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

'It was one of those March days when the sun shines hot and the wind blows cold: when it is summer in the light and winter in the shade.' — Charles Dickens

NOTE: Capitol Comments typically includes temporal announcements on conferences, meetings and summits by the various agencies. Those types of announcements have NOT been included in this March edition because of the likelihood of those being cancelled or postponed in response to the COVID-19 pandemic.

Joint federal agency issuances, actions and news

Federal Banking Agencies Provide Banks Additional Flexibility to Support Households and Businesses (03.17.2020)

The federal bank regulatory agencies announced two actions to support the U.S. economy and allow banks to continue lending to households and businesses. They are:

- A statement encouraging banks to use their resources to support households and businesses; and
- A technical change to phase in, as intended, the automatic distribution restrictions gradually if a firm's capital levels decline.

The statement notes that banks have more than doubled their capital and liquidity levels over the past decade and are now substantially safer and stronger than they were previously. As a result, the agencies are encouraging banks to use that strength to support households and businesses. The statement is substantially similar to one issued by the Federal Reserve Board earlier this week.

The technical change is an interim final rule that, if a bank's capital declines by a certain amount, phases in the agencies' automatic distribution restrictions gradually, as intended. Like the statement, the interim final rule facilitates the use of firms' capital buffers to promote lending activity to households and businesses.

Attachments:

Statement to encourage banks to support households and businesses

Interim final rule on technical changes to automatic distribution restrictions

Source link.

Comment: With that statement, the agencies also issued a joint interim final rule that revises the definition of eligible retained income for all depository institutions, bank holding companies, and savings and loan holding companies subject to the agencies' capital rule. They said the current definition of eligible retained income, "particularly in light of present market uncertainty," could be a deterrent to banks' continued lending to creditworthy businesses and households. The joint interim final rule revises the definition of eligible retained income to the greater of (1) a banking organization's net income for the four preceding calendar quarters, net of any distributions and associated tax effects not already reflected in net income and (2) the average of a banking organization's net income over the preceding four quarters.

Federal Banking Agencies Encourage Banks to Use Federal Reserve Discount Window (03.16.2020)

The federal bank regulatory agencies released a statement encouraging banks to use the Federal Reserve's "discount window" so that they can continue supporting households and businesses.

The discount window provides short-term loans to banks and plays an important role in supporting the liquidity and stability of the banking system. By providing ready access to funding, the discount window helps depository institutions manage their liquidity risks efficiently and avoid actions that have negative consequences for their customers. Thus, the discount window supports the smooth flow of credit to households and businesses.

# # #

Attachment:

Discount Window Statement

Source link.

Comment: To make the facility as attractive as possible, the Fed extended terms and slashed the rate to 0.25 percent from 1.75 percent — lower than the rate set during the 2008 financial crisis.

Agencies Encourage Financial Institutions to Meet Financial Needs of Customers and Members Affected by Coronavirus (03.09.2020)

Federal financial institution regulators and state regulators encouraged financial institutions to meet the financial needs of customers and members affected by the coronavirus. The agencies recognize the potential impact of the coronavirus on the customers, members, and operations of many financial institutions and will provide appropriate regulatory assistance to affected institutions subject to their supervision.

Regulators note that financial institutions should work constructively with borrowers and other customers in affected communities. Prudent efforts that are consistent with safe and sound lending practices should not be subject to examiner criticism.

The agencies understand that many financial institutions may face current staffing and other challenges. In cases in which operational challenges persist, regulators will expedite, as appropriate, any request to provide more convenient availability of services in affected communities. The regulators also will work with affected financial institutions in scheduling examinations or inspections to minimize disruption and burden.

Source link.

Comment: Bankers struggling to accommodate loan customers impacted by the coronavirus should take comfort in this key sentience - 'Prudent efforts that are consistent with safe and sound lending practices should not be subject to examiner criticism.'

FFIEC Highlights Pandemic Preparedness Guidance (03.06.2020)

The Federal Financial Institutions Examination Council (FFIEC) updated guidance identifying actions that financial institutions should take to minimize the potential adverse effects of a pandemic.

Pandemic preparedness is an important part of a financial institution's business continuity planning. The guidance provides the Council's prudent expectations that regulated institutions should periodically review related risk management plans, including continuity plans, to ensure their ability to continue to deliver their products and services in a wide range of scenarios and with minimal disruption.

Sound planning, in advance of imminent risk to particular institutions, helps minimize the disruptions to services to consumers, businesses, and communities when such contingencies occur.

Related Link

FFIEC Statement on Pandemic Planning

Source link.

Comment: Management should also monitor its service providers, identify potential weaknesses in the service and supply chains, and develop potential alternatives for obtaining critical services and supplies. An array of pandemic resources are available on the ICBA website here.

FFIEC Revised "A Guide to HMDA Reporting: Getting It Right!" (02.27.2020)

The Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council recently developed a revised version of "A Guide to HMDA Reporting: Getting It Right!" (Guide). The updated Guide is intended to assist financial institutions in complying with the Home Mortgage Disclosure Act (HMDA) as implemented by the Consumer Financial Protection Bureau's (CFPB) Regulation C. This Guide applies to HMDA data that financial institutions are required to collect beginning on January 1, 2020 and must submit by March 1, 2021. The Guide provides helpful background information and an easy-to-use summary of certain key requirements, including those relating to institutional coverage, transactional coverage, and data collection, reporting, and disclosure requirements.

This edition of the Guide incorporates amendments made to HMDA by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The Dodd-Frank Act amended HMDA, transferred rule writing authority to the CFPB, and expanded the scope of information that must be collected, reported, and disclosed under HMDA, among other changes.

In October 2015, the CFPB issued the 2015 HMDA Rule implementing the Dodd-Frank Act amendments to Regulation C. The 2015 HMDA Rule modified the types of institutions and transactions subject to Regulation C, the types of data that institutions are required to collect, and the processes for reporting and disclosing the required data. On August 24, 2017, the CFPB issued a 2017 HMDA Rule to further amend Regulation C to make technical corrections and clarify certain requirements adopted by the 2015 HMDA Rule.

The EGRRCPA amended HMDA by adding partial exemptions from HMDA's requirements for certain transactions made by certain insured depository institutions and insured credit unions. On August 31, 2018, the CFPB issued a 2018 HMDA Rule to implement and clarify changes made by the EGRRCPA. On October 10, 2019, the CFPB issued the 2019 HMDA Rule to extend the temporary threshold for reporting data about open end lines of credit and implement the partial exemptions created by the EGRRCPA.

Source link.

Comment: The Guide is a valuable resource for assisting all banks in their HMDA reporting. It includes a summary of responsibilities and requirements, directions for assembling the necessary tools and instructions for reporting HMDA data.

CFPB actions and news

CFPB Blog - Protect Yourself Financially from The Impact of The Coronavirus (03.13.2020)

Federal, state, and local governments are working to respond to the growing public health threat of the coronavirus, or COVID-19. As communities across the country are dealing with an increase in the number of reported cases, many areas may be impacted by the temporary closure of businesses, schools and other public facilities or events, and in some cases, quarantines. While these actions are necessary steps to help reduce exposures, it may bring financial uncertainty for many people who could experience a loss of income due to illness or workplace closures.

