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Regulatory Compliance Update

March 2014

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

Recent News

OCC issues guidance on secured consumer debt in bankruptcy

The OCC issued [guidance](#)¹ on secured consumer debt discharged in consumer Chapter 7 Bankruptcy clarifying the agency's expectations regarding secured consumer debt discharged in Chapter 7 bankruptcy proceedings. The guidance describes the analysis that is necessary to clearly demonstrate and document that repayment is likely to occur, which would preclude any charge-off as required by the [Uniform Retail Credit and Account Management Policy](#)². It also describes when a bank may consider post-discharge payment performance as evidence of collectability and when this performance demonstrates both capacity and willingness to repay the full amounts due.

FinCEN issues guidance on marijuana-related businesses

FinCEN issued guidance to clarify BSA expectations for financial institutions seeking to provide services to marijuana-related businesses. FinCEN is issuing this guidance in light of recent state initiatives to legalize certain marijuana-related activity and related guidance by the DOJ concerning marijuana-related enforcement priorities. This FinCEN guidance clarifies how financial institutions can provide services to marijuana-related businesses consistent with their BSA obligations, and aligns the information provided by financial institutions in BSA reports with federal and state law enforcement priorities. This FinCEN guidance should enhance the availability of financial services for, and the financial transparency of, marijuana-related businesses. [FIN-2014-G001](#)³

CFPB blogs⁴

[Prepaid cards: Help design a new disclosure](#)⁵

[Behind the numbers: Servicemember complaints](#)⁶

[Now you have better options to dispute a credit report error](#)⁷

[Live from Washington, D.C.](#)⁸

[We're protecting students from predatory lending](#)⁹

[Live from Atlanta!](#)¹⁰

[Set a goal, make a plan, and save automatically](#)¹¹ (Highlighting the CFPB's My New Money Goal financial planning worksheet.)

[We've heard more than 300,000 complaints. Should we hear from you?](#)¹²



Treasury and IRS issue FATCA regulations

The Treasury and IRS released the last substantial package of regulations necessary to implement the Foreign Account Tax Compliance Act (FATCA). The proposed and temporary regulations released

today make additions and clarifications to previously issued FATCA regulations and provide guidance to coordinate FATCA rules with preexisting due diligence, reporting, and withholding requirements under other provisions of the Internal Revenue Code (Code).

FATCA seeks to obtain information on accounts held by U.S. taxpayers in other countries. It generally requires U.S. financial institutions to withhold a portion of certain payments made to certain foreign financial institutions (FFIs) that do not agree to identify and report information on U.S. account holders. This withholding regime acts as a backstop to the main focus of FATCA, which is to obtain the information about accounts held by U.S. persons and by certain foreign entities with substantial U.S. owners that is needed to detect and deter offshore tax evasion. To address situations where foreign law would prevent an FFI from reporting directly to the IRS the information required by chapter 4, Treasury developed two alternative model intergovernmental agreements (IGAs). These IGAs facilitate the effective and efficient implementation of FATCA information reporting in a manner that removes foreign law impediments to compliance, fulfills the information reporting objectives of chapter 4, and further reduces burdens on FFIs located in partner jurisdictions. The United States has signed agreements with 22 countries, and many more have either reached agreements in substance that are awaiting signature, or are well along in the process.

Final regulations for FATCA were published in January 2013, approximately a year and a half before FATCA withholding will go into effect on July 1, 2014. Since final regulations were issued, Treasury and the IRS have: (i) extended the start of withholding and account due diligence requirements by six-months to July 1, 2014 ([Notice 2013-43](#)¹³); (ii) opened the [FATCA portal](#)¹⁴ in August 2013; and (iii) issued a final FFI Agreement for financial institutions in January 2014 ([Rev. Proc. 2014-13](#)¹⁵). Although FATCA was added to the Code in 2010, financial institutions and other withholding agents have long been required under other sections of the Code to perform due diligence, report and, in certain cases, withhold with respect to certain payments. Specifically, Chapter 61 and section 3406 of the Code address the reporting and backup withholding requirements regarding payments to U.S. persons, while chapter 3 imposes withholding and reporting requirements regarding payments to non-US persons. The guidance coordinates the pre-FATCA regimes under chapter 3, chapter 61, and section 3406 with the requirements under FATCA to integrate these rules, reduce burden, and conform the due diligence, withholding, and reporting rules under these provisions to the extent appropriate in light of the separate objectives of each chapter or section.

