



## **Community Bankers of Iowa February 2014**

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# Regulatory Compliance Update

## February 2014

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



## Recent News

### Call Report revisions

The FFIEC has approved revisions to the Consolidated Reports of Condition and Income (Call Report) that will take effect March 31, 2014, and March 31, 2015 ([FIL-3-2014](#)<sup>1</sup> [FIL-4-2014](#)<sup>2</sup>). The Call Report revisions include certain reporting changes proposed by the FFIEC's member agencies in February 2013 (see [FIL-8-2013](#)<sup>3</sup>, dated March 8, 2013). The FFIEC and the agencies modified these proposed reporting changes in response to comments received on the proposal, including concerns about reporting burden.

*Comment: Effective March 31, 2014, institutions would begin to report:*

- *Information about international remittance transfers, which would be collected initially as of March 31, 2014, and, in general, semiannually thereafter as of each June 30 and December 31 (new item 16 of Schedule RC-M, Memoranda). All institutions would respond to yes-no questions about remittance transfer activity, and institutions with more than 100 transactions per calendar year would report the estimated number and dollar value of remittance transfers;*
- *Any trade names (other than an institution's legal title) used to identify physical offices and the addresses of any public-facing Internet Web sites (other than the institution's primary Internet Web site address, which is currently reported) at which the institution accepts or solicits deposits from the public (revised item 8 of Schedule RC-M);*
- *A response to a yes-no question asking whether the reporting institution offers any deposit account products (other than time deposits) primarily intended for consumers (new Memorandum item 5 of Schedule RC-E, Deposit Liabilities); and*
- *For institutions with \$1 billion or more in total assets that offer one or more deposit account products (other than time deposits) primarily intended for consumers, the total balances of these consumer deposit account products (new Memorandum items 6 and 7 of Schedule RC-E).*

*Effective March 31, 2015, institutions with \$1 billion or more in total assets that offer one or more deposit account products (other than time deposits) primarily intended for consumers would begin to report the amount of income earned from each of three categories of service charges on their consumer deposit account products (new Memorandum item 15 of Schedule RI, Income Statement). This income is included in total year-to-date service charges on deposit accounts.*

*In addition, a revised version of the regulatory capital components and ratios portion of Call Report Schedule RC-R, Regulatory Capital, will take effect in March 2014 for advanced approaches institutions and in March 2015 for all other institutions.*

## OCC issues Mortgage Banking booklet

The OCC issued the [“Mortgage Banking” booklet](#)<sup>4</sup> of the Comptroller's Handbook. This updated booklet replaces a similarly titled booklet issued in March 1996 (and examination procedures issued in March 1998). The updated “Mortgage Banking” booklet also replaces Section 750, “Mortgage Banking,” issued in November 2008 as part of the former OTS Examination Handbook for the examination of federal savings associations.

***Comment: The OCC’s “Mortgage Banking” booklet***

- *provides updated guidance to examiners and bankers on assessing the quantity of risk associated with mortgage banking and the quality of mortgage banking risk management.*
- *includes wholesale changes to the functional areas of production, secondary marketing, servicing, and mortgage servicing rights to incorporate recent lessons learned and regulatory changes.*
- *addresses recent amendments to Regulation X and Regulation Z issued by the CFPB, as well as other statutory and regulatory changes, including those directed by Dodd–Frank.*

## FDIC issues letter on SEC’s municipal advisor rule

The FDIC issued [FIL-6-2014](#)<sup>5</sup> regarding the Registration of Municipal Advisors—Final Rule. Section 975 of the Dodd Frank Act (Act) amended Section 15B(a) of the Securities Exchange Act of 1934 to make it unlawful for "municipal advisors," as defined in the Act, to provide certain advice to or solicit municipal entities or certain other persons without registering with the SEC. On September 20, 2013, the SEC issued a final rule, 17 C.F.R. § 240.15Ba1-1-8, implementing the Act and establishing a permanent registration system for municipal advisors. In a separate release, the SEC extended the expiration date of the temporary registration system under Rule 15Ba2-6T until December 31, 2014, to provide a transition period between the temporary and permanent registration systems. The final rule is effective on July 1, 2014.

