



## **Community Bankers of Iowa September 2015**

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# Regulatory Compliance Update

## September 2015

### Around the agencies

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

### Joint federal agency issuances

#### FFIEC detail simplified reporting requirements

The FFIEC detailed steps regulators are taking to streamline and simplify regulatory reporting requirements for community banks and reduce their reporting burden. The objectives of this community bank burden-reduction initiative are consistent with the early feedback the FFIEC has received as part of the regulatory review being conducted under the Economic Growth and Regulatory Paperwork Reduction Act of 1996. As an initial step by regulators to streamline some reporting requirements, the federal banking agencies, under the auspices of the FFIEC, are seeking comment on proposals to, in part, eliminate or revise several Call Report data items. In addition to the reporting changes proposed, the FFIEC also is focusing on four other areas:

- Accelerating the start of a statutorily required review of the continued appropriateness of the data items collected in the Call Report;
- Evaluating the feasibility and merits of creating a streamlined version of the quarterly Call Report for community institutions;
- Continuing dialogue with community institutions to identify additional opportunities to reduce reporting burden by revising or redefining Call Report data items;
- Reaching out to banks and savings associations through teleconferences and webinars to explain upcoming reporting changes and clarify technical reporting requirements.

Comments on the data reporting requirements proposed will be accepted within 60 days of publication in the Federal Register. Individual reporting changes are proposed to take effect with the Call Reports for December 2015 or March 2016. [Press Release](#).<sup>1</sup>

### CFPB actions

#### CFPB updates Supervision and Examination Manual on TRID

The CFPB Supervision and Examination Manual is the CFPB's guide for examiners to use in overseeing companies that provide consumer financial products and services. The manual describes how the CFPB supervises and examines these providers and gives examiners direction on how to determine if companies are complying with consumer financial protection laws.

- [TILA Procedures -TILA RESPA Integrated Disclosures](#)<sup>2</sup> (applicable for examinations after the October 2015 effective date)

- [RESPA Procedures – TILA RESPA Integrated Disclosures](#)<sup>3</sup> (applicable for examinations after the October 2015 effective date)

## CFPB updates mortgage rules readiness guide

The CFPB updated the [CFPB Dodd-Frank Mortgage Rules Readiness Guide](#)<sup>4</sup> to help financial institutions come into and maintain compliance with the mortgage rules outlined in the Summary of the Rules in this Guide. The CFPB has designed this Guide for use by institutions of all sizes.

*Comment: The Guide consists of: Summary of the Rules; Readiness Questionnaire; Frequently Asked Questions; and Tools. The Readiness Questionnaire in Part 2 is intended to serve as a guide in preparing for implementation of the mortgage rules and performing a self-assessment.*

## CFPB Community Bank Advisory Council meeting

A Community Bank Advisory Council meeting with Director Cordray, where a discussion on consumer challenges in payments will take place, will be held on Wednesday, September 30 from 3:00 to 4:30 p.m. ET. The meeting will be held at: the CFPB, Second Floor Auditorium, 1275 First Street, N.E., Washington, D.C. 20002. This event is open to the public, but RSVP is required to attend. [Send an email to RSVP](#). A recording of the event will be [available after the event](#). You can also take a look at the [meeting agenda](#).

## CFPB blog

These are the CFBP blog posts since the last issue of Capitol Comments:

[The right shoes and common sense can help your preteen gain financial ground](#)

[When your child learns self-control, it helps their financial future too](#)

[Servicemembers: Protecting your credit when you're away from home](#)

[New students should look closely at college-sponsored bank accounts and shop around](#)

[This month's complaint report: credit reporting issues](#)

## FDIC actions

### FDIC issues FIL on Military Lending Act final rule

The FDIC issued [FIL-37-2015](#)<sup>5</sup> regarding issuance by the Department of Defense (DOD) of a final rule amending the implementing regulations of the Military Lending Act of 2006 (MLA). The final rule expands specific protections provided to service members and their families under the MLA and addresses a wider range of credit products than the DOD's previous regulation. FDIC-supervised institutions and other creditors must comply with the rule for new covered transactions beginning October 3, 2016. For credit extended in a new credit card account under an open-end consumer credit plan, compliance is required beginning October 3, 2017.

### FDIC offers free deposit insurance coverage seminars

The FDIC announced ([FIL-38-2015](#)<sup>6</sup>) it will conduct four identical live seminars on FDIC deposit insurance coverage for bank employees and bank officers between September 24, 2015, and December 2, 2015. In addition, the FDIC

has developed three separate Deposit Insurance Coverage Seminars for bank officers and employees, which are now available on FDIC's YouTube channel. Both the live and the YouTube deposit insurance coverage seminars will provide bank employees with an understanding of how to calculate deposit insurance coverage. The live seminars each provide a comprehensive overview of FDIC deposit insurance.

