



Community Bankers of Iowa May 2014

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Regulatory Compliance Update

May 2014

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

Recent News

Free FDIC deposit insurance coverage seminars

The FDIC will conduct the following 12 free seminars on deposit insurance coverage for bank officers and employees between May 6, 2014, and December 4, 2014:

- Four sessions on "Fundamentals of Deposit Insurance Coverage" (Fundamentals Seminar), which will provide an overview of the rules for determining deposit insurance coverage for the nine most common account ownership categories.
- Four sessions on "Deposit Insurance Coverage for Revocable Trust Accounts" (Revocable Trust Seminar), which will focus on the rules for informal and formal revocable trust accounts.
- Four sessions on "Advanced Topics in Deposit Insurance Coverage" (Advanced Topics Seminar), which will focus on government accounts, mortgage servicing accounts, bank mergers, pass-through deposit insurance coverage, and other deposit insurance topics.

[FIL-17-2014](#) includes a [link](#) for information on required advance registration and presentation links.

CFPB Proposes Cure Period for QM Loan Mistakes

The CFPB issued [proposed changes](#)¹ to mortgage rules that would allow lenders a cure period to issue refunds if they discover that they have exceeded the 3% fee cap required for legal protections under Qualified Mortgage standards. Under the proposal, lenders would have up to 120 days after closing to issue such refunds.

The proposed rule was issued in response to concerns about credit availability for those consumers close to the fee cap. Many lenders set a lower fee cap in their own lending standards to allow for a buffer for potential mistakes.

“The Bureau understands that some creditors may not originate, and some secondary market participants may not purchase, mortgage loans that are near the QM limits on points and fees because of concern that limits may be inadvertently exceeded,” Bureau officials said.

"The Bureau believes that a limited cure provision may promote consistent pricing within the qualified mortgage range by decreasing the market's perceived need for higher pricing (due to compliance or secondary market repurchase risk) at the margins of the points and fees limits," they added.

Comment: This is a step in the right direction and we are certain that this is just the first of several necessary amendments forthcoming. After all the amendments to the mortgage lending rules last year, the CFPB may not have much of an appetite to issue a number of changes just yet.

CFPB announces e-closing pilot mortgage closing program

The CFPB identified potential solutions to some of the most common problems consumers identified in the mortgage closing process. The solutions are ideas for how technology can improve the closing process. The CFPB is looking for volunteers to participate in the [eClosing Mortgage Pilot Project](#).² The CFPB also issued a document looking at the role of technology in improving the closing process for consumers entitled [Mortgage closings today](#).³

OCC warns of fictitious correspondence

Fictitious correspondence, allegedly issued by the OCC regarding funds purportedly under the control of the OCC, "Federal Reserve Bank," and possibly other government entities, is in circulation. Correspondence may be distributed via e-mail, fax, or postal mail. Any document claiming that the OCC is involved in holding any funds for the benefit of any individual or entity is fraudulent. The OCC attached copies of the fictitious documents to its alert – [Alert 2014-22](#).⁴

Comment: You may want to warn your customers about this scam.

CFPB praises bank paying flat percentage on indirect auto loans

CFPB Director Richard Cordray issued a [statement](#)⁵ praising BMO Harris Bank's plans to pay auto dealers a flat percentage of the loan amount to compensate dealers for originating indirect auto loans. The CFPB issued a [bulletin](#)⁶ in 2013 informing lenders offering auto loans through dealerships that they are accountable for complying with fair lending laws in their indirect lending programs. The CFPB's bulletin explained that policies allowing dealers to exercise discretion over interest rates and provide direct financial incentives for charging higher prices may lead to fair lending violations under the ECOA. In the bulletin, the CFPB identified potential approaches that indirect auto lenders could take to ensure they are operating in compliance with fair lending law. The CFPB reiterated that it does not mandate any specific form of dealer pricing and compensation, and has indicated that lenders may choose to adopt a variety of means, including but not limited to non-discretionary pricing and compensation policies.

Comment: The CFPB may not mandate a specific form of dealer pricing and compensation, but the fact that it identified potential approaches that ensure compliance with fair lending laws is a strong argument for using one of the identified approaches.

CFPB: Our work on fair lending

The CFPB published a [blog on fair lending](#)⁷ that includes a list of recent enforcement actions for violations of ECOA and HMDA. There is also a link to:

- The CFPB's [HMDA Database](#):⁸ and
- The CFPB's [recent report to Congress on fair lending](#).⁹

Comment: Pages 13-14 of the CFPB's report to Congress contain the eight common features of an institution's well-developed fair lending Compliance Management System. Though banks under \$10 billion aren't regulated by the CFPB, your compliance officer needs to be familiar with this.

