like a private insurance company or Medicare, will call, text, or email you asking for your Social Security, credit card, or bank account number to sign up to get the vaccine.

Source link.

FinCEN Extends Reopened Comment Period for Proposed Rulemaking on Certain CVC and Digital Asset Transactions (01.26.2021)

FinCEN has submitted for publication in the Federal Register an Extension Notice, which will lengthen the reopened comment period and set one deadline for all comments addressing its NPRM regarding certain transactions involving convertible virtual currency or digital assets with legal tender status.

News Release: https://www.fincen.gov/news/news-releases/fincen-extends-reopened-comment-period-proposed-rulemaking-certain-convertible

Extension Notice: https://www.federalregister.gov/public-inspection/2021-01918/requirements-for-certain-transactions-involving-convertible-virtual-currency-or-digital-assets

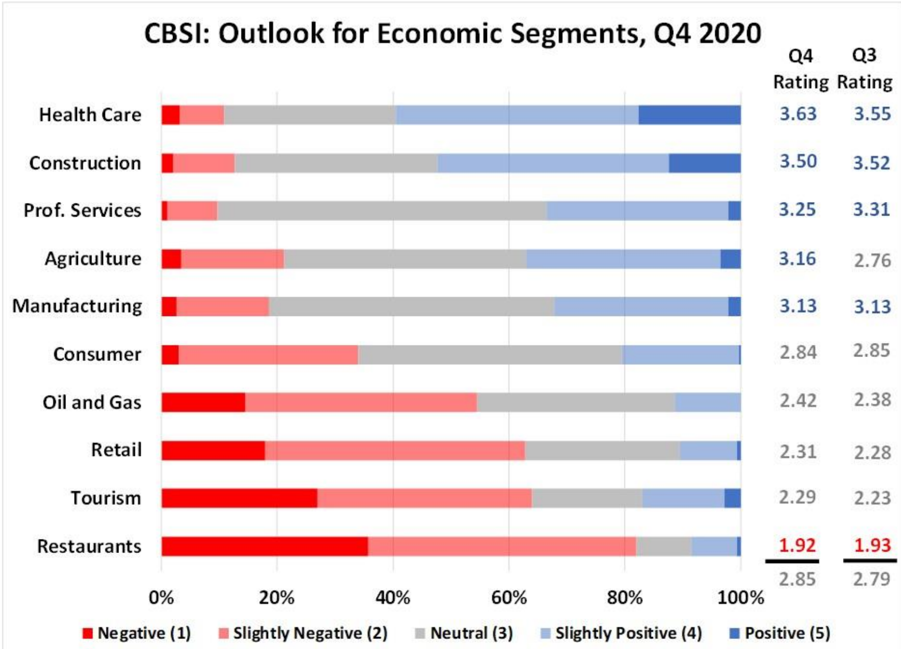
Source link.

Comment: The bureau explained that under the current proposal, 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 unhosted cryptocurrency wallets or crypto wallets "hosted by a financial institution in certain jurisdictions identified by FinCEN." Treasury Secretary Yellen made some controversial statements about cryptocurrency, stating that they are mainly used for illicit financing. However, she subsequently clarified her position and promised to work with other federal regulators to implement an "effective" regulatory framework for cryptocurrencies.

What Do Community Bankers Expect for 10 Economic Sectors? (01.25.2021)

By CSBS Senior Economist and Director of Research Thomas F. Siems, Ph.D.

The outlook for 10 economic sectors is little changed from last quarter, according to the fourth quarter 2020 Community Bank Sentiment Index (CBSI) survey of community bankers. Based on 284 survey responses from community bankers across the United States, health care, construction and professional services continue to be the sectors with the most favorable prospects. The sectors with the greatest concerns continue to be restaurants, tourism, retail, and oil and gas.



Source link.

Publications, articles, reports, studies, testimony & speeches

My Perspective on Bank Regulation and Supervision - Governor Michelle W. Bowman (02.16.2021)

Good morning. I want to thank the American Bankers Association for inviting me to speak to you today. Two years ago, I gave my first speech as a Federal Reserve governor at this conference in San Diego, and it is always great to be with you—even if remotely from our recording studio at the Board.

It's fair to say that a lot has happened over the past two years. It is an understatement to say that the COVID-19 pandemic has created significant challenges inside and outside the banking sector. Bankers significantly adapted operations to continue serving their communities and customers. You overcame staffing challenges and other hurdles, kept the virtual doors open, worked with your customers, and provided assistance to workers and businesses through the Paycheck Protection Program. Those efforts have made, and continue to make, a huge difference in the lives of many people affected by the pandemic, and I thank you.