*Comment: The three self-study seminars are available on the FDIC's YouTube channel:*

- *["Fundamentals of Deposit Insurance Coverage"](#) provides an overview of the rules for determining coverage for the nine most common account ownership categories. This video lasts 62 minutes.*
- *["Deposit Insurance Coverage for Revocable Trust Accounts"](#) focusses on the rules for informal and formal revocable trust accounts. This video lasts 47 minutes.*
- *["Advanced Topics in Deposit Insurance Coverage"](#) focuses on government accounts, mortgage servicing accounts, bank mergers, pass-through deposit insurance coverage as well as other deposit insurance topics. This video lasts 28 minutes.*

## OCC actions

### OCC sends banks National Preparedness Month message

The OCC reminds banks to maintain effective plans to respond to natural disasters and other emergencies. The OCC also reminds national banks and federal savings associations of guidance ([OCC Bulletin 2012-28](#)<sup>7</sup>) to assist financial institutions and customers affected by extreme weather and other emergency conditions. The OCC recognizes the significant effects of natural disasters on individuals and businesses, and prudent efforts to assist customers in areas hit by disasters should not be subject to examiner criticism.

[FEMA](#) provides a variety of guidance and information regarding emergency preparedness, including information about how to protect your business, preparing your plan, and the Integrated Public Alert and Warning System.

Banks with questions about their preparedness should discuss their plans with assigned supervisory staff.

*Comment: Banks with questions about their preparedness should discuss their plans with assigned supervisory staff. Other resources include [FEMA.gov](#) and:*

- *[Preparing your institution for a catastrophic event \(FFIEC\)](#)*
- *[Banks are Required to Prepare for Disasters \(FDIC Consumer News, Summer 2011\)](#)*
- *[Business Continuity Planning \(FFIEC\)](#)*
- *The FDIC website provides disaster preparedness recommendations for consumers, [Disaster Preparedness: Sources of Help](#).*

### OCC directors' workshops in Dallas

The OCC will host two workshops in Dallas at the Wyndham Dallas Suites – Park Central, October 20-21, for directors of national community banks and federal savings associations. The Compliance Risk workshop on October 20 combines lectures, discussion, and exercises on the critical elements of an effective compliance risk management program. Revised and updated for 2015, the Credit Risk workshop on October 21 focuses on credit risk within the loan portfolio, such as identifying trends and recognizing problems. The workshop also covers the roles of the board and management, how to stay informed of changes in credit risk, and how to effect change. [The workshop fee is \\$99](#).<sup>8</sup>

# Federal Reserve actions

## 2015 holiday currency special ordering information

For the 2015 holiday season, the Federal Reserve Banks will process your holiday currency special requests during two [separate ordering periods](#).<sup>9</sup> The special ordering periods are as follows:

- Friday, October 30 through Thursday, November 5
- Friday, December 4 through Thursday, December 10

## Fed to offer Accelerated Imaged Returns Delivery service

Effective October 1, 2015, the Federal Reserve Banks will offer an Accelerated Imaged Returns Delivery service to all FedReceipt® Plus Returns customers. This service provides the opportunity for a bank of first deposit (BOFD) to receive some of their incoming returns earlier than they do today, which may help address the risk of releasing funds before a returned item is received.

The service is similar to the Courtesy Delivery service available to FedReceipt Plus Forward customers. BOFDs subscribing to the Accelerated Imaged Returns Delivery service will choose a delivery time between 7 p.m. ET and 1 a.m. ET for the delivery of their first FedReceipt Plus Returns file of the business day. Items received by the Federal Reserve Banks after the first file has been sent will be delivered at approximately the same time as FedReceipt Returns files are delivered today.

An updated [fee schedule](#)<sup>10</sup> and [Check 21 Services Agreement](#)<sup>11</sup> will be posted on FRBservices.org. For additional information, please contact your [account executive](#).<sup>12</sup>

## Other federal action and news

### FTC relocates Dallas Debt Collection Dialogue to larger facility

The Federal Trade Commission has moved the second Debt Collection Dialogue, the “Dallas Dialogue,” to Southern Methodist University’s Dedman School of Law on September 29, 2015. The FTC switched to this larger venue because the number of pre-registrations had almost reached the maximum for the previously scheduled venue. Pre-registration, which was closed on August 13, has been re-opened.