[FATCA – \(Temporary Regulations under Chapter 4\)](#)

[Coordination Regulations - \(Temporary Regulations under Chapters 3 and 61\)](#)

Comment: These regulations are designed to address wealthy individuals evading taxes by use of offshore accounts. FATCA requires foreign banks to share information with the IRS about accounts owned by U.S. citizens that are worth more than \$50,000. U.S. Senate investigators have criticized the loopholes available.

Stress test guidance for banks between \$10 and \$50 billion

Three federal bank regulatory agencies issued [final guidance](#)¹⁶ describing supervisory expectations for stress tests conducted by financial companies with total consolidated assets between \$10 billion and \$50 billion. Medium-sized companies are required to conduct annual, company-run stress tests under rules issued by the agencies in October 2012 to implement a provision in the Dodd-Frank Wall Street Reform and Consumer Protection Act. These companies are required to perform their first stress tests under the Dodd-Frank Act by March 31, 2014.

The final guidance from the Federal Reserve, the FDIC, and the OCC is similar to proposed guidance issued by the agencies last year. The agencies clarified certain aspects in response to comments received. The guidance confirms that companies with assets between \$10 billion and \$50 billion are not subject to the Federal Reserve's capital plan rule, the Federal Reserve's annual Comprehensive Capital Analysis and Review, Dodd-Frank Act supervisory stress tests, or related data collections, which apply to bank holding companies with assets of at least \$50 billion.

FDIC conducting annual Money Smart survey

The FDIC is conducting its annual [Money Smart survey](#)¹⁷. The survey should be completed by the person who is most knowledgeable about an organization's use of the Money Smart financial education curriculum. It is a 5-question survey.

Comment: If you are not the person most knowledgeable about your institution's use of the Money Smart curriculum, then forward this to the appropriate person. The FDIC will keep your response confidential.

Fed to begin issuing report on banking applications

The Federal Reserve Board announced ([SR 14-2, CA 14-1](#))¹⁸ that it will soon begin publishing a semi-annual report with aggregate data and other information regarding banking applications. The report will be released in the second half of 2014 and include statistics on the length of time taken to process applications and notices, the number of approvals, denials, and withdrawals, and the primary reasons for withdrawals.

Comment: The stated purpose of the semi-annual report is to enhance transparency in the Federal Reserve's applications process and provide the banking industry and general public with better insight into the issues that could prevent the Federal Reserve from acting favorably on a proposal. The first report will include filings acted on from January through June 2014.

OCC releases interagency consumer compliance exam procedures for mortgage rules

The OCC, as a member of the FFIEC, has adopted interagency examination procedures reflecting new mortgage rules requirements pursuant to the Dodd-Frank Act. The OCC is in the process of incorporating these new procedures into the Comptroller's Handbook "Consumer Compliance" series. Until the OCC issues updated Handbook booklets for TILA and the RESPA, the approved interagency procedures are posted on the OCC Web site. [OCC Bulletin 2014-7](#)¹⁹.

Comment: This release should assist banks in knowing which areas FDIC examiners will be focusing on.

CFPB asks for input on prepaid card disclosures

Through its [blog](#)²⁰, the CFPB announced that it is developing new disclosures that will provide a variety of protections for prepaid card users. As a part of this work, the CFPB is developing a model disclosure form to standardize these disclosures and clearly present the most important fees so consumers can easily identify the best prepaid card for their needs. The CFPB is testing two model

form designs (see below) and asking for comments. You may submit comments using the comment section below the [blog entry](#)²¹, sending them a [tweet](#)²², letting them know on [Facebook](#)²³ or sending them an [email](#)²⁴.

