Community Bankers of Iowa
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Regulatory Compliance Update
July 2015

Around the agencies

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

Joint federal agency issuances

Joint agencies announce joint flood rule

Five federal regulatory agencies announced[1] the approval of a joint final rule[2] that modifies regulations that apply to loans secured by properties located in special flood hazard areas. The final rule implements provisions of the Homeowner Flood Insurance Affordability Act of 2014 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 Act relating to the force placement of flood insurance

Comment: Lenders with assets of $1 billion or more are required to escrow both flood insurance premiums and fees for loans secured by residential improved real estate or mobile homes and that are made, increased, extended or renewed on or after January 1, 2016. They also must provide borrowers with covered 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 regarding the escrow requirement and option to escrow.

Structures that are part of a residential property but are detached from the primary residence and do not serve as a residence are exempt from the flood insurance requirement. The rule clarified that "serve as a residence" is based upon a good faith determination that the structure is intended for use or is actually used as a residence. However, under HFIAA, lenders may require flood insurance on the detached structures to protect collateral.

The rule also implements provisions of Biggert-Watters Act about the force placement of flood insurance when homeowners' policies lapse or are insufficient. The force-placement provisions clarify that lenders have authority to charge a borrower for the cost of force-placed flood insurance coverage beginning on the date that the borrower's coverage lapses or becomes insufficient and stipulates the circumstances under which a lender must terminate force-placed flood insurance and refund payments to the borrower.

The effective date of amendatory instructions is October 1, 2015. The effective date of amendatory instructions on mandatory escrow is January 1, 2016.

Joint agencies issue host state loan-to-deposit ratios

The Fed, the FDIC, and the OCC issued the host state loan-to-deposit ratios[3] that they will use to determine compliance with section 109 of the Riegle-Neal Act. These ratios update data released on July 2, 2014.

In general, section 109 prohibits a bank from establishing or acquiring a branch or branches outside of its home state primarily for the purpose of deposit production. Section 109 also prohibits branches of banks controlled by out-of-state bank holding companies from operating primarily for the purpose of deposit production.

Section 109 provides a process to test compliance with the statutory requirements. The first step in the process involves a loan-to-deposit ratio screen that compares a bank's statewide loan-to-deposit ratio to the host state loan-to-deposit ratio for banks in a particular state.

A second step is conducted if a bank's statewide loan-to-deposit ratio is less than one-half of the published ratio for that state or if data are not available at the bank to conduct the first step. The second step requires the appropriate agency to determine whether the bank is reasonably helping to meet the credit needs of the communities served by the bank's interstate branches.

A bank that fails both steps is in violation of section 109 and is subject to sanctions by the appropriate agency.

FFIEC issues Cybersecurity Assessment Tool

The FFIEC, on behalf of its members, has issued a Cybersecurity Assessment Tool[4] (Assessment) that institutions may use to evaluate their risks and cybersecurity preparedness. Examiners will gradually incorporate the Assessment into examinations of banks of all sizes.

The Assessment helps banks and examiners determine a bank's inherent risk profile and level of cybersecurity preparedness. The results may be reviewed to determine whether the bank's cybersecurity maturity levels align with the bank's inherent risk profile. In addition to the Assessment, the FFIEC has also made available resources institutions may find useful, including an executive overview, a user's guide, an online presentation explaining the Assessment, and appendixes mapping the Assessment's baseline items to the FFIEC Information Technology (IT) Examination Handbook and to the National Institute of Standards and Technology's (NIST) Cybersecurity Framework.

There are two parts to the Assessment: an inherent risk profile and cybersecurity maturity.

Inherent risk profile identifies the amount of risk posed to a bank by the types, volume, and complexity of the bank's technologies and connections, delivery channels, products and services, organizational characteristics, and external threats—notwithstanding the bank's risk-mitigating controls.

Cybersecurity maturity is evaluated in five domains: Cyber Risk Management and Oversight, Threat Intelligence and Collaboration, Cybersecurity Controls, External Dependency Management, and Cyber Incident Management and Resilience. Each domain has five levels of maturity: baseline, evolving, intermediate, advanced, and innovative. A bank's appropriate cybersecurity maturity levels depend on its inherent risk profile.