More information about the Dallas Dialogue, including how to pre-register and how to submit questions for the two panels in advance, is [posted](#).<sup>13</sup>

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

### FDIC Supervisory Insights, Summer 2015

Supervisory Insights is published by the FDIC’s Division of Risk Management Supervision to promote sound principles and practices for bank supervision. Articles in the [Summer 2015](#) issue include:

**Strategic Planning in an Evolving Earnings Environment.** The financial performance of banks is steadily improving; however, these institutions continue to face a challenging operating environment. This article provides an informal perspective on the strategic planning process and its importance for successful bank operations. The

article concludes with a discussion of strategic planning in the context of issues bank boards and managements are dealing with today.

**Bank Investment in Securitizations:** The New Regulatory Landscape in Brief. During the most recent financial crisis, many banks suffered significant losses on investment- grade securitizations thought to be low-risk investments. Following enactment of the Dodd-Frank Act, federal bank regulatory agencies issued regulations and guidance to reduce the likelihood of this happening again. This article summarizes the most important new requirements related to investment in securitizations, including potential effects on capital, and explains how an investment decision process can be structured to help a bank remain compliant with these new requirements.

**Regulatory and Supervisory Roundup.** This feature provides an overview of recently released regulations and supervisory guidance.

## CFPB monthly consumer complaint snapshot

CFPB recently released its [monthly consumer complaints snapshot](#).<sup>14</sup> The report spotlights credit reporting complaints, which sharply increased compared to the prior month and the prior year. According to the report, the majority of the credit reporting complaints were about problems with incorrect information on the reports. This month's snapshot also highlights trends seen in complaints coming from the Los Angeles metro area. As of August 1, 2015 the Bureau has handled over 677,000 complaints across all products.

## Summer 2015 FDIC Consumer News

In this edition of the [FDIC's Consumer News](#)<sup>15</sup>:

- [Mobile Banking and Payments: New Uses for Phones ... and Even Watches](#)
- [At the ATM: 10 Ways to Minimize Fees and Maximize Security](#)
- [From Coupons to Cash Back: Our Latest Tips on Choosing and Using Bank "Rewards"](#)
- [Establishing or Rebuilding Credit Scores: Options for Moving Forward](#)
- [A Forward Look at Reverse Mortgages](#)
  - [New Date for Mortgage Disclosure Rule](#)
- [Dear FDIC: More Answers to Consumer Questions About Deposit Insurance](#)

## July Beige Book

[Reports](#)<sup>16</sup> from the twelve Federal Reserve Districts indicate economic activity continued expanding across most regions and sectors during the reporting period from July to mid-August. Six Districts cited moderate growth while New York, Philadelphia, Atlanta, Kansas City, and Dallas reported modest increases in activity. The Cleveland District noted only slight growth since the last report. In most cases, these recent results represented a continuation of the overall pace reported in the July Beige Book. Respondents in most sectors across Districts expected growth to continue at its recent pace, but the Kansas City report cited more mixed expectations.

## FDIC Quarterly Banking Profile

Commercial banks and savings institutions insured by the FDIC reported aggregate net income of \$43.0 billion in the second quarter of 2015, up \$2.9 billion (7.3 percent) from a year earlier and the highest quarterly income on record. The increase in earnings was mainly attributable to a \$3.6 billion rise in net operating revenue (net

interest income plus total noninterest income). Financial results for the second quarter of 2015 are included in the FDIC's latest [Quarterly Banking Profile](#).<sup>17</sup>

Of the 6,348 insured institutions in the second quarter of 2015, more than half (58.7 percent) reported year-over-year growth in quarterly earnings. The proportion of banks that were unprofitable during the second quarter fell from 6.8 percent a year earlier to 5.6 percent, the lowest since the first quarter of 2005.

## NCUA reports federal insured credit union membership exceeds 101 million

More than 101 million Americans had joined credit unions by the end of the second quarter of 2015, and the system continued to expand lending to meet those members' needs, the [National Credit Union Administration reported](#).<sup>18</sup> The number of federally insured credit unions fell to 6,159 at the end of the second quarter, 270 fewer than at the end of the second quarter of 2014, a decline of 4.2 percent. The decline is consistent with longstanding trends for financial institutions. Total loans at federally insured credit unions reached \$745.2 billion in the second quarter of 2015, an increase of 3.2 percent from the previous quarter and 10.6 percent from a year earlier.

## Fed's Consumer Compliance Outlook, 2<sup>nd</sup> Quarter

Fed issues [Consumer Compliance Outlook for 2<sup>nd</sup> Quarter of 2015](#).<sup>19</sup> The topic of this issue is Managing Risk Throughout the Product Life Cycle.