Since becoming a member of the Federal Reserve Board, I have made it a priority to enhance the Federal Reserve's dialogue with community bankers. I have embarked on an effort to meet with the leaders of every community bank and regional bank supervised by the Federal Reserve. This valuable interaction helps build an understanding of issues affecting small and regional banks, support supervisory decision-making, and shape some of my perspective. It has also helped the Federal Reserve identify initiatives to support the vital role of community banks in serving the financial needs of communities.

Today, I would like to share my approach to supervision and regulation, which has helped guide the Fed's efforts to improve oversight of community banks over the past few years and shaped our priorities for 2021 and beyond. In most cases, my points about banking regulation also apply to supervision. I will then focus on several Federal Reserve initiatives that are underway to support community banks during the pandemic and into the future.

Source link.

Hard-Hit Child Care Industry May Need Multisector Response to Revive and Thrive (02.11.2021)

The COVID-19 pandemic has brought new urgency to the longstanding challenge of child care accessibility in America. Because the child care sector enables many parents to work, developments that threaten the quality, quantity or affordability of that service could discourage the post-pandemic return of many parents—women in particular—to the labor force and ultimately weaken U.S. productivity and economic growth.

Source link.

Getting Back to a Strong Labor Market - Chair Jerome H. Powell (02.10.2021)

Today I will discuss the state of our labor market, from the recent past to the present and then over the longer term. A strong labor market that is sustained for an extended period can deliver substantial economic and social benefits, including higher employment and income levels, improved and expanded job opportunities, narrower economic disparities, and healing of the entrenched damage inflicted by past recessions on individuals' economic and personal well-being. At present, we are a long way from such a labor market. Fully realizing the benefits of a strong labor market will take continued support from both near-term policy and longer-run investments so that all those seeking jobs have the skills and opportunities that will enable them to contribute to, and share in, the benefits of prosperity.

Source link.

Consumer Credit - G.19 (02.05.2021)

December 2020

In 2020, revolving credit decreased 11.2 percent and nonrevolving credit increased 3.9 percent, leaving total consumer credit little changed. Consumer credit increased at a seasonally adjusted annual rate of 2.7 percent in the fourth quarter and at a rate of 2.8 percent in December.

Source link.

St. Louis Fed's Bullard Presents "The Pandemic Endgame Continues" (02.03.2021)

ST. LOUIS – Federal Reserve Bank of St. Louis President James Bullard presented “The Pandemic Endgame Continues” via webinar for the CFA Society St. Louis on Wednesday.

During his presentation, Bullard said the COVID-19 pandemic remains intense in the U.S. and Europe, but the arrival of vaccines suggests the health crisis will wane in the months ahead.

In addition, he said, "U.S. monetary and fiscal policies continue to be exceptionally effective in mitigating macroeconomic damage." Macroeconomic forecasts, he noted, suggest very strong U.S. real GDP growth for all of 2021.

"Downside risk remains, and continued execution of a granular, risk-based health policy will be critical to maintain economic momentum," he said.

Source link.

U.S. Economic Outlook and Monetary Policy: Challenges, Resiliency, and Opportunities (02.03.2021)

A speech presented virtually on February 3, 2021, to the Oakland University School of Business Administration, Department of Economics, in Rochester, MI.

Thank you for that kind introduction. It is a great pleasure to join you, albeit virtually. In my remarks today, I'd like to discuss the state of the U.S. economy and share my views on where the economy and monetary policy are likely headed. In addition, I will highlight how even an improving aggregate economy can mask distressingly wide economic disparities.

The Covid-19 pandemic and the efforts to contain it have taken a heavy toll on the lives and livelihoods of many of our neighbors, friends, and coworkers. I cannot stress the costs of this tragedy enough. And, unfortunately, those who have the fewest resources have borne a disproportionate share of these costs.

The pandemic has had devastating effects, and we are still far from the robust economy we had prior to it. Still, many sectors of the economy have shown great resilience in the face of the virus. Indeed, overall economic activity has recovered far more than most analysts had expected in the middle of last year. And I am optimistic about the future. With increased vaccinations and continued support from fiscal and monetary policies, we should make significant strides toward returning to normal levels of economic activity as we move through 2021.

The pandemic also has had an impact on inflation. Even before the pandemic, inflation had been running below the Federal Reserve's target of 2 percent, and today the situation is even worse. I expect it will be some time before inflation is back to where we want it to be—monetary policy still has a good deal of work to do here.

Before I discuss these points in more depth, I should note that the views I will be sharing with you are my own and not necessarily those of my colleagues on the Federal Open Market Committee (FOMC) or others in the Federal Reserve System.

Source link.

Pandemic Pushes Mothers of Young Children Out Of The Labor Force (02.02.2021)

The COVID-19 pandemic has created many hardships for families due to disruptions in employment, schooling, and child care. Previous research describes the impact on parents of school-age children—primarily mothers—who altered their work arrangements or left the labor force to take care of their children at home. But the pandemic also affected parents with young children (that is, children under age five) with the burden again falling more on mothers, who have been more likely to leave the labor force because of caregiving responsibilities.