Comment: The Assessment is designed for banks of all sizes and incorporates concepts and principles contained in the FFIEC IT Examination Handbook, regulatory guidance, applicable laws and regulations, FFIEC joint statements, and concepts from well-known industry standards, such as the NIST Cybersecurity Framework. The statements included in the baseline level of maturity are consistent legal and regulatory requirements and minimum risk management and control expectations outlined in the FFIEC IT Examination Handbook.

ICBA has provided a summary of the FFIEC's Cybersecurity Assessment Tool.[5]

Action: For this Assessment to be an effective risk management tool, an institution may want to complete it periodically and as significant operational and technological changes occur.

Agencies Release List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies

The Fed, the OCC, and the FDIC announced the availability of the 2015 list of distressed or underserved nonmetropolitan middle-income geographies,[6] where revitalization or stabilization activities will receive Community Reinvestment Act (CRA) consideration as community development.

Comment: Revitalization or stabilization activities in these geographies are eligible to receive CRA consideration as community development for 12 months after publication of the current list.

Agencies announce EGRPRA outreach meeting in Kansas City focusing on rural banking

The federal banking agencies will hold an outreach meeting on Tuesday, August 4, 2015, at the Federal Reserve Bank of Kansas City as part of their regulatory review under the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA). The meeting is the fourth in a series of outreach sessions that the Fed, the OCC, and the FDIC are holding throughout the country.

The meeting will focus on rural banking issues and will feature panel presentations by industry participants and consumer and community groups. Interested persons may also present their views on any of the 12 categories of regulations listed in a June 2014 Federal Register notice that started the EGRPRA public comment process.

The meeting will be webcast live.[7] Members of the public watching online will be able to submit written comments using the text chat feature and verbal comments using the audio feature of the webcast. A toll-free telephone number also will be provided for members of the public who would like only to listen to the meeting.

Comment: As previously announced, the agencies have expanded the scope of the EGRPRA review to cover newly issued regulations. Comments will be accepted on all rules that have been finalized before the publication of the last in the series of EGRPRA notices.

CFPB actions

CFPB issues eighth Supervisory Highlights

In the CFPB's eighth edition of Supervisory Highlights,[8] the Bureau shares recent supervisory observations in the areas of consumer reporting, debt collection, student loan servicing, mortgage origination, mortgage servicing, and fair lending. The findings reported here reflect information obtained by Supervision at the time of issuance of an examination report or supervisory letter.

CFPB updates TILA/RESPA Integrated Disclosure Rule Guide

The CFPB updated its TILA/RESPA Integrated Disclosure Rule Small Entity Guide.[9]

Comment: The guides Version Log states that the latest updates were "miscellaneous administrative changes."

CFPB blog

Four years working for you

The newcomers' guides to managing money

It's not too late to share your #studentdebtstress story

We're ordering JP Morgan to refund $50 million and stop collecting on 528,000 accounts

Mortgage closing can be complicated: Navid's story

Today we begin to share the story of your complaints

Statement by CFPB's Cordray on GAO Workplace Financial Literacy Report

The GAO released a report on financial literacy[10] in the workplace, which summarized a forum of employers, federal government agencies, and academic researchers who discussed the role of employers in improving employees' financial well-being. CFPB Director Richard Cordray issued a statement:[11]

"There is a natural connection between the workplace and certain key financial decisions like saving for retirement, securing health and life insurance, and setting aside funds to meet child care and medical expenses. The GAO report adds to the growing body of evidence that suggests that a financially capable workforce is more satisfied, more engaged, and more productive for their employers. Both employers and employees will reap the benefits of workplace financial well-being programs."

CFPB outlines guiding principles for faster payment networks

The CFPB outlined[12] guiding principles for protecting consumers as the private sector develops new faster payment systems. These new systems are aimed at reducing "pocket-to-pocket" payment times between consumers and businesses or other entities. The CFPB wants to ensure any new payment systems are secure, transparent, accessible, and affordable to consumers. The systems should also have robust protections when it comes to fraud and error resolution.

Recording of webinar on TRID available online

The CFPB took part in a webinar on the TILA-RESPA integrated disclosure rule and a recording[13] is now available. Past webinars (back to 2009) are available here.[14]

Comment: This fifth and final in the planned series of webinars addressed specific questions related to rule interpretation and implementation challenges that were raised by creditors, mortgage brokers, settlement agents, software developers, and other stakeholders

FDIC actions

FDIC issues revised interagency consumer compliance examination procedures for TRID rule

The FDIC released revised interagency examination procedures[15] for the new TILA - RESPA Integrated Disclosure Rule (TRID Rule), as well as amendments to other provisions of Reg. Z and RESPA.