## FDIC quarterly State Profiles

FDIC State Profiles have been reformatted as a quarterly data sheet summation of banking and economic conditions in each state. To retrieve a state profile, select a state from either the map or list on [this webpage](#).<sup>20</sup>

## FedFocus

[FedFocus](#)<sup>21</sup> is the source for the latest Federal Reserve Financial Services news. Each edition keeps you informed about hot topics in the industry, as well as provides insight into the value of Federal Reserve Financial Services. In this month's edition:

- Southern Mass CU strengthens its Fed relationship with FedComplete® Packages
- Web payment standards play a key role in payment system improvement
- It's time to go back to school with the Fed (FEDucation)

## FedFlash

[FedFlash](#)<sup>22</sup> is your source for the latest Federal Reserve Financial Services operational news. Each bulletin keeps you informed of issues critical to your day-to-day operations, providing you with National and District updates regarding the Fed's products and services, processes, technical protocols and contact information. This month's edition includes articles on: Account services plans changes, accelerated imaged returns delivery service, a check adjustments tip, a reminder of a new check adjustments webinar, the September 1 change in process for handling items drawn on retired routing numbers, new FedReceipts RTNs, September Ach rules changes, 2015 holiday currency special ordering information, and whether the Fed prints money.

## OCC issues September/October 2015 *Financial Literacy Update*

The OCC's [Financial Literacy Update](#)<sup>23</sup> is a bimonthly e-newsletter that reports upcoming financial literacy events, new initiatives, and related resources of the OCC and other government agencies and organizations. Financial Literacy Update provides brief descriptions and Web links for events in chronological order. It lists new initiatives and resources (with Web links) in alphabetical order.

## Selected federal rules proposed

Proposed rules are included only when community banks may want to comment.

COMMENTS

CLOSE

SUMMARY OF PROPOSED RULE

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Good News! We didn't identify any federal rules adopted since our previous edition that warranted reporting.

## Selected federal rules adopted

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

EFFECTIVE

DATE:

SUMMARY OF FINAL RULE:

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Good News! We didn't identify any federal rules adopted since our previous edition that warranted reporting.

## Selected federal rules - upcoming effective dates

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

EFFECTIVE

DATE:

SUMMARY OF FINAL RULE:

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- |            |  |
|------------|--|
| 10.01.2015 | <a href="#">Limitations on Terms of Consumer Credit Extended to Service Members and Dependents</a> . <sup>24</sup> The Department of Defense amended its regulation that implements the Military Lending Act, herein referred to as the "MLA." Among other protections for Service members and their families, the MLA limits the amount of interest that a creditor may charge on "consumer credit" to a maximum annual percentage rate of 36 percent. The Department amends its regulation primarily for the purpose of extending the protections of the MLA to a broader range of closed-end and open-end credit products. Among other amendments, the Department modifies the provisions relating to the optional mechanism a creditor could use when assessing whether a consumer is a "covered borrower," modifies the disclosures that a creditor must provide to a covered borrower, and implements the enforcement provisions of the MLA. |
| 10.01.2015 | <a href="#">Loans in Areas Having Special Flood Hazards</a> . <sup>25</sup> The statutory force-placed insurance provision took effect upon the enactment of the Biggert-Waters Act on July 6, 2012. The statutory detached structure exemption took effect upon enactment of the HFIAA on March 21, 2014. The regulatory changes made by this final rule to incorporate these provisions are effective on October 1, 2015. See the final flood rule on 01.01.2016, below, for the statutory and escrow-related provisions.  |