MODEL FORM 1

Monthly fee	Cash reload	Per purchase	ATM withdrawal
\$4.95*	\$2.00*	\$0	\$2.50*
*Fee can be less depending on usage.			
ATM balance inquiry			\$2.50*
Live agent phone service			\$1.50 per call
Inactivity (no transactions for 3 months)			\$4.50 per month
Online bill pay service			\$1.00
Replacement card			\$4.95
Decline (ATM or purchase)			\$1.00
<p>We charge other fees not listed here. See the enclosed account agreement or visit www.xyzprepaid.com/fees for details.</p> <p>Until you register this card, your money is not protected.</p> <p>For more information about prepaid cards, visit consumerfinance.gov/prepays.</p>			

MODEL FORM 2

Maintenance	Monthly fee	\$4.95
Add and withdraw money	Cash reload	\$2.00*
	ATM withdrawal	\$2.50*
Spend money	Per purchase	\$0
	Online bill pay service	\$1.00
Get account information	ATM balance inquiry	\$2.50*
	Live agent phone service	\$1.50 per call
Other fees	Inactivity (no transactions for 3 months)	\$4.50 per month
	Replacement card	\$4.95
*Fee can be less depending on usage.		
<p>We charge other fees not listed here. See the enclosed account agreement or visit www.xyzprepaid.com/fees for details.</p> <p>Until you register this card, your money is not protected.</p> <p>For more information about prepaid cards, visit consumerfinance.gov/prepays.</p>		

FDIC releases interagency consumer compliance exam procedures for mortgage rules

The FDIC released [revised interagency consumer compliance examination procedures for the mortgage rules](#)²⁵ issued pursuant to the Dodd-Frank Act.

Comment: This release should assist banks in knowing which areas FDIC examiners will be focusing on.

Publications, reports, studies, testimony & speeches

GAO releases report on college debit cards

A number of colleges and universities have entered into agreements with financial firms to provide debit and prepaid card services to students. Questions as to fees and student choice have arisen. The report examines (1) the function of college cards and the characteristics of schools and card providers; and (2) benefits and concerns regarding these cards. The GAO recommends that congress consider requiring the financial firms providing debit card services to colleges file their agreements for public review and provide other relevant information. The GOA recommends that the Department of Education specify what constitutes convenient access to ATMs or branches for students receiving federal student aid funds and develop requirements for schools and card providers to present neutral information to students about their options for receiving federal student aid funds. [Highlights](#)²⁶. [Report](#)²⁷.

Comment: The CFPB agrees with the GAO's suggestion for congressional action and the Department of Education agrees with the recommendations the GOA made to it and will address them with rules

FTC report on consumer complaints

Identity theft continues to top the Federal Trade Commission's national ranking of consumer complaints, and American consumers reported losing over \$1.6 billion to fraud overall in 2013, according to the [FTC's annual report on consumer complaints](#).²⁸ The top 10 complaint categories include:

Identity Theft – 290,056 (14%)

Debt Collection – 204,644 (10%)

Banks and Lenders – 152,707 (7%)

Imposter Scams – 121,720 (6%)

Telephone and Mobile Services – 116,261 (6%)

Prizes, Sweepstakes, and Lotteries – 89,944 (4%)

Auto Related Complaints – 82,701 (4%)

Shop-at-Home and Catalog Sales – 66,024 (3%)

Television and Electronic Media – 53,087 (3%)

Advance Payment for Credit Services – 50,422 (2%)

FDIC Consumer News

The Winter 2013/2014 edition of FDIC Consumer News includes:

- [Be in Charge of Your Credit Cards: Our Latest Tips for Choosing and Using Them](#)
 - [Avoiding Debt Problems With Credit Cards](#)
- [10 Ways to Protect Your Personal Information and Your Money](#)
- [Money and Banking Tips for the Tax Season](#)
- [Test Your Deposit Insurance IQ](#)
- [Do You Owe on a Home Equity Line? Prepare for Rising Payments](#)
- [News Briefs](#)