Highlights:

Examiners will use the updated interagency examination procedures to evaluate financial institutions' compliance with residential mortgage loan rules, including the following new or amended rules:

- TRID Rule – replaces the requirements to provide the RESPA Good Faith Estimate and HUD-1 Settlement Statement and Truth in Lending disclosures for most closed-end mortgage loans with two documents: the Loan Estimate and the Closing Disclosure. (Effective Date October 3, 2015)
- Mortgage Servicing Rules – provide an alternative definition of the term "small servicer" for certain nonprofit entities.
- Ability-to-Repay / Qualified Mortgage Rule – amended to provide creditors or assignees meeting certain requirements a limited period of time in which to review a transaction and "cure" excess points and fees for purposes of maintaining QM status.

The updated procedures also reflect the additional exemptions from the HPML Appraisal Rule, which were finalized prior to the January 2014 effective date, but after examination procedures were last issued.

Comment: The examination procedures should be helpful to financial institutions seeking to better understand the areas on which the FDIC will focus as part of the examination process.

FDIC announces banker teleconference on youth savings programs

The FDIC is offering a teleconference[16] on July 30, 2015, focusing on youth savings programs. FDIC staff will discuss ways that banks can link financial education efforts to the opening of saving accounts for school-aged children and share early observations from the FDIC's Youth Savings Pilot. Staff also will discuss the February 2015 Interagency Guidance to Encourage Financial Institutions' Youth Savings Programs[17] and address related, frequently asked questions. The session is free, but registration is required.

OCC actions

OCC releases briefing on TILA/RESPA integrated disclosure rule

The OCC released a briefing session – a recorded presentation with Power Point -- on the new TILA-RESPA Integrated Disclosure Rule or TRID. This 80-minute session provides an overview of the rule and highlights changes in Regulations Z and X. Senior compliance staff discuss OCC supervisory expectations and share some insights for implementing the TRID rule. The session is available at no charge on BankNet.gov, in the Features section on the homepage.

Federal Reserve actions

Fed issues Reserve Maintenance Manual

The Reserve Maintenance Manual[18] provides information regarding reserve calculations and account maintenance for depository institutions that file the Federal Reserve (FR) 2900 form (Report of Transaction Accounts, Other Deposits and Vault Cash) with the Federal Reserve, either weekly or quarterly.

The Federal Reserve updates this manual when necessary, but in particular toward the end of each calendar year to reflect the annual indexation of values used in the calculation of reserve requirements on the FR 2900 form.

The manual consists of six main sections.

• The Account Structure section of the manual describes the types of accounts a depository institution may maintain at a Reserve Bank for reserves.

• The Reporting Requirements section presents the Federal Reserve's policy related to the different reporting requirements for institutions subject to reserve requirements.

• The Calculation of Reserve Balance Requirements and Maintenance of Reserve Balance Requirements sections provide information on the steps to calculate reserve requirements, the options for satisfying reserve balance requirements, and the interest an institution may earn for holding balances at the Federal Reserve.

• The Mechanics of Reserve Maintenance section illustrates the calculations and concepts presented in previous sections through four examples.

• The Effect of Mergers on Reserve Balance Requirements section details the effect of mergers on reserve calculations and maintenance.

Fed webinar: Common Violations and Hot Topics

Federal Reserve staff will be hosting a webinar Wednesday, July 29, 2015, focusing on areas where substantive and/or common violations occur, including:

- Home Mortgage Disclosure Act (Regulation C)
- Equal Credit Opportunity Act (Regulation B) – Spousal Signatures
- Flood Disaster Protection Act of 1973
- Unfair and Deceptive Acts or Practices Act (UDAP)

To register for the teleconference, visit: https://www.webcaster4.com/Webcast/Page/577/9474

Other federal action and news

FCC grants four mobile alert exemptions supported

Federal Communications Commission rules implementing the Telephone Consumer Protection Act require senders to obtain prior express consent from consumers before sending autodialed messages, text messages, and prerecorded messages placed on landline phones. The American Bankers Association filed a Petition for

Exemption asking the FCC to exempt messages concerning: (1) “transactions and events that suggest a risk of fraud or identity theft; (2) possible breaches of the security of customers’ personal information; (3) steps consumers can take to prevent or remedy harm caused by data security breaches; and (4) actions needed to arrange for receipt of pending money transfers.” In its TCPA Omnibus Declaratory Ruling and Order,[19] the FCC granted exemptions for all four categories of messages sent by financial institutions.