***Comment: On September 18, 2013, the SEC finalized rules tailored to exempt banks providing advice on certain banking products and services to municipalities from registration.***

***According to FIL-6-2014, banks are not considered municipal advisors to the extent they provide advice concerning:***

- *Deposit accounts and other deposit instruments;*
- *Extensions of credit, including the purchase of municipal securities for a municipality’s own accounts;*
- *Any funds held in a sweep account; or*
- *Any investment made when acting as an indenture trustee or similar fiduciary capacity.*

***According to a [fact sheet](#)<sup>6</sup> issued by the SEC, the exemption does not apply to banks that:***

- *Engage in other municipal advisory activities such as providing advice on municipal derivatives or the issuance of municipal securities.*

- ***Provide advice on municipal derivatives, in part because municipal derivatives were a source of significant losses by municipalities in the financial crisis.***

## **FHA to accept more documents with electronic signatures**

The FHA issued a [Mortgagee Letter](#)<sup>7</sup> announcing that it is granting expanded authority to lenders to accept electronic signatures on documents associated with mortgage loans. The new policy allows e-Signatures on origination, servicing, and loss mitigation documents, as well as FHA insurance claims, REO sales contracts and related addenda. Current FHA policy allows for electronic signatures only on third party documents such as sales contracts and other documents not controlled by the lender.

***Comment: Lenders choosing to employ e-signatures may begin using this policy immediately for single family forward mortgages and FHA’s reverse mortgage products, Home Equity Conversion Mortgages (HECM). Lenders are required to adhere to the Electronic Signatures in Global and National Commerce Act (ESIGN), have specific technology and operational capabilities and controls, documented quality control processes, and the ability to adapt e-Signature to FHA’s existing record retention processes.***

## **BSA: Does virtual currency conduct make them a money transmitter?**

FinCEN published two administrative rulings, providing additional information on whether a person’s conduct related to convertible virtual currency brings them within the BSA definition of a money transmitter. The [first ruling](#)<sup>8</sup> states that, to the extent a user creates or “mines” a convertible virtual currency solely for a user’s own purposes, the user is not a money transmitter under the BSA. The [second ruling](#)<sup>9</sup> states that a company purchasing and selling convertible virtual currency as an investment exclusively for the company’s benefit is not a money transmitter. The rulings further interpret [FinCEN’s March 18, 2013](#)<sup>10</sup> Guidance to address these business models.

***Comment: The interpretive guidance<sup>11</sup> FinCEN issued in March 2013, clarified the applicability of the regulations implementing BSA to persons creating, obtaining, distributing, exchanging, accepting, or transmitting virtual currencies. The guidance concluded that virtual currency administrators and exchangers are money service businesses (MSB) subject to BSA. The administrative ruling holds that a user of virtual currency is not an MSB. It also held that a company that buys and sells virtual currency for its own benefit is not an MSB.***

## **HUD: Avoid Foreclosure Brochure required for FHA insured loans**

The “How to Avoid Foreclosure” brochure, HUD-PA-426, has been replaced. The new brochure is the “Save Your Home: Tips to Avoid Foreclosure” brochure, HUD-2008-5-FHA, which is to be sent with a cover letter to delinquent mortgagors pursuant to 24 CFR 203.602.

***Comment: The brochure must be sent to delinquent borrowers no earlier than the 32nd day of a delinquency, but no later than the 60th day. This brochure includes information on the revised loss mitigation tools available for delinquent homeowners with FHA-insured loans. Compliance is required no later than February 9, 2014.***

## **Fraudulent OCC correspondence**

Fictitious correspondence, allegedly issued by the OCC regarding funds purportedly under the control of the OCC and possibly other government entities, is in circulation. It may be distributed via e-mail, fax, or postal mail.

[Sample Fraudulent Document 1 \(PDF\)](#)

[Sample Fraudulent Document 2 \(PDF\)](#)

***Comment: If a customer receives one of these, they should contact the OCC ([occalertresponses@occ.treas.gov](mailto:occalertresponses@occ.treas.gov)), state or local law enforcement, file a complaint with the [Internet Crime Complaint Center](#), and, if they received it through the U.S. Mail, file a complaint with the [U.S. Postal Service](#).***

## **CFPB blog<sup>12</sup>**

[What sunshine for student financial products can show us](#)

[Getting a grip on income tax season](#)

[New tools to explore mortgage data](#) (new features on a web-based tool that shows basic mortgage statistics for counties and cities)

[What's the deal with health care credit cards? Four things you should know](#)

[We asked about your student loans and you answered](#)

[New feedback system for GI Bill and Tuition Assistance recipients](#)

[Accepting applications for our Academic Research Council](#)

[Four steps you can take if you think your credit or debit card data was hacked](#)

[Servicemembers, you have new mortgage protections in 2014](#)

## OCC updates retirement plan and products booklet

The OCC issued the “[Retirement Plan Products and Services](#)”<sup>13</sup> booklet of the Comptroller’s Handbook. This updated booklet replaces a similarly titled booklet issued in December 2007.