10.03.2015	 <a href="#">CFPB: Final integrated Mortgage Disclosures under the RESPA (Reg. X) and the Truth In Lending Act (Reg. Z)</a> <sup>26</sup> Notice of final rule and official interpretations. The CFPB amended Reg. X and Reg. Z to establish new disclosure requirements and forms in Regulation Z for most closed-end consumer credit transactions secured by real property. In addition to combining the existing disclosure requirements and implementing new requirements imposed by the Dodd-Frank Act, the final rule provides extensive guidance regarding compliance with those requirements. <a href="#">CFPB blog on the disclosure.</a>
10.03.2015	 <a href="#">CFPB: Amendments to the 2013 Integrated Mortgage Disclosures Rule under Reg. X and Reg. Z and the Loan Originator Rule under Reg. Z</a> <sup>27</sup> (80 FR 8767) <sup>28</sup> Notice of final rule and official interpretations. This rule amending the integrated mortgage rule extends the timing requirement for revised disclosures when consumers lock a rate or extend a rate lock after the Loan Estimate is provided and permits certain language related to construction loans for transactions involving new construction on the Loan Estimate. This rule also amends the 2013 Loan Originator Final Rule to provide for placement of the NMLSR ID on the integrated disclosures. Additionally, the CFPB made non-substantive corrections, including citation and cross-reference updates and wording changes for clarification purposes, to various provisions of Regulations X and Z as amended or adopted by the 2013 TILA-RESPA Final Rule. <a href="#">CFPB blog on the disclosure.</a>
01.01.2016	<a href="#">Loans in Areas Having Special Flood Hazards</a> <sup>29</sup> Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) relating to the escrowing of flood insurance payments and the exemption of certain detached structures from the mandatory flood insurance purchase requirement. The final rule also implements provisions in the Biggert-Waters Flood Insurance Reform Act of 2012 (the Biggert-Waters Act) relating to the force placement of flood insurance. <b>In accordance with HFIAA, the final rule requires regulated lending institutions to escrow flood insurance premiums and fees for loans secured by residential improved real estate or mobile homes that are made, increased, extended or renewed on or after January 1, 2016, unless the loan qualifies for a statutory exception. In addition, certain regulated lending institutions are exempt from this escrow requirement if they have total assets of less than \$1 billion.</b> Further, the final rule requires institutions to provide borrowers of residential loans outstanding as of January 1, 2016, the option to escrow flood insurance premiums and fees. The final rule includes new and revised sample notice forms and clauses concerning the escrow requirement and the option to escrow. The final rule includes a statutory exemption from the requirement to purchase flood insurance for a structure that is a part of a residential property if that structure is detached from the primary residence and does not also serve as a residence. However, under HFIAA, lenders may nevertheless require flood insurance on the detached structures to protect the collateral securing the mortgage.

## Selected federal rules – recent effective dates

*Our list of effective dates of past final federal rules is limited to approximately 12 months. To see the document “Selected Past Final Federal Rules” containing future and past selected final rules, [click here.](#)*

**EFFECTIVE  
DATE:**

**SUMMARY OF FINAL RULE:**

08.01.2015	<a href="#">Loans in Areas Having Special Flood Hazards</a> <sup>30</sup> The OCC, the Fed, the FDIC, the FCA, and the NCUA amended their regulations regarding loans in areas having special flood hazards to implement certain provisions of the Homeowner Flood Insurance Affordability Act of 2014, which amends some of the changes to the Flood Disaster Protection Act of 1973 mandated by the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters). The Agencies plan to address the private flood insurance provisions in Biggert-Waters in a separate rulemaking.  Specifically, the final rule: <ul style="list-style-type: none"> <li>• Requires the escrow of flood insurance payments on residential improved real estate securing a loan, consistent with the changes set forth in HFIAA. The final rule also incorporates an exemption in HFIAA for certain detached structures from the mandatory flood insurance purchase requirement.</li> <li>• Implements the provisions of Biggert-Waters related to the force placement of flood insurance.</li> <li>• Integrates the OCC's flood insurance regulations for national banks and Federal savings associations.</li> </ul>
05.01.2015	The Board adopted <a href="#">final amendments</a> <sup>31</sup> to the Small Bank Holding Company Policy Statement (Regulation Y, Appendix C) (Policy Statement) that: (i) raise from \$500 million to \$1 billion the asset threshold to qualify for the Policy Statement; and (ii) expand the scope of companies eligible under the Policy Statement to include savings and loan

holding companies. The Board is also adopting final conforming revisions to Regulation Y and Regulation LL, the Board's regulations governing the operations and activities of bank holding companies and savings and loan holding companies, respectively, and Regulation Q, the Board's regulatory capital rules. Specifically, the Proposed Rule would allow bank holding companies and savings and loan holding companies with less than \$1 billion in total consolidated assets to qualify under the Policy Statement, provided the holding companies also comply with three qualitative requirements (Qualitative Requirements). Previously, only bank holding companies with less than \$500 million in total consolidated assets that complied with the Qualitative Requirements could qualify under the Policy Statement. The Board issued the Policy Statement in 1980 to facilitate the transfer of ownership of small community-based banks in a manner consistent with bank safety and soundness. The Board adopted the Policy Statement to permit the formation and expansion of small bank holding companies with debt levels that are higher than typically permitted for larger bank holding companies.