Federal Reserve support of Microsoft Windows and Internet Explorer

On May 5, 2014, the Federal Reserve published the following notice regarding their support of Microsoft Windows and Internet Explorer:

Changes in Support for Microsoft® Windows® and Internet Explorer®

The Federal Reserve Banks now provide support for Microsoft Windows 8 and Internet Explorer 10 for use with the FedLine Web® and FedLine Advantage® access solutions. Certain services may require the use of the Compatibility View setting in Internet Explorer 10 in order for some pages to display properly.

Windows 7 Service Pack 1, Internet Explorer 8 and Internet Explorer 9 continue to be supported.

Support for Windows Vista® and Internet Explorer 7 will be discontinued effective May 31, 2014. This change is aligned with the Federal Reserve Banks' goal to take advantage of enhancements offered by the latest technologies available in the marketplace.

As a reminder, personal computers used to access Federal Reserve Bank Services via the FedLine Web and FedLine Advantage access solutions must comply with minimum hardware and software requirements. Financial institutions should review the latest hardware and software requirements for FedLine Web and FedLine Advantage and work with their IT departments to ensure compliance with these requirements.

Comment: If this affects your bank, forward this to your IT Department.

CFPB adds Truth in Lending to eRegulations

As part of the eRegulations tool, the CFPB is launching an electronic format of Reg. Z.

Comment: eRegulations displays the currently effective version of Reg. Z, previous versions beginning December 30, 2011, and any planned versions that are not yet effective (but are published in the Federal Register). In addition, a new feature allows you to compare two versions of a regulation, and see the differences in your browser. This is very important as community banks will have loans that were closed under previous versions and determining whether the loan complied with Reg. Z will likely be determined by referring to the earlier version. There are some serious glitches however. For instance, for 43(a)(3)(iv), the Official Interpretations open, but they are not all there.

FDIC issues resource for collaborating with CDFIs

The FDIC has produced a resource guide, [Strategies for Community Banks to Develop Partnerships with Community Development Financial Institutions](#),¹⁰ to inform FDIC-supervised institutions of strategies to meet community credit and development needs and receive consideration under the Community Reinvestment Act (CRA) through collaboration with community development financial institutions (CDFIs). The guide contains information to help community banks identify and evaluate opportunities to collaborate with CDFIs providing financial products and services to underserved markets. The guide describes the key characteristics of CDFIs and the types of investments that can support them. It also discusses steps to consider when assessing bank/CDFI partnerships and how these activities may enhance CRA performance.

FDIC webinar on financial empowerment programs

The FDIC will host a [webinar titled Innovation at Work: Financial Empowerment Programs](#)¹¹ on May 30, 2014, from 11:00 a.m. to noon (CDT). Leading practitioners in the growing financial capability movement will discuss programs underway in communities across the country. Guest presenters from NeighborWorks, the Local Initiatives Support Corporation, and the Cities for Financial Empowerment Fund will describe their programs and share success stories. This webinar is part of an ongoing series of webinars highlighting strategies institutions can use to promote community development and expand access to the banking system.

NMLS registration process and form filing change notice workshop

NMLS will hold a [training session](#)¹² that provides an overview of the Federal Registry, demonstrates NMLS functionality, and identifies the resources available to registrants. The webinar will include a live question and answer opportunity. The registration fee for this professionally-moderated workshop is \$75, which entitles the registrant to one conference call dial-in and one webinar login for the audio and visual portions respectively. The dial-in number and webinar link will be emailed to participants upon registration. The workshop is available from 1:00 - 2:30 PM Eastern, Friday, May 23, 2014.

Fed: List of small issuers exempt from debit card interchange fees

To facilitate compliance with the debit card interchange fee standards, the Board published [two lists](#)¹³ of institutions using data available to the Board. These lists are intended to help payment card networks and others determine which issuers qualify for the statutory exemption from the interchange fee standards. The statute exempts any debit card issuer that, together with its affiliates, has assets of less than \$10 billion. The lists have been generated from the set of institutions in existence on December 31, 2013, according to the available data.

Comment: If you are reading this, there is little doubt that your bank belongs on the exempt list. Check the list to make sure your bank is listed.

Fed updates examination manual

The Federal Reserve Board updated its [Commercial Bank Examination Manual](#)¹⁴ on May 12, 2014.

CFPB on mortgage debt facing seniors

CFPB released a [snapshot report](#)¹⁵ spotlighting the mortgage debt challenges faced by a growing number of older Americans. These challenges include more mortgage debt, less affordable housing, and greater risk of foreclosure. The CFPB also issued a [consumer advisory](#)¹⁶ reminding older consumers approaching retirement to think about their mortgage pay-off date and to consider their retirement income and expenses.