This booklet provides updated guidance to examiners and bankers on retirement plan products and services offered to customers of national banks and federal savings associations; explains the risks inherent in such products and services; and provides a framework for managing those risks.

### *Comment: This booklet*

- *updates examination procedures and groups them by risk. The expanded examination procedures supplement the core assessment standards in the “Large Bank Supervision” and “Community Bank Supervision” booklets of the Comptroller’s Handbook.*
- *updates references and adds a list of abbreviations.*
- *adds references to recent significant U.S. Department of Labor regulations and policy issuances.*
- *adds a discussion of Bank Secrecy Act/anti-money laundering and Regulation R.*
- *adds a discussion of board and senior management responsibilities regarding oversight of risk management.*

*With the issuance of the “Retirement Plan Products and Services” booklet, the following OCC guidance is made applicable to federal savings associations:*

- *OCC Bulletin 2006-24, “Interagency Agreement on ERISA Referrals: Information Sharing Between the FFIEC Agencies and the DOL” (June 1, 2006)*
- *OCC Bulletin 2007-7, “Soft Dollar Guidance: Use of Commission Payments by Fiduciaries” (February 5, 2007)*
- *OCC Bulletin 2008-10, “Fiduciary Activities of National Banks: Annual Reviews of Fiduciary Accounts Pursuant to 12 CFR 9.6(c)” (March 27, 2008)*

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## Publications, reports, studies, testimony & speeches

### OCC survey of credit underwriting

The OCC released its 19<sup>th</sup> Annual [Survey of Credit Underwriting](#).<sup>14</sup>

*Comment: The Survey shows that underwriting standards continue to ease within both commercial and retail products.*

### GOA report on increasing private sector involvement in flood insurance

According to stakeholders with whom GAO spoke, several conditions must be present to increase private sector involvement in the sale of flood insurance. First, insurers need to be able to accurately assess risk to determine premium rates. For example, stakeholders

told GAO that access to NFIP policy and claims data and upcoming improvements in private sector computer modeling could enable them to better assess risk. Second, insurers need to be able to charge premium rates that reflect the full estimated risk of potential flood losses while still allowing the companies to make a profit, as well as be able to decide which applicants they will insure. However, stakeholders said that such rates might seem unaffordable to many homeowners. Third, insurers need sufficient consumer participation to properly manage and diversify their risk, but stakeholders said that many property owners do not buy flood insurance because they may have an inaccurate perception of their risk of flooding. (Click [here](#)<sup>15</sup> for report highlights.)

***Comment: The GAO report made no new recommendations, but the GAO reiterated its previous suggestion from a June 2011 report (GAO-11-297) that Congress consider eliminating subsidized rates, charge full-risk rates to all policyholders, and appropriate funds for premium assistance to eligible policyholders to address affordability issues.***

## **GAO report on Servicemembers Civil Relief Act**

The [GAO report](#)<sup>16</sup> on SCRA examines (1) available information on changes in the financial well-being of servicemembers who received foreclosure-prevention and mortgage-related interest rate protections under SCRA, including the extent to which they became delinquent and the impact of protection periods; and (2) DOD's partnerships with public- and private-sector entities to provide financial education and counseling about SCRA mortgage protections to servicemembers and views on the effectiveness of these partnerships. To assess changes in the financial well-being of servicemembers who received SCRA mortgage protections, the GAO obtained and analyzed loan-level data from three financial institutions (two large single-family mortgage servicers and a large credit union) and summary data from a fourth financial institution (a large single-family mortgage servicer).