Supreme Court upholds disparate impact theory

In a case involving the allocation of housing tax credits in predominantly black and predominantly white neighborhoods by the Texas Department of Housing and Community Affairs, the United States Supreme Court issued an opinion[20] holding that “disparate-impact claims are cognizable under the Fair Housing Act.”

Comment: Although this case didn’t involve fair lending, it would be difficult to distinguish the court’s ratification of disparate-impact theory of liability in fair housing cases from its current use by regulators in fair lending. Although the court approved the use of disparate-impact, it didn’t approve the regulators’ flawed statistical analyses and their application of the theory on community bank lending.

Publications, articles, reports, studies, testimony & speeches

GAO report to Congress on bank regulation

The GAO report to Congress on bank regulation[21] found that past banking-related crises highlight a number of regulatory lessons learned. These include the importance of:

• Early and forceful action. GAO’s past work on failed banks found that regulators frequently identified weak management practices that involved the banks in higher-risk activities early on in each crisis, before banks began experiencing declines in capital. However, regulators were not always effective in directing bank management to address underlying problems before bank capital began to decline and it was often too late to avoid failure. For example, examiners did not always press bank management to address problems promptly or issue timely enforcement actions.

• Forward-looking assessments of risk. The crises revealed limitations in key supervisory tools for monitoring and addressing emerging risks. During examinations, examiners did not always incorporate forward-looking information when assigning supervisory ratings based on banks’ exposure to risk. For example, ratings did not consistently reflect factors such as poor risk-management practices that while not causing losses in the short term, caused losses in the long term.

• Considering risks from the broader financial system. The 2007–2009 financial crisis demonstrated that risks to bank safety and soundness could not be assessed by looking only at the performance and activities of individual banks or groups of banks. Rather, regulators must look across the financial system to identify emerging risks.

In response to these lessons learned, regulators said they have taken a number of steps intended to improve their ability to identify and respond to emerging risks—including instituting more granular tracking of bank compliance with examination recommendations to address emerging problems in a timely manner; incorporating more forward-looking elements into supervisory tools; and participating in systemic risk-monitoring efforts as members of Financial Stability Oversight Council. GAO and others have begun to review some of these initiatives.

Report issued by President's Advisory Council on Financial Capability for Young Americans

By executive order the President created the President's Advisory Council on Financial Capability for Young Americans to advise the President and the Secretary of the Treasury on how to promote the financial capability of young Americans. The report[22] first summarizes the Council's findings on why building the financial capability of young people is important and the challenges that young people are facing. The report then identifies current progress and promising approaches in the area of building financial capability. Subsequently, the report explains the Council's recommendations and commitments, called Ideas in Action, for further progress. These include the following:

• Ways to better prepare teachers to implement financial education in the classroom using the power of technology.
• The importance of equipping young people with both information and guidance so they can navigate the critical and complex decisions related to post - secondary education and how to pay for it.

• Recognize the uniquely powerful roles that cities and communities can play like connecting young people to appropriate financial products and tools through youth employment programs.

• Appreciate the need to assess how to better protect the identity and credit histories of young people.

CFPB: Servicers Still Failing to Provide Legal Protections to Military Borrowers

The CFPB released a report outlining the continued challenges faced by servicemembers when they contact student loan servicers to invoke the military rights and protections earned through their service. The report, "Overseas & Underserved: Student Loan Servicing and the Cost to Our Men and Women in Uniform."[23]

Action: If you service student loans, review your procedures to insure your bank isn't causing servicing problems for servicemembers, including these commonly reported problems:

- ***Military deferments are denied without adequate explanation, applied in a haphazard way, and, in some cases, are approved verbally but never applied to military borrowers' accounts, resulting in late fees, defaults and debt collection.***
- ***Application of SCRA protections continues to be an unnecessary struggle for servicemembers. Servicers still do not appear to understand the elements of the SCRA.***
- ***Military families struggle with disability discharge, including potential negative credit reporting consequences. They also are unsure whether the benefit is available for private student loans as well as for federal student loans. The uncertainty extends to co-signers looking for the same protections after the disability or death of a primary borrower.***
- ***In addition to the loss of protections specific to military borrowers, complaints also demonstrate how servicing breakdowns can impact financial and military readiness.***

OCC issues mortgage metrics

The OCC Mortgage Metrics Report[24] for the first quarter of 2015 provides performance data on first - lien residential mortgages serviced by eight national banks (servicers). The mortgages in this portfolio comprise 43.9 percent of all first - lien residential mortgages outstanding in the United States — 2 2.7 million loans totaling $ 3. 8 trillion in unpaid principal. This report presents performance information through March 31, 2015.