For updates about the virus and how to stay safe visit the Centers for Disease Control and Prevention's coronavirus webpage.

As consumers plan for the potential impact of the coronavirus, there are a number of steps that they can take to help protect themselves or a loved one financially, both in the short and long term.

Keep reading for steps to take in the following situations:

- Trouble paying bills or meeting other financial obligations
- Experience a loss of income
- Targeted by a scammer

Source link.

Comment: Consider sharing these helpful tips as a consumer service on your bank's website.

New HMDA FAQ and Regulatory Implementation Survey (03.13.2020)

Last week, the Bureau published a response to the following frequently asked HMDA question: If a natural person applicant submits a mail, internet, or telephone application under Regulation C but does not provide race, ethnicity, or sex information, what should the financial institution report regarding whether this information was collected on the basis of visual observation or surname? You can read the new FAQ here.

The Bureau is also seeking feedback on its compliance and guidance website. Please take our survey to help us serve you better.

Source link.

Comment: The CFPB advises that in such a situation, if the institution does not have an opportunity to collect this information from an in-person meeting during the application process, it may report either that the information was not collected on the basis of visual observation or surname (code 2) or that the requirement to report this data field is not applicable (code 3). In order to promote the consistency of data across all HMDA reporting institutions, the CFPB suggests—but does not require—that financial institutions use code 2.

Market Snapshot: First-Time Homebuyers (03.12.2020)

This report explores the prevalence and ease of first-time homeownership over time. It looks at trends regarding the credit characteristics and product usage of first-time buyers, the demographics of first-time buyers, and where first-time buyers are able to buy. The analysis uses data from the National Mortgage Database (NMDB), a nationally representative, five percent sample of all outstanding, closed-end, first-lien, one-to-four family residential mortgages.

FULL REPORT

Read the full report

Source link.

Comment: The median age of U.S. homebuyers is now 47, an increase of eight years since the financial crisis, according to REALTOR.com. The median age of first-time homebuyers has increased to 33, the oldest in records dating back to 1981, according to a National Association of REALTORS® report. The median age of all buyers also hit a fresh record, 47, increasing for a third straight year—and well above the median age of 31 in 1981.

Responsible Business Conduct: Self-Assessing, Self-Reporting, Remediating and Cooperating (03.06.2020)

In 2013, the Bureau issued a Bulletin that identified several activities that businesses could engage in that could prevent and minimize harm to consumers, referring to these activities as "responsible conduct." The Bureau is issuing this updated Bulletin to clarify its approach to responsible conduct and to reiterate the importance of such conduct.

COMPLIANCE BULLETIN 2020-01

Amends and reissues CFPB Bulletin 2013-06

View bulletin

PREVIOUS BULLETIN

View bulletin (June 25, 2013)

Source link.

Comment: The Bureau recommended Congress adopt legislation amending Title X of the Dodd-Frank Act to provide authority to establish a whistleblower award program. Under the proposed legislation, for cases in which a whistleblower provides voluntary information that leads to a successful enforcement action, the Bureau will be able to pay an award based on a percentage of the monetary sanctions collected in the action.

Consumer Financial Protection Bureau Issues Supplemental Notice of Proposed Rulemaking on Time-Barred Debt Disclosures (02.21.2020)

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (Bureau) issued a Supplemental Notice of Proposed Rulemaking (Supplemental NPRM) regarding the collection of time-barred debt. The Bureau proposes to prohibit collectors from using non-litigation means (such as calls) to collect on time-barred debt unless collectors disclose to consumers during the initial contact and on any required validation notice that the debt is time-barred. Consumer research conducted by the Bureau found that a time-barred debt disclosure helps consumers understand that they cannot be sued if they do not pay. That can help consumers make better informed decisions whether to pay the debt or not.

In May 2019, the Bureau published a proposal (May 2019 NPRM) to implement the Fair Debt Collection Practices Act (FDCPA). The May 2019 NPRM would provide consumers with clear protections against harassment by debt collectors and straightforward options to address or dispute debts; set clear, bright-line limits on the number of calls debt collectors may place to reach consumers on a weekly basis; clarify how collectors may communicate lawfully using newer technologies, such as voicemails, emails and text messages, that have developed since the FDCPA's passage in 1977; and require collectors to provide additional information to consumers to help them identify debts and respond to collection attempts.

Source link.

Comment: The FDCPA does not apply directly to creditors collecting their own debts. However, they should be mindful of the prohibited practices and assure that any third parties hired for debt collection act in compliance.

FDIC actions and news

FDIC: Insured Bank Deposits are Safe; Beware of Potential Scams Using the Agency's Name (03.18.2020)

WASHINGTON — In light of recent developments related to the coronavirus, the Federal Deposit Insurance Corporation (FDIC) is reminding Americans that FDIC-insured banks remain the safest place to keep their money. The FDIC is also warning consumers of recent scams where imposters are pretending to be agency representatives to perpetrate fraudulent schemes.

Since 1933, no depositor has ever lost a penny of FDIC-insured funds. Today, the FDIC insures up to $250,000 per depositor per FDIC-insured bank. An FDIC-insured account is the safest place for consumers to keep their money. Learn more about deposit insurance here. Some banks may have adjusted hours or services in compliance with Centers for Disease Control guidance on social distancing. Customers' deposits remain safe in these banks, as does customer access to their funds. Banks continue to offer ATM, mobile, or online banking services, and many continue to provide services via drive-through windows.

FDIC's Electronic Deposit Insurance Estimator (EDIE) is a tool that can help consumers determine deposit insurance coverage based on accounts they may already have with a bank or accounts they are considering opening. The agency recommends using EDIE for questions about FDIC deposit insurance coverage.
During these unprecedented times consumers may receive false information regarding the security of their deposits or their ability to access cash. The FDIC **does not** send unsolicited correspondence asking for money or sensitive personal information. The agency will never contact people asking for personal details, such as bank account information, credit and debit card numbers, Social Security numbers, or passwords.
Consumers may also be contacted by persons who claim to be employed by an agency, bank, or another entity. These scams may involve a variety of communication channels, including emails, phone calls, letters, text messages, faxes, and social media. Scammers might also ask for personal information such as bank account numbers, Social Security numbers, dates of birth, and other details that can be used to commit fraud or sell a person's identity. Consumers should not provide this information.

Additional resources for consumers include:

- FDIC: Coronavirus (COVID-19) Information for Bankers and Consumers
- FDIC *Consumer News*: How FDIC Protects Customers – February article
- FDIC: Avoiding Scams: Sticking to the Basics Can Go a Long Way
- FDIC Tips for Small Businesses

- FDIC Tips for Reaching out to Creditors and Managing Debt
- FDIC Knowledge Center portal with access to Frequently Asked Questions

Consumers are also encouraged to contact the FDIC's Call Center at 1-877-ASK-FDIC (1-877-275-3342), Monday – Friday, 8 a.m. to 8 p.m. (ET), if they have any questions or believe they have been a victim of fraud or a scam.

Source link.

Comment: The FTC also has a very helpful resource page entitled Coronavirus Scams – What the FTC is Doing. Consider sharing these resources with your customers.