***Comment: The GAO's analysis suggests that SCRA-protected borrowers are substantially more likely to experience delinquency. For those identified as SCRA-eligible, rates ranged from 16 to 20 percent and from 4 to 8 percent for their other military borrowers. Delinquencies at the credit union were under 1 percent. Some servicemembers appeared to have benefitted from the SCRA interest rate cap of 6 percent, but many eligible borrowers had apparently not taken advantage of this protection. For example, at one institution 82 percent of those who could benefit from the interest rate caps still had mortgage rates above 6 percent. The data also were insufficient to assess the impact of SCRA protections after servicemembers left active duty, although one institution's limited data indicated that military borrowers had a higher risk of delinquency in the first year after leaving active duty. But those with SCRA protections also were more likely to cure delinquencies during this period than the institution's other military borrowers.***

## **CFPB supervision report on 2013 mortgage servicing problems**

In its [Supervisory Highlights for Winter 2013](#)<sup>17</sup>, the CFPB included a report highlighting problems like unfair and deceptive practices in the mortgage servicing market uncovered through the CFPB's supervision program in 2013. The report also notes that,

between July and October 2013, consumers received \$2.6 million as result of overall non-public supervisory activities at the banks and nonbanks the CFPB oversees.

***Comment: The report describes several instances where servicers violated the Dodd-Frank Act's ban on unfair, abusive, or deceptive acts and practices, such as:***

- ***Unfair practices with servicing transfers***
- ***Waiving consumer rights***
- ***Poor payment processing***
- ***Failing to provide correct information to consumer reporting agencies***

## **Volcker testimony of Comptroller and FDIC Chairman**

In his [oral statement](#)<sup>18</sup> to the House Financial Services Committee on February 5, 2014, Comptroller Curry stated that he is “pleased that under the final [Volcker] rule, community banks that trade only in certain government obligations have no compliance obligations whatsoever. Moreover, community banks that engage in low-risk activities will be subject to minimal requirements. On an issue of particular importance to community banks and members of this Committee, we also clarified that banks could continue to own Collateralized Debt Obligations backed by Trust Preferred Securities in a way that is consistent with the Collins Amendment to the Dodd-Frank Act.” Comptroller Curry went on to describe the “significant changes” that are required at “large banks that engage in trading and covered fund activities.” Comptroller Curry also had more lengthy [testimony](#)<sup>19</sup> and the FDIC’s Chairman, Martin J. Gruenberg [testified](#)<sup>20</sup>.

## **Fed issues 4<sup>th</sup> quarter 2013 Consumer Compliance Outlook**

The Federal Reserve issued its [4<sup>th</sup> quarter 2013 Consumer Compliance Outlook](#)<sup>21</sup> including articles on government monitoring information requirements under HMDA and ECOA; an overview on e-banking compliance considerations; amendment to the Foreign Remittance Transfer Rule; news from Washington; federal court decisions; regulatory calendar; summary of Dodd-Frank mortgage rules.

***Comment: Forward this to your Compliance Officer.***

## **FedFlash for February**

The [February updates](#)<sup>22</sup> include: Now available: FedLine Subscriber request submission via the EUAC Center; Check/Check 21 Services; Address change for paper items sent to Atlanta; Federal Reserve Banks to publish new FedReceipt<sup>®</sup> RTNs; Check Adjustments Tip: Changes to case submission requirements for PAIDs; FedACH<sup>®</sup> Services; Visit with FedACH Services experts at the WACHA 2014 Electronic Payments Conference; FedACH Feature: Automatically deliver payment information to your health care providers; Reminder - FedGlobal<sup>®</sup> ACH Payments released FedGlobal Formatting Aid v3.0; Reminder - Change to E-Payments Routing Directory effective February 3, 2014; Fedwire<sup>®</sup> Service Reminder - Change to E-Payments Routing Directory effective February 3, 2014.

## Fed issues February FedFocus

[FedFocus](#)<sup>23</sup> provides 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. The February edition of FedFocus includes these topics: the public weighing in on improvements to the payment system; Next Generation VPN Solution; saving money with updated FedCompletes Packages; cross-border payments increase revenue opportunities; and education opportunities.

## Agency rulemaking:

### *Selected final rules since last Capitol Comments:*

No particular final rules to report this month.