- 02.23.2015 [Credit risk retention](#).<sup>32</sup> The OCC, Board, FDIC, Commission, FHFA, and HUD adopted a joint final rule to implement the credit risk retention requirements of Section 15 of the Securities and Exchange Act of 1934, as added by section 941 of the Dodd-Frank Act. Section 15G generally requires the securitizer of asset-backed securities to retain not less than 5 percent of the credit risk of the assets collateralizing the asset-backed securities. Section 15G includes a variety of exemptions from these requirements, including an exemption for asset-backed securities that are collateralized exclusively by residential mortgages that qualify as "qualified residential mortgages," as such term is defined by the agencies by rule.
- 01.01.2015 [Reg. Z annual threshold adjustments \(CARD ACT, HOEPA and ATR/QM\)](#). The CFPB issued a final rule<sup>33</sup> amending the regulatory text and official interpretations for Regulation Z. The CFPB must calculate annually the dollar amounts for several provisions in Regulation Z. This final rule reviews the dollar amounts for provisions implementing amendments to TILA under the CARD Act, HOEPA, and the Dodd-Frank Act.
- 01.01.2015 [Reg. Z adjustment to asset-size exemption threshold](#).<sup>34</sup> The CFPB amended the official commentary that interprets the requirements of Reg. Z to reflect a change in the asset size threshold for certain creditors to qualify for an exemption to the requirement to establish an escrow account for a HPML based on the annual percentage change in the average of the CPI-W for the 12-month period ending in November. The exemption threshold is adjusted to increase to \$2.060 billion from \$2.028 billion. Therefore, creditors with assets of \$2.060 billion or less as of December 31, 2014, are exempt, if other requirements of Regulation Z also are met, from establishing escrow accounts for higher-priced mortgage loans in 2015. The adjustment to the escrows exemption asset-size threshold will also increase a similar threshold for small-creditor portfolio and balloon-payment qualified mortgages. Balloon-payment qualified mortgages that satisfy all applicable criteria, including being made by creditors that do not exceed the asset-size threshold, are also excepted from the prohibition on balloon payments for high-cost mortgages.
- 01.01.2015 [HMDA adjustment to asset-size exemption threshold](#).<sup>35</sup> The CFPB issued a final rule<sup>35</sup> amending the official commentary that interprets the requirements of HMDA to reflect a change in the asset-size exemption threshold for banks, savings associations, and credit unions based on the annual percentage change in the average of the CPI-W. The exemption threshold is adjusted to increase to \$44 million from \$43 million. Therefore, banks, savings associations, and credit unions with assets of \$44 million or less as of December 31, 2014, are exempt from collecting data in 2015.
- 01.01.2015 [Basel III](#).<sup>36</sup> The FDIC has issued an interim final rule that revises the existing capital rules to incorporate certain revisions to the Basel capital framework, including Basel III and other elements. The interim final rule strengthens the definition of regulatory capital, increases risk-based capital requirements, and makes selected changes to the calculation of risk-weighted assets. Basel III Framework is effective 1/1/2014 for large, internationally active insured depository institutions and is effective 1/1/2015 for all other insured depository institutions, subject to a transition period. Standardized Approach is effective 1/1/2015 for all insured depository institutions. Applicability: The rule applies to all FDIC-supervised banks and savings associations. Publication Reference: FIL-31-2013 dated 7/9/2013. Also See: New Capital Rule-Community Bank Guide attached to FIL-13-2013 Informational video and expanded summary on the interim final rule at: [www.fdic.gov/regulations/capital](http://www.fdic.gov/regulations/capital). FDIC Press Release PR-60-2013 dated 7/9/2013
- 11.30.2014 Servicemembers Civil Relief Act Notice Disclosure, [Form HUD-92070](#)<sup>37</sup>, expires. This form is required to notify homeowners in default of their mortgage of the foreclosure rights of servicemembers and their dependents under SCRA. Presumably, a new form will be available in time.
- 11.17.2014 The CFPB amended subpart B of Regulation E, which implements the Electronic Fund Transfer Act, and the official interpretation to the regulation (Remittance Rule). This [final rule](#)<sup>38</sup> extends a temporary provision that permits insured

institutions to estimate certain pricing disclosures pursuant to section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Absent further action by the Bureau, that exception would have expired on July 21, 2015. Based on a determination that the termination of the exception would negatively affect the ability of insured institutions to send remittance transfers, the Bureau is extending the temporary exception by five years from July 21, 2015, to July 21, 2020. The Bureau is also making several clarifications and technical corrections to the regulation and commentary.

- 11.10.2014 CFPB [finalized a rule](#)<sup>39</sup> to allow financial institutions to use an alternative delivery method to provide annual privacy notices through posting the annual notices on their websites if they meet certain conditions. Specifically, financial institutions may use the alternative delivery method for annual privacy notices if:
- no opt-out rights are triggered by the financial institution's information sharing practices under GLBA or FCRA section 603, and opt-out notices required by FCRA section 624 have previously been provided, if applicable, or the annual privacy notice is not the only notice provided to satisfy those requirements;
  - the information included in the privacy notice has not changed since the customer received the previous notice; and
  - the financial institution uses the model form provided in Regulation P as its annual privacy notice

- 11.03.2014 The CFPB [amended](#)<sup>40</sup> certain mortgage rules issued in 2013. The final rule provides an alternative small servicer definition for nonprofit entities that meet certain requirements and amends the existing exemption from the ability-to-repay rule for nonprofit entities that meet certain requirements. The final rule also provides a limited, post-consummation cure mechanism for loans that exceed the points and fees limit for qualified mortgages, but that meet the other requirements for being a qualified mortgage at consummation.