FDIC Announces Steps to Protect Banks and Consumers and to Continue Operations (03.16.2020)

WASHINGTON — Given ongoing developments related to the coronavirus, the FDIC announced the following steps to ensure the health and safety of its workforce and the continuity of its operations:

- Consistent with recent guidance from the Office of Management and Budget, and out of concern for the health of staff that would have been required to participate live, the FDIC has decided to proceed with tomorrow's previously announced open Board of Directors meeting on a notational basis. Vote results and any Board Member statements will be released to the public following the votes.
- All FDIC employees in all FDIC facilities are now engaged in mandatory telework through at least March 30.
- Supervisory and other FDIC activities at financial institutions will be conducted off-site for two weeks starting Monday, March 16. Any on-site activities that are necessary will be conducted with minimal on-site teams.
- The voluntary early retirement and separation programs announced earlier this month have been suspended at this time.
- Externally, the FDIC has released statements for financial institutions encouraging banks to work with impacted borrowers and to utilize liquidity measures available to them through the Federal Reserve.

Despite the challenges presented by the coronavirus, the FDIC remains prepared to carry out its mission to insure deposits, promote financial stability, protect consumers, and ensure the safe and sound operation of FDIC-supervised institutions.

Source link.

Comment: Watch for additional agencies switching to remote/off-site management.

FDIC Offers Voluntary Retirement and Early Separation Program - Incentive is designed to reshape agency to meet future skills needs and enhance preparedness (03.05.2020)

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) announced it will offer voluntary retirement and early separation opportunities to approximately 20 percent of its employees to help reshape the agency's workforce for the future and to enhance preparedness.

Over the past year, the FDIC has undertaken a number of reviews to assess organizational effectiveness and preparedness. One critical finding is that 42 percent of the FDIC's workforce is eligible for retirement within five years, which could deplete the FDIC's institutional experience and knowledge, especially during a crisis. These workforce challenges were highlighted in a recent report by the FDIC's Office of the Inspector General, which noted that 60 percent of FDIC executives and 58 percent of FDIC managers are retirement-eligible, and a "wave of potential retirements could deplete the FDIC's institutional experience and knowledge, especially during a crisis … result[ing] in knowledge and leadership gaps."

"Today's announcement is part of a deliberate strategy to further reduce layers of management, acquire new skillsets, and allow the agency to proactively address succession planning prior to any crisis or emergency situation," said Chairman Jelena McWilliams. "This program will enhance our agility, preparedness, and technological transformation."

Over the past 15 years, the number of senior managers and executives at the FDIC has grown at more than twice the rate of the agency's total workforce, creating an imbalance that challenges the agency's agility and its long-term goal of supporting employee empowerment and succession management.

This program is not designed to reduce the FDIC budget or the overall size of the workforce. Indeed, the agency remains focused on retaining and growing its examination and risk-related workforce, as well as adding specialized information technology, computer science, data management, and loan review skills at various levels throughout the agency.

Under the program, employees who voluntarily separate or retire from the FDIC will generally receive six months of salary.

Source link.

Comment: Based upon concerns over the COVID-19 pandemic, the FDIC has suspended this initiative.

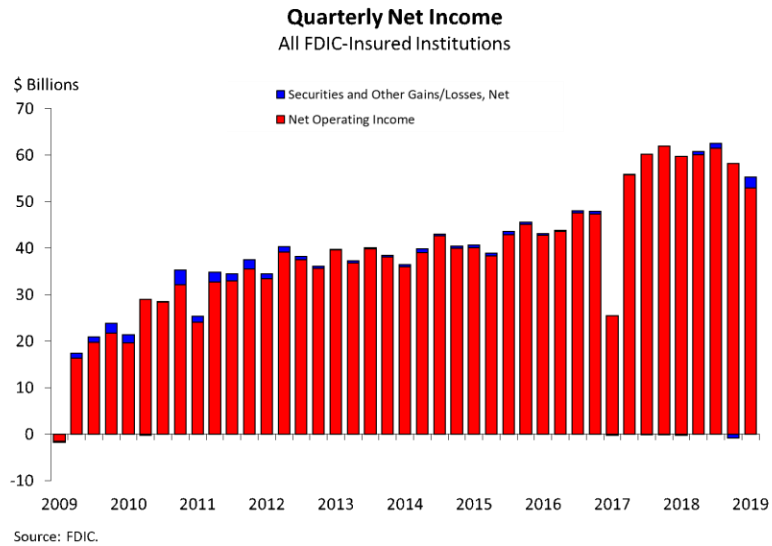
FDIC-Insured Institutions Reported Net Income of $55.2 Billion in Fourth Quarter 2019 (02.25.2020)

FDIC-Insured Institutions Reported Net Income of $55.2 Billion in Fourth Quarter 2019

- Full–Year 2019 Net Income Declined 1.5 Percent to $233.1 Billion
- Quarterly Net Income Declined 6.9 Percent from Fourth Quarter 2018
- Net Interest Margin Declined from a Year Ago to 3.28 Percent
- Community Banks' Quarterly Net Income Improved 4.4 Percent from a Year Ago
- Total Loan and Lease Balances Grew from the Previous Quarter and a Year Ago
- The Number of Banks on the "Problem Bank List" Remained Low

"The banking industry reported strong results, despite declines in full–year and quarterly net income. In the current economic environment, the FDIC encourages banks to maintain careful underwriting standards and prudent risk management." — FDIC Chairman Jelena McWilliams

For the 5,177 commercial banks and savings institutions insured by the Federal Deposit Insurance Corporation (FDIC), aggregate net income totaled $55.2 billion in fourth quarter 2019, a decline of $4.1 billion (6.9 percent) from a year ago. The decline in net income was led by lower net interest income and higher expenses. Financial results for fourth quarter 2019 are included in the FDIC's latest Quarterly Banking Profile.



"The banking industry remains strong, despite declines in full-year and quarterly net income," McWilliams said. "Loan balances continue to rise, asset quality indicators are stable, and the number of 'problem banks' remains low. Community banks reported another positive quarter. Net income at community banks improved because of higher net operating revenue, and the annual loan growth rate at community banks exceeded the overall industry."

"During the second half of 2019, we saw three reductions in short-term interest rates and yield-curve inversions. These factors present challenges for banks' credit extension and funding. It is vital that banks maintain careful underwriting standards and prudent risk management in order to maintain lending through economic fluctuations."

Highlights from the Fourth Quarter 2019 Quarterly Banking Profile

Full-Year 2019 Net Income Declined 1.5 Percent to $233.1 Billion: The banking industry reported full-year 2019 net income of $233.1 billion, down $3.6 billion (1.5 percent) from 2018. The decline in net income was primarily due to slower growth in net interest income and higher loan-loss provisions. Lower noninterest income also contributed to the trend. The average return on assets declined from 1.35 percent in 2018 to 1.29 percent in 2019.

Quarterly Net Income Declined 6.9 Percent from Fourth Quarter 2018: The 5,177 FDIC-insured institutions reported aggregate net income of $55.2 billion in fourth quarter 2019, a decline of $4.1 billion (6.9 percent) from a year earlier. The quarterly decline in net income was led by lower net interest income coupled with higher noninterest expenses. The decline was broad-based, as nearly half (45.6 percent) of all institutions reported annual declines in net income. The share of unprofitable institutions remained stable from a year ago at 7.2 percent. The average return on assets ratio declined from 1.33 percent in fourth quarter 2018 to 1.20 percent in fourth quarter 2019.