## Selected upcoming final federal rule compliance dates:

- 04.01.2014 [Treatment of Certain Collateralized Debt Obligations Backed Primarily by Trust Preferred Securities with Regard to Prohibitions and Restrictions on Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds \(TruPs Amendment to Volcker Rule\)](#)<sup>24</sup> The OCC, Board, FDIC, CFTC and SEC are each adopting a common interim final rule that would permit banking entities to retain investments in certain pooled investment vehicles that invested their offering proceeds primarily in certain securities issued by community banking organizations of the type grandfathered under section 171 of the Dodd - Frank Wall Street Reform and Consumer Protection Act (“Dodd - Frank Act”). The interim final rule is a companion rule to the final rules adopted by the Agencies to implement section 13 of the Bank Holding Company Act of 1956 (“BHC Act”), which was added by section 619 of the Dodd-Frank Act
- 04.01.2014 [OCC, Fed, FDIC, and SEC: Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds \(the Volcker Rule\)](#)<sup>25</sup> The Agencies adopted a rule that would implement section 13 of the BHC Act, which was added by section 619 of the Dodd-Frank Act.” Section 13 contains certain prohibitions and 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. [Statement by Chairman Ben S. Bernanke](#). [Statement by Governor Daniel K. Tarullo](#). [Final Rule - Preamble \(7.2 MB PDF\)](#). [Fact Sheet \(PDF\)](#). [Community Bank Guide \(PDF\)](#).
- 08.15.2015 [CFPB: Final integrated Mortgage Disclosures Under the RESPA \(Reg. X\) and the Truth In Lending Act \(Reg. Z\)](#)<sup>26</sup> Notice of final rule and official interpretations. [CFPB blog on the disclosure](#).

***Comment: Distribute this calendar to your CEO, CFO, Compliance Officer, and Operations Officer.***

# Selected final federal rule compliance dates from the past 12 months:

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

- 01.18.2014 CFPB, FRB, FDIC, FHFA, NCUA, and OCC: [Appraisals for Higher-Priced Mortgage Loans](#)<sup>27</sup> [Federal Banking Regulators: Appraisals for Higher-Priced Mortgage Loans – Supplemental Final Rule](#)<sup>28</sup> Alternative provisions regarding manufactured home loans are effective July 18, 2015, as indicated in the Supplementary Information, regulation text and Official Staff Commentary. [Disclosure and Delivery Requirements for Copies of Appraisals and Other Written Valuations Under ECOA/Regulation B](#)<sup>29</sup>
- 01.13.2014 [SEC: Registration of Municipal Advisors](#)<sup>30</sup> The SEC adopted new Rules 15Ba1-1 through 15Ba1-8, new Rule 15Bc4-1, and new Forms MA, MA-I, MA-W, and MA-NR under the Exchange Act. These rules and forms are designed to give effect to provisions of Title IX of the Dodd-Frank Act that, among other things, require the Commission to establish a registration regime for municipal advisors and impose certain record-keeping requirements on such advisors.
- 01.10.2014 [Homeownership Counseling Organizations Lists Interpretive Rule](#)<sup>31</sup> This rule describes data instructions for lenders to use in complying with the requirement under the High-Cost Mortgage and Homeownership Counseling Amendments to the Truth in Lending Act (Regulation Z) and Homeownership Counseling Amendments to RESPA Final Rule to provide a homeownership counseling list using data made available by the CFPB or HUD.
- 01.10.2014 [HUD: Qualified Mortgage Definition for HUD Insured and Guaranteed Single Family Mortgages](#)<sup>32</sup> Through this final rule, HUD establishes a definition of “qualified mortgage” for the single family residential loans that HUD insures, guarantees, or administers that aligns with the statutory ability-to-repay criteria of the TILA and the regulatory criteria of the definition of “qualified mortgage” promulgated by the CFPB).
- 01.10.2014 [CFPB: Amendments to the 2013 Mortgage Rules under the RESPA \(Regulation X\) and the TILA \(Regulation Z\)](#) This rule amends provisions in Regulation Z and final rules issued by the CFPB in 2013, which, among other things, required that consumers receive counseling before obtaining high-cost mortgages and that servicers provide periodic account statements and rate adjustment notices to mortgage borrowers, as well as engage in early intervention when borrowers become delinquent. The amendments clarify the specific disclosures that must be provided before counseling for high-cost mortgages can occur, and proper compliance regarding servicing requirements when a consumer is in bankruptcy or sends a cease communication request under the Fair Debt Collection Practices Act. The rule also makes technical corrections to provisions of other rules. The Bureau requests public comment on these changes.
- 01.10.2014 CFPB: [Loan Originator Compensation Requirements Under TILA/Regulation Z](#)<sup>33</sup> Amendments to §1026.36(h) and (i), which are a prohibition on financing credit insurance in connection with consumer credit transactions secured by a dwelling, and which were to be effective on June 1, 2013, will now be effective on January 10, 2014 after clarifications are adopted. Click [here](#)<sup>34</sup> to read the notice of the delay of the effective date.
- 01.10.2014 CFPB: [RESPA/Regulation X and TILA/Regulation Z Mortgage Servicing](#)<sup>35</sup> RESPA final rule includes servicer’s obligations to correct errors asserted by mortgage loan borrowers; provide certain information requested by such borrowers; and provide protection to such borrowers in connection with force-placed insurance. The Reg. Z final rule includes initial rate adjustment notices, periodic statements for residential mortgage loans, crediting of mortgage payments; and responses to requests for payoff amounts. This final rule was further corrected, clarified, and amended: [CFPB finalizes corrections, clarifications, and amendments to mortgage rules](#)<sup>36</sup>:  
●Clarifies how to determine a consumer’s debt-to-income (DTI) ratio: ●Explains that CFPB’s