FDIC Quarterly Banking Profile

The [FDIC's Quarterly Banking Profile for the Fourth Quarter of 2013](#) includes:

- Quarterly Net Income of \$40.3 Billion Is 17 Percent Higher Than a Year Ago
- Lower Provisions Remain Key to Earnings Growth
- Full-Year Net Income of \$154.7 Billion Represents a 10 Percent Increase
- Loan Growth Remains Modest, as Mortgage Lending Declines
- Two Failures in Fourth Quarter Are Fewest Since Second Quarter 2008

Comment: Loan balances increased by \$90.9 billion (1.2 percent) in the three months ending December 31, as all major loan categories except one- to four-family residential real estate loans experienced growth during the quarter. One- to four-family residential real estate loans originated and intended for sale were \$307.7 billion (62 percent) lower than in the fourth quarter of 2012, as rising interest rates in the first half of 2013 reduced the demand for mortgage refinancings. The number of banks on the FDIC's "Problem List" declined from 515 to 467 during the quarter. The number of "problem" banks is down by almost half from the recent high of 888 at the end of the first quarter of 2011. The unaudited DIF balance – the net worth of the fund – rose to \$47.2 billion as of December 31 from \$40.8 billion as of September 30.

Latest Fed Beige Book released

Reports from most of the twelve Federal Reserve Districts indicated that economic conditions continued to expand from January to early February. Eight Districts reported improved levels of activity, but in most cases the increases were characterized as modest to moderate. Retail sales growth weakened since the previous report for most Districts, as severe winter weather limited activity. Weather was also cited as a contributing factor to softer auto sales in many Districts, with the exception of Cleveland, which saw strong gains. The demand for nonfinancial services was mixed compared with the last report. Manufacturing sales and production in several Districts were negatively impacted by severe winter weather; however, modest improvements were noted in Boston, Atlanta, Minneapolis, and Dallas. Residential real estate markets continued to improve in several areas, albeit modestly. Many Districts cited low inventories of housing and continued home price appreciation. Commercial real estate leasing expanded, according to most reports, while reports on construction activity were mixed. Demand for commercial real estate loans was solid in Boston, improved slightly in Dallas, and continued to grow steadily in Chicago and Kansas City. Of the Districts that reported on agriculture, conditions softened in Kansas City and Dallas as dry soil adversely affected wheat crops. Districts reported that energy production and demand continued to increase as a result of increased demand due to the unusually cold winter. Employment levels improved gradually for most Districts, and shortages of specialized skilled labor continued to be reported. Price pressures remained subdued, with the exception of upward cost pressures for some energy and construction products. Wage pressures remained stable for most Districts.

NMLS Federal Registry Quarterly Report—4th Quarter 2013

The [report](#) compiles data from the fourth quarter of 2013 concerning MLOs and institutions registered in the NMLS Federal Registry. As of December 31, 2013, there were 10,845 institutions (a 1.9% annual decrease) and 405,423 MLOs registered (a 1.5% increase).

March FedFocus

The March 2014 edition of [FedFocus](#)²⁹ includes articles on the FedLine access solution, maintaining a robust and efficient cash system, and industry events where the Federal Reserve Bank is participating.

Fed issues map of change in home prices for 2014

The Federal reserve issues a map of the changes in home prices each month compared with prices one year earlier, by county, based on CoreLogic overall house price indexes. Here is a [link to the January 2014 map](#)³⁰.

Federal Reserve updates Bank Holding Company Supervision Manual

The [Federal Reserve's Bank Holding Company Supervision Manual](#)³¹ is updated semiannually. It was last updated in January 2014.

FDIC issues state profiles

[FDIC State Profiles](#)³² are formatted as a quarterly data sheet summation of banking and economic conditions in each state. To retrieve a state profile, select a state from either the map or list.

Fed issues March FedFlash

[March FedFlash](#)³³ includes articles about Next Generation VPN Solution, an update on image-enabled savings bonds processing, the Fed's publication of new FedReceipts RTNs, the FedACH Risk® RDFI Alert Service, 2014 Fraud Symposiums, and District News.