Net Interest Margin Declined from a Year Ago to 3.28 Percent: The average net interest margin declined by 20 basis points from a year ago to 3.28 percent. Net interest income fell by $3.4 billion (2.4 percent) from a year ago. This was the first annual decline since third quarter 2013. Lower yields on earning assets drove the reduction in net interest income.

Community Banks' Quarterly Net Income Improved 4.4 Percent from a Year Ago: The 4,750 FDIC-insured community banks reported quarterly net income of $6.4 billion, up $270.3 million from a year ago. More than half of all community banks (53.9 percent) reported net income growth. Net interest income increased by 2.1

percent because of strong annual loan growth (up 5.5 percent). The average community bank net interest margin fell by 15 basis points to 3.62 percent.

Total Loan and Lease Balances Grew from the Previous Quarter and a Year Ago: Total loan and lease balances increased by $117.9 billion (1.1 percent) from the previous quarter. Growth among major loan categories was led by consumer loans, which includes credit cards (up $58.2 billion, or 3.3 percent) and residential mortgage loans (up $19 billion, or 0.9 percent). The commercial and industrial loan portfolio reported the first quarterly decline (down $11.0 billion, or 0.5 percent) since fourth quarter 2016. Over the past year, total loan and lease balances increased by 3.6 percent, slightly below the annual growth rate reported in third quarter 2019.

The Number of Banks on the "Problem Bank List" Remained Low: The number of problem banks fell from 55 to 51 during the fourth quarter, the lowest number of problem banks since fourth quarter 2006. Total assets of problem banks declined from $48.8 billion in the third quarter to $46.2 billion.

Asset Quality Indicators Remained Stable: The average noncurrent loan rate remained relatively stable from the previous quarter. Noncurrent balances declined for all major loan categories, except for credit card loans, which increased by $1.3 billion (10.3 percent). Net charge-offs rose by $1.3 billion (10.4 percent) from a year ago, and the average net charge-off rate rose by 4 basis points to 0.54 percent. Asset quality metrics for community banks remained relatively steady; the noncurrent rate fell by 3 basis points to 0.75 percent, and the net charge-off rate rose by 3 basis points to 0.18 percent.

The Deposit Insurance Fund's Reserve Ratio Stood at 1.41 Percent: The Deposit Insurance Fund (DIF) balance totaled $110.3 billion in the fourth quarter, up $1.4 billion from the end of last quarter. The quarterly increase was led by assessment income and interest earned on investment securities held by the DIF. The reserve ratio remained unchanged from the previous quarter at 1.41 percent.

Mergers and New Bank Openings Continued in the Fourth Quarter: During the fourth quarter, three new banks opened, 77 institutions were absorbed by mergers, and three banks failed.

# # #

Quarterly Banking Profile Home Page

Charts and Data

Chairman McWilliams' Press Statement

Source link.

Comment: The numbers for 2020 will most certainly look very different.

FDiTech Releases New Guide to Help 'FinTechs' Connect with Banks - FDIC Seeks to Promote Innovation in Banking to Meet Growing Consumer Demand (02.24.2020)

WASHINGTON – In its continuing effort to encourage technological innovation in the banking sector, the Federal Deposit Insurance Corporation's technology lab (FDiTech) is releasing a new guide to help financial technology companies and others partner with banks.

Conducting Business with Banks: A Guide for Third Parties is designed to help third parties understand the environment in which banks operate and navigate the requirements unique to banking. The Guide is an initial effort to address concerns that Chairman McWilliams has heard from banks and technology companies across the country related to challenges associated with on-boarding at institutions. FDiTech is working to develop additional tools and resources to increase opportunities for partnerships and eliminate unnecessary burdens and costs associated with third party risk management. In the meantime, Conducting Business with Banks should serve as a helpful guide to both banks and third parties.

"Partnerships with fintechs are particularly important for community banks, which often cite cost and regulatory uncertainty as roadblocks to innovation. Leveraging new technology may provide additional opportunities for these institutions and their customers," said FDIC Chairman Jelena McWilliams. "The FDIC will continue to work with banks and fintechs to help them understand how they can effectively work together to serve our nation's depositors."

FDIC established FDiTech in 2019 to collaborate with community banks on how to deploy technology in delivery channels and back office operations to better serve customers. FDiTech is working to encourage innovation and partnerships at community banks through engagement, technical assistance, tech sprints, and pilot programs.

Source link.

Comment: Payments systems are the most popular area being targeted, while lending is the most lucrative area of banking by revenue being targeted:

FDIC Recognizes Four Institutions for Expanding Financial Literacy Organizations honored during America Saves Week (02.24.2020)

WASHINGTON – As America Saves Week approaches, the Federal Deposit Insurance Corporation (FDIC) is recognizing four institutions for their work to expand financial education and support healthy banking relationships. Read more: Money Smart News – Winter 2020.

America Saves Week, which runs from February 24–29, is an annual 'call to action' to encourage Americans to reexamine their financial lives and saving behaviors and to commit to make a plan to achieve better financial stability. FDIC is recognizing the following institutions for their use of the agency's Money Smart curriculum in their work to promote financial education and to support healthy banking relationships:

University of Wyoming Extension

Awarded the Creative Money Smart for Adults User of the Year.

The University of Wyoming Extension (UWE) Community Development Education team created the "Master Money Manager Coach" (M3C) program to help community organizations across Wyoming enhance the money management skills of their clientele. UWE used Money Smart for Adults to train staff from community organizations to teach money management, including individual coaching. The M3C program supports social service organizations in their efforts to help financially at-risk individuals improve their financial situation. The M3C program was offered in the counties of Teton, Laramie, Campbell, and Natrona. As a result, 33 social service organizations and 51 people from five counties are ready and equipped to assist clients who need help managing money.

First Commonwealth Bank of Indiana, Pennsylvania

Recognized as the Impactful Money Smart for Adults Partnership of the Year

First Commonwealth Bank (FCB) of Indiana, Pennsylvania, partnered with Goodwill of Southwestern Pennsylvania in Pittsburgh to provide financial education for participants in the Goodwill's Community Reintegration program. This program provides nonviolent offenders the opportunity to serve a portion of their sentence in a community setting, instead of jail. This allows program participants to resume their careers and return to the workforce, while getting help reintegrating into the community. Through its partnership with Goodwill, FCB had taught 22 financial education sessions to more than 220 participants as of December 2019. Encouraged by this success, FCB has now also partnered with the Lawrence County Community Action Program in New Castle, Pennsylvania, to help low- and moderate-income consumers.

Haven Neighborhood Services of Los Angeles

Recognized as the Impactful Money Smart for Adults Partnership of the Year

Haven Neighborhood Services began using Money Smart for Adults in 2010 in low- and moderate-income neighborhoods in Los Angeles County, California, and with incarcerated women and other people struggling financially. Haven's program provides clients with one-on-one credit counseling and/or financial coaching after they have completed four modules of the Money Smart curriculum. Haven also partners with several Los Angeles area banks, hospitals, nonprofits, city agencies, and others to deliver workshops. As of September 2019, Haven has awarded certificates to more than 5,520 clients who have completed four or more Money Smart workshops.

JPMorgan Chase Bank, N.A.