RESPA rule does not preempt the field of servicing regulation by states. ●Establishes which mortgage loans to consider in determining small servicer status. ●Clarifies the eligibility standard of the temporary QM provision.

- 01.10.2014 CFPB: [Clarifications to the 2013 Mortgage Rules under the Equal Credit Opportunity Act \(Regulation B\), Real Estate Settlement Procedures Act \(Regulation X\), and the Truth in Lending Act \(Regulation Z\)](#) Among other things, these amendments: ●Clarify what servicer activities are prohibited in the first 120 days of delinquency; ●Facilitate servicers' offering of short-term forbearance plans; ●Clarify best practices for informing borrowers about the address for error resolution documents; ●Facilitate lending in rural and underserved areas, while the CFPB is reexamining the rural and underserved definitions, by: 1) Exempting all small creditors from a new ban on high-cost mortgages featuring balloon payments so long as certain restrictions are met; and 2) making it easier for certain small creditors to continue to qualify for an exemption from a requirement to maintain escrows on certain HPMLs; ●Make clarifications about financing of credit insurance premiums; ●Clarify the definition of a loan originator; ●Clarify the points and fees thresholds and loan originator compensation rules for manufactured housing employees; ●Revise effective dates of many loan originator compensation rule provisions.
- 01.10.2014 CFPB: [Ability to Repay \(ATR\) and Qualified Mortgage \(QM\) Standards under TILA/Regulation Z](#)<sup>37</sup>
- 01.10.2014 CFPB: [High-Cost Mortgage and Homeownership Counseling Amendments to TILA/Regulation Z and Homeownership Counseling Amendments to RESPA/Regulation X](#)<sup>38</sup> implements Dodd-Frank Act amendments to TILA and RESPA. Expands the types of mortgage loans subject to the protections of HOEPA, revises and expands the tests for coverage under HOEPA, and imposes additional restrictions on mortgages that are covered by HOEPA, including a pre-loan counseling requirement.
- 01.03.2014 [FinCEN and Fed: Definitions of Transmittal of Funds and Funds Transfer](#)<sup>39</sup> FinCEN and the Fed are issuing this Final Rule amending the regulatory definitions of “funds transfer” and “transmittal of funds” under the regulations implementing the BSA. We are amending the definitions to maintain their current scope in light of changes to the EFTA, which will avoid certain currently covered transactions being excluded from BSA requirements.
- 01.01.2014 [FDIC: Interim rule revising risk-based and leverage capital requirements](#)<sup>40</sup> The FDIC adopted an interim final rule that revises its risk-based and leverage capital requirements for FDIC-supervised institutions. This interim final rule is substantially identical to a joint final rule issued by the OCC and the Federal Reserve (together, with the FDIC, the agencies).
- 01.01.2014 [Fed: Regulatory Capital Rules \(Basel III\)](#)<sup>41</sup> The Fed approved a Basel III final rule. The final rule minimizes burden on smaller, less complex financial institutions. For more details, refer to the [Federal Reserve's Press Release](#)<sup>42</sup>. The FDIC Board of Directors approved an [interim final rule](#)<sup>43</sup> that adopts with revisions the three notices of proposed rulemaking (NPRs) that the banking agencies proposed last year related to Basel III and the standardized approach. The FDIC Board also approved a joint interagency [Notice of Proposed Rulemaking](#)<sup>44</sup> to strengthen the supplementary leverage requirements for the largest most systemically important banking organizations. The OCC announced ([NR 2013-110](#)<sup>45</sup>) that it approved a final rule revising regulatory capital rules applicable to national banks and federal savings associations.
- 11.04.2013 [Final rule prohibiting issuing credit card unless ability to make payments is considered \(Reg. Z\)](#)
- 10.28.2013 CFPB: [Final Consumer protection rule on international remittances \(Reg. E\)](#) This rule was followed by a clarification: [CFPB Final Rule: Clarificatory amendment and technical correction to a final rule and official interpretation of disclosures for remittance transactions \(Reg. E\)](#)
- 10.17.2013 [FHA approval of lending institutions and mortgagees: streamlined reporting requirements for small supervised lenders and mortgagees](#)<sup>46</sup> This rule streamlines the FHA financial statement reporting requirements for lenders and mortgagees who are supervised by federal banking agencies and whose consolidated assets do not meet the thresholds set by their supervising federal banking agencies for submission of audited financial statements (currently set at \$500 million in consolidated assets).