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## How to submit comments to your federal regulators:

**Office of the Comptroller of the Currency:** Because paper mail in the Washington, DC area and at the OCC is subject to delay, commenters are encouraged to submit comments by the Federal eRulemaking Portal or e-mail, if possible. Please use the title in the Federal Register publication of the proposal. You may submit comments by any of the following methods:

- Federal eRulemaking Portal—Regulations.gov: Go to
- <http://www.regulations.gov>. Select "Document Type" of "Proposed Rule", and in "Enter Keyword or ID Box", enter the docket number found in the Federal Register publication of the proposed rule and click "Search." On "View By Relevance" tab at bottom of screen, in the "Agency" column, locate the proposed rule for OCC, in the "Action" column, click on "Submit a Comment" or "Open Docket Folder" to submit or view public comments and to view supporting and related materials for this proposed rule.
- Click on the "Help" tab on the Regulations.gov home page to get information on using Regulations.gov, including instructions for submitting or viewing public comments, viewing other supporting and related materials, and viewing the docket after the close of the comment period.
- E-mail: [regs.comments@occ.treas.gov](mailto:regs.comments@occ.treas.gov)
- Mail: Office of the Comptroller of the Currency, 250 E Street, SW., Mail Stop 2-3, Washington, DC 20219.
- Fax: (202) 874-5274.
- Hand Delivery/Courier: 250 E Street, SW., Mail Stop 2-3, Washington, DC 20219.

*Instructions:* You must include "OCC" as the agency name and the docket number in your comment. In general, OCC will enter all comments received into the docket and publish them on the Regulations.gov Web site without change, including any business or personal information that you provide such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure.

Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

**Board of Governors of the Federal Reserve System:** You may submit comments, identified by the docket number and the RIN number found in the Federal Register publication of the rule proposal, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at

<http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include the docket number and RIN number in the subject line of the message.
- Fax: (202) 452-3819 or (202) 452-3102.
- Mail: Address to Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

**Federal Deposit Insurance Corporation:** You may submit comments, identified by RIN number, by any of the following methods:

- Agency Web Site: <http://www.FDIC.gov/regulations/laws/federal/propose.html>. Follow instructions for submitting comments on the Agency Web Site.
- E-mail: [Comments@FDIC.gov](mailto:Comments@FDIC.gov). Include the RIN number on the subject line of the message.
- Mail: Robert E. Feldman, Executive Secretary, Attention: Comments, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429.
- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.

*Instructions:* All comments received must include the agency name and RIN for this rulemaking and will be posted without change to <http://www.fdic.gov/regulations/laws/federal/propose.html>, including any personal information provided.

**Consumer Financial Protection Bureau:** You may submit comments, identified by docket number, by any of the following methods:

- Electronic: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Mail: Monica Jackson, Office of the Executive Secretary, Consumer Financial Protection Bureau, 1500 Pennsylvania Ave. NW., (Attn: 1801 L Street), Washington, DC 20220.
- Hand Delivery/Courier in Lieu of Mail: Monica Jackson, Office of the Executive Secretary, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20006.

*Instructions:* The CFPB encourages the early submission of comments. All submissions must include the document title and docket number. Please note the number of the question to which you are responding at the top of each response (respondents need not answer each question). In general, all comments received will be posted without change to <http://www.regulations.gov>. In addition, comments will be available for public inspection and copying at 1700 G Street NW., Washington, DC 20006, on official business days between the hours of 10 a.m. and 5 p.m. Eastern Time. You can make an appointment to inspect the documents by telephoning (202) 435-7275. All comments, including attachments and other supporting materials, will become part of the public record and subject to public disclosure. Sensitive personal information such as account numbers or Social Security numbers should not be included. Comments will not be edited to remove any identifying or contact information.