Overall, the performance of mortgages included in this portfolio continues to improve. The percentage of current and performing mortgages in the portfolio increased to 9 4.2 percent at the end of the first quarter of 2015, up from 93. 1 percent a year earlier. The percentage of mortgages that were 30 to 59 days past due fell to 1.9 percent of the portfolio, a decrease of 7.0 percent from a year earlier. The percentage of mortgages in the portfolio that were seriously delinquent — 60 or more days past due or held by bankrupt borrowers whose payments were 30 or more days past due — decreased 16.4 percent from a year earlier and fell to 2.6 percent of the portfolio. The number of loans in the process of foreclosure at the end of the first quarter of 2015 has declined 30.8 percent from a year earlier, falling to 299,424.

OCC Report Discusses Risks Facing Banks

Interest rate, underwriting, strategic, compliance, and cybersecurity top the OCC supervisory concerns in its Semiannual Risk Perspective for Spring 2015.[25]

The report, which covers risks facing national banks and federal savings associations based on data through the end of 2014, also noted declining revenues and profitability overall in OCC-supervised institutions.

Highlights from the report include:

- Evolving cyber threats and information technology vulnerabilities require heightened awareness and appropriate controls to identify and mitigate the associated risks.
- Compliance risks remain high, as banks work to comply with new mortgage lending requirements and manage Bank Secrecy Act/Anti-Money Laundering risks.
- Competition for limited lending opportunities is intensifying and resulting in loosening underwriting standards and layering of risk, particularly in indirect auto lending, asset-based lending, commercial real estate (CRE) lending, and commercial and industrial loans.
- Many banks continue to re-evaluate their business models and risk appetites to generate returns against the backdrop of low interest rates.
- The prolonged low interest rate environment continues to lay the foundation for future vulnerability. Banks that extend asset maturities to pick up yield could face significant earnings pressure and capital erosion depending on the severity and timing of interest rate moves.
- Several risks have the potential to develop into broader, systemic issues. These risks include exposures to oil- and gas-related industries, rising CRE concentrations coupled with easing of underwriting standards, and exposures to nonbank mortgage servicer companies.
- Almost half of outstanding home equity lines of credit balances will transition from draw period to repayment between 2015 through 2017. For most borrowers, monthly payments will change from interest-only to amortizing, which may pose interest rate risk from concentrated resets and rising market rates, payment shock from additional principal payments, and refinancing difficulties because of lower property values and conservative lending underwriting standards.

The report presents data in four main areas: the operating environment, bank condition, key risk issues, and regulatory actions. It focuses on issues that pose threats to the safety and soundness of those financial institutions regulated by the OCC. It is intended as a resource to the industry, examiners, and the public.

July FedFlash

FedFlash[26] contains the latest Federal Reserve Financial Services operational news. Each bulletin contains issues relevant to day-to-day operations, providing National and District updates regarding the Fed's products and services, processes, technical protocols and contact information. This month's FedFlash topics are:

Central Bank
- Federal Reserve announces final rule amending Regulation D

Check/Check 21 Services
- Check Adjustments Tip: Did you know the case submission requirements for the PAID ITYP changed?
- Commercial check and ACH posting rule changes
- Effective September 1, 2015, change in process for handling items drawn on retired routing numbers
- Freeze period for Check Services
- New Check Adjustments informational webinar
- Check availability posted on fee schedules
- Federal Reserve Banks to publish new FedReceipt® RTNs

FedACH® Services
- Effective September 1, 2015, FedACH® Services to change process for pended files
- FedACH Feature: July ACH posting rule change and the FedACH Risk RDFI Alert Service
- Commercial check and ACH posting rule changes

FedLine® Access Solutions
- Submit Subscriber requests via the EUAC Center

Treasury Services
- The U.S. Treasury introduces myRA℠ - A new starter retirement savings option