Awarded the Expanding Business Opportunities with Money Smart for Adults

JPMorgan Chase Bank, N.A., has been using Money Smart products for several years to facilitate community financial education workshops. In early 2019, Chase began partnering with Samaritas House Heartline in Detroit, Michigan, an organization that provides shelter, food, and other assistance to women who are homeless or leaving the correctional system. Chase staff provides Samaritas House clients monthly financial education workshops using the Money Smart for Adults curriculum. More than 200 Chase staff members participated in Money Smart for Adults train-the-trainer webinars, and Chase credits this training as a key step in preparing bank staff to engage with Samaritas House clients. To date, more than 350 Samaritas House clients have participated in the program, and Chase plans to continue the partnership in 2020.

The FDIC offers a number of resources to institutions interested in providing financial education in their communities, as well as extensive educational materials for individuals of all ages to help them set and achieve their financial goals. For instance, through the FDIC's Youth Banking Network, financial institutions are working with schools and nonprofit organizations to teach financial education and offer students an opportunity to open a savings account—for many students, their first account.

During America Saves Week 2019, more than 40,000 Americans committed to save $145 million through the America Saves Pledge. Participating banks and credit unions reported to America Saves that 246,677 people deposited $503,574,890 into savings accounts at insured financial institutions.

To learn more about becoming part of the Money Smart Alliance or additional training opportunities, please visit the FDIC's Money Smart webpage, as well as our savings-related resources webpage. For more Money Smart success stories, visit Money SmartNews. Join us on social media via #GetMoneySmart.

Source link.

Comment: Although there is primarily an expectation of "hunkering down" until the COVID-19 pandemic is under control, consider these examples of successful programs as you design your own outreach and financial literacy projects.

FDIC Seeks Information on How to Modernize Signage and Advertising Requirements - New Standards Considered to Reflect Developments in Banking, Prevent Fraud, Avoid Consumer Confusion (02.19.2020)

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) announced that it is seeking the public's input on potential modernization of its signage and advertising requirements to better reflect how banks and savings associations currently operate and how consumers use banking services. Banks are transforming their business models to take deposits via physical branches, digital, and mobile banking channels. Given the changes in the marketplace since the FDIC last significantly updated these rules in 2006, the FDIC is gathering public input from a broad range of stakeholders about how it might revise and clarify its official sign and advertising rules to reflect the changes and support the industry's efforts to understand, apply, and comply with the FDIC's rules. Comments to FDIC's Request for Information must be received by March 19, 2020.

Every FDIC-insured bank or savings institution is required to display the FDIC's official sign and advertise in a manner that clearly communicates they are FDIC-insured. FDIC deposit insurance is fundamental to assuring depositors that their money is protected if their bank fails. Since Congress established the FDIC nearly 90 years ago, no depositor has lost a single penny of insured deposits.

"The way banks operate today and the way people use those banks is changing, and so must we," said FDIC Chairman Jelena McWilliams. "To keep pace with the marketplace, we are exploring new signage and advertising requirements for the FDIC logo."

In addition to modernizing these signage and advertising standards, the FDIC is considering ways to prevent situations where consumers may have difficulty determining whether they are dealing with a bank or savings association that is backed by FDIC insurance. In some cases, there may be potential for consumer confusion or misleading or fraudulent representations that can lead to consumer harm.

Visit the FDIC's website to find your bank so you can be certain your money is protected in the unlikely event your bank or savings institution should fail.

Source link.

Comment: Interested parties responding to FDIC's RFI may now submit comments through April 20, 2020. Read FDIC's notice.

OCC actions and news

Third-Party Relationships: Frequently Asked Questions to Supplement OCC Bulletin 2013-29 (03.05.2020)

The Office of the Comptroller of the Currency (OCC) is issuing frequently asked questions (FAQ) to supplement OCC Bulletin 2013-29, "Third-Party Relationships: Risk Management Guidance," issued October 30, 2013. These FAQs are intended to clarify the OCC's existing guidance and reflect evolving industry trends.

This new bulletin rescinds OCC Bulletin 2017-21, “Third-Party Relationships: Frequently Asked Questions to Supplement OCC Bulletin 2013-29,” issued on June 7, 2017. The FAQs from OCC Bulletin 2017-21 have been incorporated unchanged into this new bulletin, except for question No. 24, which was updated to reflect current AICPA Service Organization Control report information. The FAQ numbers from OCC Bulletin 2017-21 are noted in parentheses throughout this bulletin.

Highlights

Topics addressed in the new FAQs include:

- the terms “third-party relationship” and “business arrangement.”
- when cloud computing providers are in a third-party relationship with a bank.
- when data aggregators are in a third-party relationship with a bank.
- risk management when the bank has limited negotiating power in contractual arrangements.
- critical activities and how a bank can determine the risks associated with third-party relationships.
- bank management’s responsibilities regarding a third party’s subcontractors.
- reliance on and use of third party-provided reports, certificates of compliance, and independent audits.
- risk management when third party has limited ability to provide the same level of due diligence-related information as larger or more established third parties.
- risk management when using a third-party model or when using a third party to assist with model risk management.
- use of third-party assessment services in managing third-party relationship risks.
- a board’s approval of contracts.
- risk management when obtaining alternative data from a third party.

Source link.

Comment: Although not directly addressed here, review contracts for “force majeure” clauses are used to excuse performance when there is an “act of god” or other event making performance impossible! These may not address the current pandemic, depending on how they are written and whether they are present at all.

OCC Requests Comments on Proposals to Eliminate Unnecessary Licensing Requirements (03.05.2020)

WASHINGTON—The Office of the Comptroller of the Currency (OCC) released a proposal for public comment to update and clarify licensing policies and procedures and eliminate unnecessary requirements consistent with safe, sound, and fair operation of the federal banking system.

The proposal would make various changes to the OCC’s Rules, Policies, and Procedures for Corporate Activities, 12 CFR part 5. It is part of the OCC’s continual effort to modernize its rules and remove unnecessary requirements. Comments are due May 4, 2020.

Among the significant changes being proposed are:

- permitting national banks and federal savings associations to elect to follow the procedures applicable to state banks or state savings associations, respectively, for certain business combinations.
- expanding the operating subsidiary notice and expedited review processes to include activities that are substantively the same as activities previously approved by the OCC.
- permitting non-controlling investments and pass-through investments in entities that have not agreed to OCC supervision, and permitting certain other investments without a filing.

- providing procedures for granting and revoking citizenship and residency waivers for national bank directors.
- changing the definition of "troubled condition" for purposes of changes in directors and senior executive officers to specify that an enforcement action must require the national bank or savings association to improve its financial condition for it to be considered in "troubled condition" solely as a result of the enforcement action, which would align with OCC supervisory practice.
- adding chief risk officer to the list of positions for which a bank in troubled condition must provide notice when making a change in personnel.

Related Link

Federal Register Notice (PDF)

Source link.

Protecting Tenants at Foreclosure Act: Revised Comptroller's Handbook Booklet and Rescissions (03.02.2020)

The Office of the Comptroller of the Currency (OCC) issued the revised "Protecting Tenants at Foreclosure Act" booklet of the Comptroller's Handbook. This booklet provides information and procedures for examiners in connection with the foreclosure activities and related consumer protections covered under the Protecting Tenants at Foreclosure Act of 2009 (PTFA).