- 09.26.2013 [CFPB: Rules of Practice for Issuance of Temporary Cease-and-Desist Orders](#) The Dodd-Frank Act requires the CFPB to prescribe rules establishing procedures for the conduct of adjudication proceedings. On June 29, 2012, the Bureau published the final Rules of Practice for Adjudication Proceedings. That final rule, however, does not apply to the issuance of a temporary cease-and-desist order (TCDO) pursuant to section 1053(c) of the Dodd-Frank Act. The CFPB issued an interim final rule governing such issuance and seeks public comments. The interim final rule took effect on September 26, 2013.
- 07.01.2013 FTC: Amends the Children's Online Privacy Protection Rule ("COPPA Rule" or "Rule"), consistent with the requirements of the Children's Online Privacy Protection Act, to clarify the scope of the Rule and strengthen its protections for children's personal information, in light of changes in online technology since the Rule went into effect in April 2000. The final amended Rule includes modifications to the definitions of operator, personal information, and Web site or online service directed to children. The amended Rule also updates the requirements set forth in the notice, parental consent, confidentiality and security, and safe harbor provisions, and adds a new provision addressing data retention and deletion. (Comment: Financial institutions are subject to COPPA if they operate a website or online services directed to children or have actual knowledge that they are collecting or maintaining personal information from a child online.)
- 06.01.2013 CFPB: [Escrow Requirements for Higher-Priced Mortgages Under TILA/Regulation Z](#) <sup>47</sup> The CFPB issued [Clarifications of the 2013 Escrows final rule](#)<sup>48</sup> (Reg. Z) on May 16, 2013.
- 06.01.2013 Amendments in the [Loan Originator Compensation final rules](#)<sup>49</sup> to §1026.36 (h) and (i) are effective on this June 1, 2013. Section 1026.36(h) is regarding the prohibition on mandatory arbitration clauses and waivers of certain consumer rights. Section 1026(i) is regarding the prohibition on financing single-premium credit insurance.
- 03.31.2013 FinCEN: SAR/CTR batch filers must update their systems to the [new specifications](#)<sup>50</sup>. ([Extended from June 30, 2012 to March 31, 2013](#)<sup>51</sup>) All institutions that batch file the current CTR, CTR-C, SAR-DI, SAR-SF, SAR-MSB, or SAR-C will have to convert their systems to file the new CTR and SAR. FinCEN will make other filing technical specifications available in the near future.
- 03.28.2013 In order to resolve litigation regarding a Reg. Z provision limiting fees a consumer must pay prior to opening a credit card account, the CFPB issued an April 2012 proposal to amend the rule to be consistent with a court ruling so that it no longer applies to fees charged prior to account opening. On March 22, the CFPB adopted a [final rule](#)<sup>52</sup> adopting the proposal's elimination of the cap on fees charged prior to account opening.
- 03.26.2013 The CFPB [amended Reg. E](#)<sup>53</sup> to conform to legislation that amended the EFTA to eliminate a requirement that owners of ATMs post a fee notice on all ATMs. The onscreen notice requirement remains.
- 01.01.2013 The IRS [final regulations](#)<sup>54</sup> regarding the reporting requirements for interest that relates to deposits maintained at U.S. offices of certain financial institutions and is paid to certain nonresident alien individuals. These regulations apply to payments of interest made on or after January 1, 2013.
- 12.31.2012 Housing and Economic Recovery Act by The Helping Heroes Keep Their Homes Act of 2010 – The provision for an extended time period (extended from 90 days to nine months) for protections affecting foreclosure, sale, or seizure of servicemembers' real or personal property expires.
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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.