CFPB Deputy Director's speech takes aim at mortgage servicers

CFPB Deputy Director Steven Antonakes didn't pull his punches in a [speech](#)³⁴ to the Mortgage Bankers Association. He is disappointed in the lack of progress made by the mortgage servicing industry and believes that those in the industry have had sufficient time to comply with the new rules. The CFPB expects mortgage services to identify and correct issues, conduct outreach to ensure consumers in default know their options, assess loss mitigation applications with care, to pay exceptionally close attention to servicing transfers to make it seamless for consumers, and to turn to forced-placed insurance as a last resort. Mr. Antonakes makes it clear that the CFPB will hold mortgage servicers to these expectations.

Comment: The speech was not addressed to bankers and, at the time Capitol Comments went to press, no such speech had been made to a group of bankers. However, it would be wise to heed Mr. Antonakes advice/warning.

OCC updates handbook on retirement plans

In February, the OCC updated the section of the Comptroller's Handbook booklet, [Retirement Plan Products and Services](#)³⁵.

Young families slow to recover from financial crisis

The average young family (headed by someone under 40) has recovered only about one-third of the wealth it lost during the financial crisis and recession, while the average middle-age or older family has recovered to nearly its pre-crisis level, according to [new analysis](#)³⁶ from the Center for Household Financial Stability at the Federal Reserve Bank of St. Louis.

Comment: *According to the report, the reason for the lag is the lingering effects of the recent housing crash.*

Treasury Under Secretary Cohen's remarks on the risks of virtual currency

[Prepared remarks](#)³⁷ by the Treasury's David S. Cohen, Under Secretary for Terrorism and Financial Intelligence, address the illicit finance risks of virtual currency.

Comment: *Mr. Cohen concludes that he can imagine a world where virtual currencies achieve large-scale adoption, but not without effective control ("thoughtful and firm regulation") to combat illicit finance threat.*

Agency rulemaking:

Selected final rules since last Capitol Comments:

 [Basel III Conforming Amendments Related to the Cross-References, Subordinated Debt, and Limits Based on Regulatory Capital](#) The OCC issued an interim final rule with request for comments (final rule) that makes technical and conforming amendments to its regulations governing national banks and federal savings associations. The final rule amends various regulations in order to make those regulations consistent with the recently adopted Basel III Capital Framework. The Basel III final rule revised the OCC's regulatory capital rules, adding a new common equity tier 1 requirement, revising the definitions of tier 1 and tier 2 capital, and integrating federal savings associations into 12 CFR part 3 and 12 CFR part 6 (Prompt Corrective Action). The final rule makes technical, clarifying, and conforming amendments to the OCC's rules, by providing cross-references to new capital rules, where necessary, and deleting obsolete references. The final rule also makes changes to subordinated debt rules to clarify the requirements subordinated debt must meet and the procedures required to issue and redeem subordinated debt. EFFECTIVE DATE: March 31, 2014. Comments must be received by March 31, 2014.

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 \(TruPs Amendment to Volcker Rule\)](#)³⁸ 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 \(the Volcker Rule\)](#) ³⁹ 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 \(Reg. Z\)](#)⁴⁰ 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:

- 01.18.2014 CFPB, FRB, FDIC, FHFA, NCUA, and OCC: [Appraisals for Higher-Priced Mortgage Loans](#)⁴¹ [Federal Banking Regulators: Appraisals for Higher-Priced Mortgage Loans – Supplemental Final Rule](#) ⁴² 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](#)⁴³
- 01.13.2014 [SEC: Registration of Municipal Advisors](#)⁴⁴ 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](#)⁴⁵ 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](#)⁴⁶ 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](#)⁴⁷ 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](#)⁴⁸ to read the notice of the delay of the effective date.
- 01.10.2014 CFPB: [RESPA/Regulation X and TILA/Regulation Z Mortgage Servicing](#)⁴⁹ 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](#)⁵⁰: •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](#)⁵¹
- 01.10.2014 CFPB: [High-Cost Mortgage and Homeownership Counseling Amendments to TILA/Regulation Z and Homeownership Counseling Amendments to RESPA/Regulation X](#)⁵² 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](#)⁵³ 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](#)⁵⁴ 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 \(Basel III\)](#)⁵⁵ 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](#)⁵⁶. The FDIC Board of Directors approved an [interim final rule](#)⁵⁷ 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](#)⁵⁸ to strengthen the supplementary leverage requirements for the largest most systemically important banking organizations. The OCC announced ([NR 2013-110](#)⁵⁹) 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](#)⁶⁰ 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](#)⁶¹ The CFPB issued [Clarifications of the 2013 Escrows final rule](#)⁶² (Reg. Z) on May 16, 2013.
- 06.01.2013 Amendments in the [Loan Originator Compensation final rules](#)⁶³ 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](#)⁶⁴. ([Extended from June 30, 2012 to March 31, 2013](#)⁶⁵) 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](#)⁶⁶ adopting the proposal's elimination of the cap on fees charged prior to account opening.
- 03.26.2013 The CFPB [amended Reg. E](#)⁶⁷ 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.

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

Dodd-Frank Act	The Dodd–Frank Wall Street Reform and Consumer Protection Act	HOEPA	Home Ownership and Equity Protections Act of 1994
FDIC	Federal Deposit Insurance Corporation	HPML	Higher Priced Mortgage Loan
EFTA	Electronic Fund Transfer Act	HUD	U.S. Department of Housing and Urban Development
Federal bank regulatory agencies	FDIC, FRB, and OCC	IRS	Internal Revenue Service
Federal financial institution regulatory agencies	CFPB, FDIC, FRB, NCUA, and OCC	MLO	Mortgage Loan Originator
FEMA	Federal Emergency Management Agency	MOU	Memorandum of Understanding
FFIEC	Federal Financial Institutions Examination Council	NFIP	National Flood Insurance Program . U.S. government program to allow the purchase of flood insurance from the government.
FHFA	Federal Housing Finance Agency	NMLS	National Mortgage Licensing System
FHA	Federal Housing Administration	OCC	Office of the Comptroller of the Currency
FinCEN	Financial Crime Enforcement Network	OFAC	Office of Foreign Asset Control
FR	Federal Register . U.S. government daily publication that contains proposed and final administrative regulations of federal agencies.	OREO	Other Real Estate Owned
FRB (or Fed)	Federal Reserve Board	QRM	Qualified Residential Mortgage
FSOC	Financial Stability Oversight Council	Reg.	Abbreviation for “Regulation” – A federal regulation. These are found in the CFR.
FTC	Federal Trade Commission	Reg. B	Equal Credit Opportunity
GAO	Government Accountability Office	Reg. C	Home Mortgage Disclosure
HARP	Home Affordable Refinance Program	Reg. DD	Truth in Savings
HAMP	Home Affordable Modification Program	Reg. E	Electronic Fund Transfers
HMDA	Home Mortgage Disclosure Act	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	SDN	Specially Designated National
RESPA	Real Estate Settlement Procedures Act	TILA	Truth in Lending Act
SAR	Suspicious Activity Report – Report financial institutions file with the U.S. government (FinCEN) regarding activity that may be criminal in nature.	TIN	Tax Identification Number
		Treasury	U.S. Department of Treasury

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¹ <http://www.occ.gov/news-issuances/bulletins/2014/bulletin-2014-4.html#ft1>

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⁴ <http://www.consumerfinance.gov/blog/>

⁵ <http://www.consumerfinance.gov/blog/prepaid-cards-help-design-a-new-disclosure/>

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⁷ <http://www.consumerfinance.gov/blog/now-you-have-better-options-to-dispute-a-credit-report-error/>

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¹⁴ <http://www.irs.gov/Businesses/Corporations/Information-for-Foreign-Financial-Institutions>

¹⁵ http://www.irs.gov/irb/2014-3_IRB/ar10.html

¹⁶ <http://www.gpo.gov/fdsys/pkg/FR-2014-03-13/pdf/2014-05518.pdf>

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