Highlights

The revised booklet:

- summarizes PTFA requirements.
- discusses risks associated with a bank's PTFA compliance.
- provides examiners with information and procedures regarding a bank's risk management and PTFA compliance.

Background

The PTFA protects tenants under certain circumstances from evictions resulting from foreclosures on the properties they occupy. These protections had been subject to a sunset provision. The Economic Growth, Regulatory Relief, and Consumer Protection Act restored sections 701 through 703 of the PTFA1 and repealed the sunset provision in section 704,2 making permanent the PTFA provisions. The provisions apply to any immediate successor in interest—including banks—that foreclose on a federally related mortgage loan or on any dwelling or residential real property, as defined in section 3 of the Real Estate Settlement Procedures Act, that is subject to a bona fide lease, as defined in the PTFA and in 12 USC 2602.

Source link.

Federal Reserve actions and news

Federal Reserve Financial Services is Committed to Preparedness in Response to the Coronavirus Disease 2019 (COVID-19) (03.13.2020)

Federal Reserve Financial Services is committed to maintaining a high level of preparedness to meet the needs of financial institutions for a range of scenarios, including those relevant to the recent public health emergency caused by the coronavirus (COVID-19). We want to reassure you that our services are fully operational and we do not anticipate any business disruptions. Customers should continue to follow their normal procedures for contacting the Federal Reserve Banks.

Access to our services

Federal Reserve Financial Services customers maintain critical responsibilities and obligations for business resiliency and business continuity for the services that they use. Customers should refer to their institution's business continuity plans as early as possible to ensure user access.

All equipment, including personal computers, used to access those Federal Reserve Bank Services that can be accessed outside of a customer's normal working environment via FedLine® Solutions must comply with published Hardware and Software Requirements. Customers with questions or concerns about accessing these services outside their normal working environment should contact the Customer Contact Center, which can advise on any potential modifications required in their setup to be able to connect to our services. Additional guidance can also be found in the Federal Reserve Banks' Operating Circulars.

Financial services processing

The Federal Reserve Banks have robust business continuity plans in place that focus on ensuring all financial services functions continue, our Federal Reserve employees are protected, and to provide for operational continuity in the event of reduced staffing scenarios. For example, our financial services functions are utilizing strategies like geographically dispersed split operations, remote work and staff rotations to achieve business continuity. Further, we are working closely with customers and vendors to monitor any volume changes in the processing of check, ACH, National Settlement Service, wire or securities transactions. Please note that all published processing deadlines and funds availability schedules for ACH and check processing remain in effect. Our transaction processing platforms all have the ability to process substantially more volume than they typically receive on a daily basis. FedACH® Services customers are advised to consult Nacha Operating Rules (Off-site) for information about performance of obligations beyond required time limits.

Fedwire® customers that use FedLine Solutions as their primary method to access the Fedwire Funds Service and Fedwire Securities Service should not rely on the Fedwire offline service as a contingency alternative for processing their transactions. While the offline service has proven to be an effective tool to support the most critical transactions for a limited number of customers using the FedLine Advantage® Solution when they experience a service disruption, it is not designed or intended to support a broad-based FedLine Advantage service disruption and is not a viable contingency alternative for customers that use the FedLine Direct® Solution. Therefore, your institution is encouraged to consider other alternatives for processing your critical transactions if you cannot access the Fedwire Services via your FedLine Solution.

Source link.

Comment: Also consider the enhanced need for currency for ATMs and teller lines. Like the Y2K scenario, some customers will panic as a result of the pandemic and flee to cash as an element of their personal preparedness. Be prepared for this increased demand.

Federal Reserve Board publishes Community Reinvestment Act Analytics Data Tables (03.06.2020)

The Federal Reserve Board on Friday released a series of Community Reinvestment Act (CRA) Analytics Data Tables. This data resource is intended to provide insight into the historical relationship between bank lending activity and regulatory assessments.

The tables combine Home Mortgage Disclosure Act (HMDA) data, CRA small business and small farm loan data, and manually extracted data from CRA Performance Evaluations. Bank attributes, deposit, branching, demographic, and other third-party vendor data supplement the tables.

More information about this database can be found here:

https://www.federalreserve.gov/consumerscommunities/data_tables.htm

Source link.

Beige Book - Summary of Commentary on Current Economic Conditions by Federal Reserve District (03.04.2020)

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

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

Source link.

Comment: This report was prepared at the Federal Reserve Bank of Richmond based on information collected on or before February 24th, 2020.

Other federal action and news

The Financial Crimes Enforcement Network (FinCEN) Encourages Financial Institutions to Communicate Concerns related to the Coronavirus Disease 2019 (COVID-19) and to Remain Alert to Related Illicit Financial Activity (03.16.2020)

On March 13, 2020, President Trump declared a National Emergency in response to COVID-19.[1] FinCEN requests financial institutions affected by the COVID-19 pandemic to contact FinCEN and their functional regulator as soon as practicable if a COVID-19-affected financial institution has concern about any potential delays in its ability to file required Bank Secrecy Act (BSA) reports. Financial institutions seeking to contact FinCEN should call FinCEN's Regulatory Support Section (RSS) at 1-800-949-2732 and select option 6 or e-mail at FRC@fincen.gov. FinCEN's RSS will continue to be available to support financial institutions for the duration of the COVID-19 pandemic.

Financial institutions are encouraged to keep FinCEN and their functional regulators informed as their circumstances change.

FinCEN also advises financial institutions to remain alert about malicious or fraudulent transactions similar to those that occur in the wake of natural disasters. FinCEN is monitoring public reports and BSA reports of potential illicit behavior connected to COVID-19 and notes the following emerging trends:

Imposter Scams – Bad actors attempt to solicit donations, steal personal information, or distribute malware by impersonating government agencies (e.g., Centers for Disease Control and Prevention), international organizations (e.g., World Health Organization (WHO)[2]), or healthcare organizations.

Investment Scams – The U.S. Securities and Exchange Commission (SEC) urged investors to be wary of COVID-19-related investment scams, such as promotions that falsely claim that the products or services of publicly traded companies can prevent, detect, or cure coronavirus.[3]

Product Scams – The U.S. Federal Trade Commission (FTC) and U.S. Food and Drug Administration (FDA) have issued public statements and warning letters to companies selling unapproved or misbranded products that make false health claims pertaining to COVID-19.[4] Additionally, FinCEN has received reports regarding fraudulent marketing of COVID-19-related supplies, such as certain facemasks.

Insider Trading – FinCEN has received reports regarding suspected COVID-19-related insider trading.

In addition, please see FinCEN's advisory, FIN-2017-A007 "Advisory to Financial Institutions Regarding Disaster-Related Fraud" (October 31, 2017) for descriptions of other relevant typologies, such as benefits fraud, charities fraud, and cyber-related fraud.[5] For suspected suspicious transactions linked to COVID-19, along with checking the appropriate suspicious activity report-template (SAR-template) box(es) for certain typologies, FinCEN also encourages financial institutions to enter "COVID19" in Field 2 of the SAR-template.

Financial institutions are encouraged to review information from other relevant functional regulators as updates are available. FinCEN will continue to monitor this situation and will release updated information for financial institutions as appropriate.

Source link.