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## 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.	CFR	<a href="#">Code of Federal Regulations</a> . Codification of rules and regulations of federal agencies.
ATM	Automated Teller Machine	CRA	<a href="#">Community Reinvestment Act</a> . This Act is designed to encourage loans in all segments of communities.
CARD Act	<a href="#">Credit Card Accountability Responsibility and Disclosure Act of 2009</a>	CSBS	<a href="#">Conference of State Bank Supervisors</a>
CFPB	<a href="#">Consumer Financial Protection Bureau</a>	CTR	<a href="#">Currency Transaction Report</a> . Filed for each deposit, withdrawal, exchange of

	currency that involves a transaction in currency of more than \$10,000.		<a href="#">Program</a>
Dodd-Frank Act	<a href="#">The Dodd–Frank Wall Street Reform and Consumer Protection Act</a>	HMDA	<a href="#">Home Mortgage Disclosure Act</a>
DOJ	<a href="#">Department of Justice</a>	HOEPA	<a href="#">Home Ownership and Equity Protections Act of 1994</a>
FDIC	<a href="#">Federal Deposit Insurance Corporation</a>	HPML	<a href="#">Higher Priced Mortgage Loan</a>
EFTA	<a href="#">Electronic Fund Transfer Act</a>	HUD	<a href="#">U.S. Department of Housing and Urban Development</a>
Federal bank regulatory agencies	FDIC, FRB, and OCC	IRS	<a href="#">Internal Revenue Service</a>
Federal financial institution regulatory agencies	CFPB, FDIC, FRB, NCUA, and OCC	MLO	Mortgage Loan Originator
FEMA	<a href="#">Federal Emergency Management Agency</a>	MOU	Memorandum of Understanding
FFIEC	<a href="#">Federal Financial Institutions Examination Council</a>	NFIP	<a href="#">National Flood Insurance Program</a> . U.S. government program to allow the purchase of flood insurance from the government.
FHFA	<a href="#">Federal Housing Finance Agency</a>	NMLS	<a href="#">National Mortgage Licensing System</a>
FHA	<a href="#">Federal Housing Administration</a>	OCC	<a href="#">Office of the Comptroller of the Currency</a>
FinCEN	<a href="#">Financial Crime Enforcement Network</a>	OFAC	<a href="#">Office of Foreign Asset Control</a>
FR	<a href="#">Federal Register</a> . U.S. government daily publication that contains proposed and final administrative regulations of federal agencies.	OREO	<a href="#">Other Real Estate Owned</a>
FRB (or Fed)	<a href="#">Federal Reserve Board</a>	QRM	Qualified Residential Mortgage
FSOC	<a href="#">Financial Stability Oversight Council</a>	Reg.	Abbreviation for “Regulation” – A federal regulation. These are found in the CFR.
FTC	<a href="#">Federal Trade Commission</a>	Reg. B	<a href="#">Equal Credit Opportunity</a>
GAO	<a href="#">Government Accountability Office</a>	Reg. C	<a href="#">Home Mortgage Disclosure</a>
HARP	<a href="#">Home Affordable Refinance Program</a>	Reg. DD	<a href="#">Truth in Savings</a>
HAMP	<a href="#">Home Affordable Modification</a>	Reg. E	<a href="#">Electronic Fund Transfers</a>
		Reg. G	<a href="#">S.A.F.E. Mortgage Licensing Act</a>
		Reg. P	<a href="#">Privacy of Consumer Financial Information</a>

Reg. X	<a href="#">Real Estate Settlement Procedures Act</a>	SDN	Specially Designated National
Reg. Z	<a href="#">Truth in Lending</a>	TILA	<a href="#">Truth in Lending Act</a>
RESPA	<a href="#">Real Estate Settlement Procedures Act</a>	TIN	Tax Identification Number
SAR	<a href="#">Suspicious Activity Report</a> – Report financial institutions file with the U.S. government (FinCEN) regarding activity that may be criminal in nature.	Treasury	<a href="#">U.S. Department of Treasury</a>

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<sup>1</sup> <http://www.ffiec.gov/press/pr090815.htm>

<sup>2</sup> [http://files.consumerfinance.gov/f/201509\\_cfpb\\_truth-in-lending-act-exam-procedures.pdf](http://files.consumerfinance.gov/f/201509_cfpb_truth-in-lending-act-exam-procedures.pdf)

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<sup>7</sup> <http://www.occ.gov/news-issuances/bulletins/2012/bulletin-2012-28.html>

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<sup>13</sup> [www.ftc.gov/debtcollectiondialogue-dallas](http://www.ftc.gov/debtcollectiondialogue-dallas)

<sup>14</sup> <http://www.consumerfinance.gov/newsroom/cfpb-monthly-complaint-snapshot-spotlights-credit-reporting-complaints/>

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<sup>16</sup> <http://www.federalreserve.gov/monetarypolicy/beigebook/beigebook201509.htm>

<sup>17</sup> <https://www5.fdic.gov/qbp/>

<sup>18</sup> <http://www.ncua.gov/News/Pages/NW20150903PACAFacts.aspx>

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