July FedFocus

July FedFocus[27] has been posted online and includes these headlines:

- Werkema on his new role as Payments Strategy Director
- Remittance Coalition publishes Small Business Payments Toolkit
- Beyond Mother Nature ... special events may also impact FedCash® Services
- Meet Fed staff at upcoming industry events

Beige Book released

The Beige Book[28] summarizes comments received from businesses and other contacts outside the Federal Reserve. All twelve Federal Reserve Districts indicated that economic activity expanded from mid-May through June. Activity in New York, Philadelphia, and Kansas City grew at a modest pace, while Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco saw moderate growth. Compared with the previous report, growth remained steady in Cleveland, and Boston reported conditions were stable or improving. Boston, Philadelphia, Atlanta, Kansas City, and Dallas reported that contacts were optimistic about future growth, while Chicago and San Francisco cited optimism coming from specific sectors.

Selected federal rules proposed

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

COMMENTS CLOSE	SUMMARY OF PROPOSED RULE
09.11.2015	The FDIC proposed[29] to amend 12 CFR part 327 to refine the deposit insurance assessment system for small insured depository institutions that have been federally insured for at least 5 years (established small banks) by: revising the financial ratios method so that it would be based on a statistical model estimating the probability of failure over three years; updating the financial measures used in the financial ratios method consistent with the statistical model; and eliminating risk categories for established small banks and using the financial ratios method to determine assessment rates for all such banks (subject to minimum or maximum initial assessment rates based upon a bank's CAMELS composite rating). The FDIC does not propose changing the range of assessment rates that will apply once the Deposit Insurance Fund (DIF or fund) reserve ratio reaches 1.15 percent; thus, under the proposal, as under current regulations, the range of initial deposit insurance assessment rates will fall once the reserve ratio reaches 1.15 percent. The FDIC proposes that a final rule would go into effect the quarter after a final rule is adopted; by their terms, however, the proposed amendments would not become operative until the quarter after the DIF reserve ratio reaches 1.15 percent.
09.04.2015	The Department of Labor has announced a proposed rule[30] that would extend overtime protections to white collar workers. The exception to overtime eligibility currently applies to executive, administrative, and professional employees who earn $23,660 or more a year. This proposal would raise that amount to $47,892 per year. When this proposal is finalized, employers will be required to pay overtime to employees making less than $47,892 per year when they work in excess of 40 hours in a week.

Selected federal rules adopted since last issue

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:

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:
10.03.2015	CFPB: Final integrated Mortgage Disclosures under the RESPA (Reg. X) and the Truth in Lending Act (Reg. Z)[31] 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. CFPB blog on the disclosure.
10.03.2015	CFPB: Amendments to the 2013 Integrated Mortgage Disclosures Rule under Reg. X and Reg. Z and the Loan Originator Rule under Reg. Z[32] (80 FR 8767[33]) 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. CFPB blog on the disclosure.

Selected federal rules – past 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:
05.01.2015	The Board adopted final amendments[34] 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.[35] 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[36] 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.[37] 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.[38] The CFPB issued a final rule 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.[39] 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. FDIC Press Release PR-60-2013 dated 7/9/2013

11.30.2014 Servicemembers Civil Relief Act Notice Disclosure, Form HUD-92070[40], 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[41] 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[42] 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[43] 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.

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
- 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. 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. 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 accouni8ik2t 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.
ATM	Automated Teller Machine
CARD Act	Credit Card Accountability Responsibility and Disclosure Act of 2009
CFPB	Consumer Financial Protection Bureau
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	CFPB, 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 (or Fed)	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.	Abbreviation for "Regulation" – A federal regulation. These are found in the CFR.
Reg. B	Equal Credit Opportunity
Reg. C	Home Mortgage Disclosure
Reg. DD	Truth in Savings
Reg. E	Electronic Fund Transfers
Reg. G	S.A.F.E. Mortgage Licensing Act
Reg. P	Privacy of Consumer Financial Information
Reg. X	Real Estate Settlement Procedures Act
Reg. Z	Truth in Lending
RESPA	Real Estate Settlement Procedures Act
SAR	Suspicious Activity Report – Report financial institutions file with the U.S. government (FinCEN) regarding activity that may be criminal in nature.
SDN	Specially Designated National
TILA	Truth in Lending Act
TIN	Tax Identification Number
Treasury	U.S. Department of Treasury

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