Comment: In particular, remember your obligation to report suspected elder financial abuse. Many of these scams are directed at vulnerable adults. In many states reporting is mandatory.

CSBS Information on COVID-19 Coronavirus (03.12.2020)

State regulators are committed to providing timely updates to consumers, financial institutions and fellow regulators on actions taken to support communities during the outbreak of COVID-19. All public CSBS updates concerning COVID-19 will be made available on this page.

If you have any questions, comments or submissions, please contact newsroom@csbs.org.

Click Here for an Updated County-Level Map of COVID-19 Cases

Source link.

CSBS - State Financial Regulators Launch Nationwide Technology Platform to Examine Fintechs and Other Nonbanks (02.19.2020)

San Francisco – The Conference of State Bank Supervisors (CSBS) announced the nationwide roll out of the State Examination System (SES), the first nationwide platform to bring state regulators and companies into the same technology space for supervision, fostering greater transparency and collaboration. Through SES, state regulators will be able to enhance supervisory oversight of nonbanks while making the process more efficient for regulators and companies alike.

SES is developed and operated by the State Regulatory Registry (SRR), a CSBS subsidiary that also operates the Nationwide Multistate Licensing System (NMLS).

John Ducrest, SRR Board chairman and Louisiana Office of Financial Institutions Commissioner: "Nationwide deployment of SES is the single biggest technology initiative that CSBS has implemented since NMLS more than a decade ago. SES embodies CSBS Vision 2020 by using technology to promote multistate harmonization, strengthen state supervision and protect consumers."

SES is built to:

- Support networked supervision among state regulators
- Standardize workflow, business rules and technology across states
- Facilitate secure collaboration between licensees and their regulators
- Help examiners focus more attention on higher-risk cases
- Move state supervision towards more multistate exams and fewer single-state efforts

Source link.

Publications, articles, reports, studies, testimony & speeches

Industrial Production and Capacity Utilization - G.17 (03.17.2020)

Industrial production rose 0.6 percent in February after falling 0.5 percent in January. Manufacturing output edged up 0.1 percent in February; excluding a large gain for motor vehicles and parts and a large drop for civilian aircraft, factory output was unchanged. The index for mining declined 1.5 percent, but the index for utilities jumped 7.1 percent, as temperatures returned to more typical levels following an unseasonably warm January. At 109.6 percent of its 2012 average, the level of total industrial production in February was unchanged from a year earlier. Capacity utilization for the industrial sector increased 0.4 percentage point in February to 77.0 percent, a rate that is 2.8 percentage points below its long-run (1972–2019) average.

Source link.

Global Perspectives: William Dudley on the Financial Crisis, the New York Fed and Misconceptions about the Fed (03.10.2020)

Dudley and Dallas Fed President Robert S. Kaplan discussed Dudley's role during the financial crisis, his leadership of the New York Fed and popular misconceptions about the Fed.

Source link.

Consumer Credit - G.19 (03.06.2020)

Starting with the April 2020 G.19 Consumer Credit statistical release, scheduled to be published on June 5, 2020, the release will no longer report the levels and flows of on-book loan balances and off-book securitized loan balances as separate line items. Instead, the release will report aggregate balances of total owned and managed receivables--the sum of on-book and off-book loan balances--for each sector. For more information, please see the announcement posted on March 6, 2020.

January 2020

In January, consumer credit increased at a seasonally adjusted annual rate of 3-1/2 percent. Revolving credit decreased at an annual rate of 3-1/4 percent, while nonrevolving credit increased at an annual rate of 5-3/4 percent.

Source link.

Understanding the Exposure at Default Risk of Commercial Real Estate Construction and Land Development Loans (03.2020)

Abstract: We study and model the determinants of exposure at default (EAD) for large U.S. construction and land development loans from 2010 to 2017. EAD is an important component of credit risk, and commercial real estate (CRE) construction loans are more risky than income producing loans. This is the first study modeling the EAD of construction loans. The underlying EAD data come from a large, confidential supervisory dataset used in the U.S. Federal Reserve's annual Comprehensive Capital Assessment Review (CCAR) stress tests. EAD reflects the relative bargaining ability and information sets of banks and obligors. We construct OLS and Tobit regression models, as well as several other machine-learning models, of EAD conversion measures, using a four-quarter horizon. The popular LEQ and CCF conversion measure is unstable, so we focus on EADF and AUF measures. Property type, the lagged utilization rate and loan size are important drivers of EAD. Changing local and national economic conditions also matter, so EAD is sensitive to macro-economic conditions. Even though default and EAD risk are negatively correlated, a conservative assumption is that all undrawn construction commitments will be fully drawn in default.

Source link.

Selected federal rules – proposed

Proposed rules are included only when community banks may want to comment. Date posted may not be the same as the Federal Register Date.

PROPOSED DATE	SUMMARY OF PROPOSED RULE
01.09.2020	Community Reinvestment Act Regulations - Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) propose regulations that could encourage banks to provide billions more each year in Community Reinvestment Act-qualified lending, investment, and services by modernizing the Community Reinvestment Act (CRA)

regulations to better achieve the law's underlying statutory purpose of encouraging banks to serve their communities by making the regulatory framework more objective, transparent, consistent, and easy to understand. To accomplish these goals, this proposed rule would strengthen the CRA regulations by clarifying which activities qualify for CRA credit, updating where activities count for CRA credit, creating a more transparent and objective method for measuring CRA performance, and providing for more transparent, consistent, and timely CRA-related data collection, recordkeeping, and reporting. **Comments must be received on or before April 8, 2020.**

02.10.2020	Request for Comments on Unsafe and Unsound Banking Practices: Brokered Deposit Restrictions - The FDIC is inviting comment on proposed revisions to its regulations relating to the brokered deposits restrictions that apply to less than well capitalized insured depository institutions. The proposed rule would create a new framework for analyzing certain provisions of the "deposit broker" definition, including "facilitating" and "primary purpose." The proposed rule would also establish an application and reporting process with respect to the primary purpose exception. The application process would be available to insured depository institutions and third parties that wish to utilize the exception. **Comments must be received by the FDIC no later than April 10, 2020.**
03.26.2020	Request for Information on FDIC Sign and Advertising Requirements and Potential Technological Solutions - The FDIC is seeking input regarding potential modernization of its sign and advertising rules to reflect that deposit-taking via physical branch, digital, and mobile banking channels continues to evolve since the FDIC last significantly updated its rules in 2006. As banks adjust their business models to innovate and remain competitive, the FDIC is considering how to revise and clarify its sign and advertising rules related to FDIC deposit insurance. The FDIC is issuing this Request for Information (RFI) to inform FDIC efforts to align the policy objectives of its rules and keep pace with how today's banks offer deposit products and services and how consumers connect with banks, including through evolving channels. The FDIC is also seeking input on how to address potential misrepresentations by nonbanks about deposit insurance. In addition, the FDIC requests information about how technological or other solutions could be leveraged to help consumers better distinguish FDIC-insured banks and savings associations from entities that are not insured by the FDIC (nonbanks), particularly across web and digital channels. **Comments must be received by the FDIC no later than March 19, 2020.**