## 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.	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.
ATM	Automated Teller Machine	Dodd-Frank Act	<a href="#">The Dodd–Frank Wall Street Reform and Consumer Protection Act</a>
CARD Act	<a href="#">Credit Card Accountability Responsibility and Disclosure Act of 2009</a>	FDIC	<a href="#">Federal Deposit Insurance Corporation</a>
CFPB	<a href="#">Consumer Financial Protection Bureau</a>	EFTA	<a href="#">Electronic Fund Transfer Act</a>
CFR	<a href="#">Code of Federal Regulations</a> . Codification of rules and regulations of federal agencies.	Federal bank regulatory agencies	FDIC, FRB, and OCC
CRA	<a href="#">Community Reinvestment Act</a> . This Act is designed to encourage loans in all segments of communities.	Federal financial institution regulatory agencies	CFPB, FDIC, FRB, NCUA, and OCC
CRE	Commercial Real Estate	FEMA	<a href="#">Federal Emergency Management Agency</a>
CSBS	<a href="#">Conference of State Bank Supervisors</a>	FFIEC	<a href="#">Federal Financial Institutions Examination Council</a>
		FHFA	<a href="#">Federal Housing Finance</a>

	<u>Agency</u>		<u>System</u>
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>	Reg.	Abbreviation for "Regulation" – A federal regulation. These are found in the CFR.
FSOC	<a href="#">Financial Stability Oversight Council</a>	Reg. B	<a href="#">Equal Credit Opportunity</a>
FTC	<a href="#">Federal Trade Commission</a>	Reg. C	<a href="#">Home Mortgage Disclosure</a>
GAO	<a href="#">Government Accountability Office</a>	Reg. DD	<a href="#">Truth in Savings</a>
HARP	<a href="#">Home Affordable Refinance Program</a>	Reg. E	<a href="#">Electronic Fund Transfers</a>
HAMP	<a href="#">Home Affordable Modification Program</a>	Reg. G	<a href="#">S.A.F.E. Mortgage Licensing Act</a>
HMDA	<a href="#">Home Mortgage Disclosure Act</a>	Reg. P	<a href="#">Privacy of Consumer Financial Information</a>
HOEPA	<a href="#">Home Ownership and Equity Protections Act of 1994</a>	Reg. X	<a href="#">Real Estate Settlement Procedures Act</a>
HPML	<a href="#">Higher Priced Mortgage Loan</a>	Reg. Z	<a href="#">Truth in Lending</a>
HUD	<a href="#">U.S. Department of Housing and Urban Development</a>	RESPA	<a href="#">Real Estate Settlement Procedures Act</a>
IRS	<a href="#">Internal Revenue Service</a>	SAR	<a href="#">Suspicious Activity Report</a> – Report financial institutions file with the U.S. government (FinCEN) regarding activity that may be criminal in nature.
MLO	Mortgage Loan Originator	SDN	Specially Designated National
MOU	Memorandum of Understanding	TILA	<a href="#">Truth in Lending Act</a>
NFIP	<a href="#">National Flood Insurance Program</a> . U.S. government program to allow the purchase of flood insurance from the government.	TIN	Tax Identification Number
NMLS	<a href="#">National Mortgage Licensing</a>	Treasury	<a href="#">U.S. Department of Treasury</a>

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<sup>1</sup><http://www.fdic.gov/news/news/financial/2014/fil14003.html>

<sup>2</sup><http://www.fdic.gov/news/news/financial/2014/fil14004.html>

<sup>3</sup><http://www.fdic.gov/news/news/financial/2013/fil13008.html>

<sup>4</sup><http://www.occ.gov/publications/publications-by-type/comptrollers-handbook/a-mb.pdf>

<sup>5</sup><http://www.fdic.gov/news/news/financial/2014/fil14006.pdf>

<sup>6</sup><http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370539817759#.UvKTLPldVs4>

<sup>7</sup>[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/letters/mortgagee](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee)

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