Source link.

The COVID-19 Shock and Consumer Credit: Evidence from Credit Card Data (02.01.2021)

We use credit card data from the Federal Reserve Board's FR Y-14M reports to study the impact of the COVID-19 shock on the use and availability of consumer credit across borrower types from March through August 2020. We document an initial sharp decrease in credit card transactions and outstanding balances in March and April. While spending starts to recover by May, especially for risky borrowers, balances remain depressed overall. We find a strong negative impact of local pandemic severity on credit use, which becomes smaller over time, consistent with pandemic fatigue. Restrictive public health interventions also negatively affect credit use, but the pandemic itself is the main driver. We further document a large reduction in credit card originations, especially to risky borrowers. Consistent with a tightening of credit supply and a flight-to-safety response of banks, we find an increase in interest rates of newly issued credit cards to less creditworthy borrowers.

Source link.

Chicago Fed National Activity Index (01.25.2021)

Index points to an uptick in economic growth in December

Led by improvements in production-related indicators, the Chicago Fed National Activity Index (CFNAI) increased to +0.52 in December from +0.31 in November. Three of the four broad categories of indicators used to construct the index made positive contributions in December, but three categories decreased from November. The index's three-month moving average, CFNAI-MA3, ticked up to +0.61 in December from +0.59 in November.

The CFNAI Diffusion Index, which is also a three-month moving average, ticked down to +0.54 in December from +0.55 in November. Fifty-three of the 85 individual indicators made positive contributions to the CFNAI in December, while 32 made negative contributions. Forty-five indicators improved from November to December, while 40 indicators deteriorated. Of the indicators that improved, seven made negative contributions.

Source link.

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.

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
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	Consumer Financial Protection Bureau
CARD Act	Credit Card Accountability Responsibility and Disclosure Act of 2009
CFR	Code of Federal Regulations. Codification of rules and regulations of federal agencies.
CRA	Community Reinvestment Act. This Act is designed to encourage loans in all segments of communities.
CRE	Commercial Real Estate
CSBS	Conference of State Bank Supervisors
CTR	Currency Transaction Report. Filed for each deposit, withdrawal, exchange of currency that involves a transaction in currency of more than $10,000.

Dodd-Frank Act	The Dodd–Frank Wall Street Reform and Consumer Protection Act
DOJ	Department of Justice
FDIC	Federal Deposit Insurance Corporation
EFTA	Electronic Fund Transfer Act
Federal bank regulatory agencies	FDIC, FRB, and OCC
Federal financial institution regulatory agencies	BFCP, FDIC, FRB, NCUA, and OCC
FEMA	Federal Emergency Management Agency
FFIEC	Federal Financial Institutions Examination Council
FHFA	Federal Housing Finance Agency
FHA	Federal Housing Administration
FinCEN	Financial Crime Enforcement Network

FR	Federal Register. U.S. government daily publication that contains proposed and final administrative regulations of federal agencies.
FRB, Fed or Federal Reserve	Federal Reserve Board
FSOC	Financial Stability Oversight Council
FTC	Federal Trade Commission
GAO	Government Accountability Office
HARP	Home Affordable Refinance Program
HAMP	Home Affordable Modification Program
HMDA	Home Mortgage Disclosure Act
HOEPA	Home Ownership and Equity Protections Act of 1994
HPML	Higher Priced Mortgage Loan
HUD	U.S. Department of Housing and Urban Development
IRS	Internal Revenue Service
MLO	Mortgage Loan Originator
MOU	Memorandum of Understanding
NFIP	National Flood Insurance Program. U.S. government program to allow the purchase of flood insurance from the government.

NMLS	National Mortgage Licensing System
OCC	Office of the Comptroller of the Currency
OFAC	Office of Foreign Asset Control
OREO	Other Real Estate Owned
QRM	Qualified Residential Mortgage
Reg. B	Equal Credit Opportunity
Reg. C	Home Mortgage Disclosure
Reg. DD	Truth in Savings
Reg. E	Electronic Fund Transfers
Reg. G	S.A.F.E. Mortgage Licensing Act
Reg. P	Privacy of Consumer Financial Information
Reg. X	Real Estate Settlement Procedures Act
Reg. Z	Truth in Lending
RESPA	Real Estate Settlement Procedures Act
SAR	Suspicious Activity Report – Report financial institutions file with the U.S. government (FinCEN) regarding activity that may be criminal in nature.
SDN	Specially Designated National
TILA	Truth in Lending Act
TIN	Tax Identification Number
Treasury	U.S. Department of Treasury

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