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:
09.03.2019	Availability of Funds and Collection of Checks (Regulation CC) - The Board and the Bureau (Agencies) are amending Regulation CC, which implements the Expedited Funds Availability Act (EFA Act), to implement a statutory requirement in the EFA Act to adjust the dollar amounts under the EFA Act for inflation. The Agencies are also amending Regulation CC to incorporate the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) amendments to the EFA Act, which include extending coverage to American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam, and making certain other technical amendments. This rule is effective September 3, 2019, except for the amendments to 12 CFR 229.1, 229.10, 229.11, 229.12(d), 229.21, and appendix E to part 229, which are effective July 1, 2020.
10.09.2019	Real Estate Appraisals - The OCC, Board, and FDIC (collectively, the agencies) are adopting a final rule to amend the agencies' regulations requiring appraisals of real estate for certain transactions. The final rule increases the threshold level at or below which appraisals are not required for residential real estate transactions from $250,000 to $400,000. The final rule defines a residential real estate transaction as a real estate-related financial transaction that is secured by a single 1-to-4 family residential property. For residential real estate transactions exempted from the appraisal requirement as a result of the revised threshold, regulated institutions must obtain an evaluation of the real property collateral that is consistent with safe and sound banking practices. The final rule makes a conforming change to add to the list of exempt transactions those transactions secured by residential property in rural areas that have been exempted from the agencies' appraisal requirement pursuant to the Economic Growth, Regulatory Relief, and Consumer Protection Act. The final rule requires evaluations for these exempt transactions. The final rule also amends the agencies' appraisal regulations to require regulated institutions to subject appraisals for federally related transactions to appropriate review for compliance with the Uniform Standards of Professional Appraisal Practice. DATES: This final rule is effective on October 9, 2019, except for the amendments in instructions 4, 5, 9, 10, 14, and 15, which are effective on January 1, 2020.
01.01.2020	Regulatory Capital Rule: Capital Simplification for Qualifying Community Banking Organizations - 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 provides for a simple measure of capital adequacy for certain community banking organizations, consistent with section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (final rule). Under the final rule, depository institutions and depository institution holding companies that have less than $10 billion in total consolidated assets and meet other qualifying criteria, including a leverage ratio (equal to tier1

capital divided by average total consolidated assets) of greater than 9 percent, will be eligible to opt into the community bank leverage ratio framework (qualifying community banking organizations). Qualifying community banking organizations that elect to use the community bank leverage ratio framework and that maintain a leverage ratio of greater than 9 percent will be considered to have satisfied the generally applicable risk based and leverage capital requirements in the agencies' capital rules (generally applicable rule) and, if applicable, will be considered to have met the well capitalized ratio requirements for purposes of section 38 of the Federal Deposit Insurance Act. The final rule includes a two-quarter grace period during which a qualifying community banking organization that temporarily fails to meet any of the qualifying criteria, including the greater than 9 percent leverage ratio requirement, generally would still be deemed well capitalized so long as the banking organization maintains a leverage ratio greater than 8 percent. At the end of the grace period, the banking organization must meet all qualifying criteria to remain in the community bank leverage ratio framework or otherwise must comply with and report under the generally applicable rule. Similarly, a banking organization that fails to maintain a leverage ratio greater than 8 percent would not be permitted to use the grace period and must comply with the capital rule's generally applicable requirements and file the appropriate regulatory reports. DATES: The final rule is effective on January 1, 2020.

01.01.2020 U.S. Department of Labor Final Overtime Rule - The Department of Labor is updating and revising the regulations issued under the Fair Labor Standards Act implementing the exemptions from minimum wage and overtime pay requirements for executive, administrative, professional, outside sales, and computer employees. DATES: This final rule is effective on January 1, 2020.

01.01.2020 Home Mortgage Disclosure (Regulation C) 2019 - The Bureau of Consumer Financial Protection (Bureau) is amending Regulation C to adjust the threshold for reporting data about open-end lines of credit by extending to January 1, 2022, the current temporary threshold of 500 open-end lines of credit. The Bureau is also incorporating into Regulation C the interpretations and procedures from the interpretive and procedural rule that the Bureau issued on August 31, 2018, and implementing further section 104(a) of the Economic Growth, Regulatory Relief, and Consumer Protection Act. DATES: This final rule is effective on January 1, 2020, except that the amendments to § 1003.2 in amendatory instruction 6, the amendments to § 1003.3 in amendatory instruction 7, and the amendments to supplement I to part 1003 in amendatory instruction 8 are effective on January 1, 2022.

01.01.2020 Revisions to Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds - The OCC, Board, FDIC, SEC, and CFTC are adopting amendments to the regulations implementing section 13 of the Bank Holding Company Act. Section 13 contains certain restrictions on the ability of a banking entity and nonbank financial company supervised by the Board to engage in proprietary trading and have certain interests in, or relationships with, a hedge fund or private equity fund. These final amendments are intended to provide banking entities with clarity about what activities are prohibited and to improve supervision and implementation of section entities with clarity about what activities are prohibited and to improve supervision and implementation of section 13. Effective Date: The effective date for this release is January 1, 2020. Compliance Date: Banking entities must comply with the final amendments by January 1, 2021. The 2013 rule will remain in effect until the compliance date, and a banking entity must continue to comply with the 2013 rule. Alternatively, a banking entity may voluntarily comply, in whole or in part, with the amendments adopted in this release prior to the compliance date, subject to the agencies' completion of necessary technological changes.

01.01.2020 Regulatory Capital Rule: Capital Simplification for Qualifying Community Banking Organizations - 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 provides for a simple measure of capital adequacy for certain community banking organizations, consistent with section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (final rule). Under the final rule, depository institutions and depository institution holding companies that have less than $10 billion in total consolidated assets and meet other qualifying criteria, including a leverage ratio (equal to tier 1 capital divided by average total consolidated assets) of greater than 9 percent, will be eligible to opt into the community bank leverage ratio framework (qualifying community banking organizations). Qualifying community banking organizations that elect to use the community bank leverage ratio framework and that maintain a leverage ratio of greater than 9 percent will be considered to have satisfied the generally applicable risk-based and leverage capital requirements in the agencies' capital rules (generally applicable rule) and, if applicable, will be considered to have met the well-capitalized ratio requirements for purposes of section 38 of the Federal Deposit Insurance Act. The final rule includes a two-quarter grace period during which a qualifying community banking organization that temporarily fails to meet any of the qualifying criteria, including the greater than 9 percent leverage ratio requirement, generally would still be deemed well-capitalized so long as the banking organization maintains a leverage ratio greater than 8 percent. At the end of the grace period, the banking organization must meet all qualifying criteria to remain in the community bank leverage ratio framework or otherwise must comply with and report under the generally applicable rule. Similarly, a banking organization that fails to maintain a leverage ratio greater than 8 percent would not be permitted to use the grace period and must comply with the capital rule's generally applicable requirements and file the appropriate regulatory reports. This rule is effective on January 01, 2020.

04.01.2020 Regulatory Capital Treatment for High Volatility Commercial Real Estate (HVCRE) Exposures - 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 to revise the definition of "high volatility commercial real estate (HVCRE) exposure" in the regulatory capital rule. This final rule conforms this definition to the statutory definition of "high volatility commercial real estate acquisition, development, or construction (HVCRE ADC) loan," in accordance with section 214 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The final rule also clarifies the capital treatment for loans that finance the development of land under the revised HVCRE exposure definition. DATES: The final rule is effective on April 1, 2020.

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