OCC reports increased loan growth in Southern District

The OCC reported that the average loan growth rate doubled among community national banks and federal savings associations located in the nine states that make up the OCC's Southern District from 2012 to 2013, reaching 4 percent in 2013. Some areas experienced even greater average loan growth with as much as 11 percent in areas of Texas and Oklahoma, and 6 percent to 7 percent in some areas of Florida. The growth rate reflects the difference between new loans put on the books minus pay-offs. The OCC's Southern District includes Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas. [Fact Sheet](#)¹⁷

Comment: Eighty-six percent of national banks and federal savings associations located in the nine states in the OCC's Southern District are rated 1 or 2 on the five-point CAMELS scale nearing the pre-crisis level. Banks in Texas and Oklahoma are faring even better with 95 percent of institutions having a 1 or 2 CAMELS rating.

CFPB blog

These are the CFPB's blogs since the last issue of Capitol Comments:

[Truth in Lending rule now available in easier-to-navigate format](#)¹⁸

[Consumer advisory: 3 things to keep your retirement plan on track](#)¹⁹

[How to protect vulnerable children from credit reporting problems](#) (The blog addresses youth in foster care.)

[Our work on fair lending](#)

[Take more control over the mortgage closing process with technology](#)

[Live from Washington, D.C.](#) (Forum on mortgage closing process.)

[Two new members for our Academic Research Council](#)

[Consumer advisory: Co-signers can cause surprise defaults on your private student loans](#) (The blog includes sample letters for requesting release of a co-signer.)

Publications, reports, studies, testimony & speeches

CFPB issues TILA/RESPA integrated disclosure guide

The focus of the TILA/RESPA integrated disclosure [guide](#)²⁰ is to provide instructions for completing the Loan Estimate and Closing Disclosure. It is a companion guide to the [compliance guide](#)²¹ that addresses general questions about the TILA/RESPA rule.

Comment: The guide is not a substitute for the rule and the official interpretations, but it should be helpful as banks prepare and plan for using the integrated disclosures on August 1, 2015.

Federal Reserve System Chair Yellen speaks to community bankers in DC

Federal Reserve Chair Janet Yellen informed community bankers at ICBA's Washington Policy Summit that the Federal Reserve has taken steps to avoid using a one-size-fits-all approach to regulation and supervision. Read the entirety of Chair Yellen's remarks [here](#).²²

Comment: Those on ICBA's annual Congressional visit were on-hand to hear Yellen deliver these remarks.

Fed: Senior Loan Officer Opinion Survey on Bank Lending Practices

The [April 2014 Senior Loan Officer Opinion Survey on Bank Lending Practices](#)²³ addressed changes in the standards and terms on, and demand for, bank loans to businesses and households over the past three months. A [summary](#)²⁴ is available based on the responses from 74 domestic banks and 23 U.S. branches and agencies of foreign banks

Winter 2014 Issue of Money Smart News is available.

In [this issue](#)²⁵ you will find:

- Message from the FDIC
- America Saves Week – An Opportunity for Consumers and Financial Educators
- Federal Banking Regulators Publish Revised CRA Q&As
- FDIC Consumer Newsletter Highlights New Rules and Tips for Mortgage Borrowers
- Check Out the OCC's Financial Literacy Update
- Our Latest Success Stories: Delivery Approaches Responsive to Local Needs
- Wanted: Your Money Smart Teaching Tips

Federal Reserve Bank of Dallas economic updates

[National Economic Update](#)²⁶

Economic indicators released in March and April present a picture of modest growth so far in 2014. Output growth fell short of analysts' already modest expectations for the first quarter.

[Regional Economic Update](#)²⁷

The regional economy continues to expand at a moderate pace, with employment growing at a 2.4 percent annual rate in the first quarter, slightly faster than the fourth quarter of last year. Unemployment fell further to 5.5 percent, its lowest level since September 2008.

[International Economic Update](#)²⁸

Low Inflation and Slower Medium-Term Growth Accompany Uneven Recovery
World (excluding the U.S.) economic growth stood at 3 percent year over year in fourth quarter 2013, with the gap between advanced (excluding the U.S.) and emerging economies narrowing to 1.6 percentage points--the smallest growth differential since fourth quarter 2002.

OCC's Curry on risk management

In remarks before RMA's Governance, Compliance, and Operational Risk Conference, Thomas J. Curry, Comptroller of the Currency addressed the issue of operational risk calling it "among my foremost priorities as Comptroller." He reassured community bankers that the OCC's [proposed formal guidelines on heightened expectations for risk management, internal audit, and governance](#)²⁹ are focused only on large and complex institutions (consolidated assets of \$50 billion or more). A bank with fewer assets could fall under the heightened expectations guidelines if the OCC determines that their operations were highly complex relative to its risk-management capabilities.

Comment: Despite the fact that the proposal will not apply to banks with less than \$50 billion in asset, it is instructive reading.

OCC's Curry speaks to CSBS

Comptroller Curry spoke at the annual meeting of the Conference of State Bank Supervisors. Read the text of Curry's remarks [here](#).³⁰ The American Banker [reported](#)³¹ on this in their May 14th issue (subscription required).

Comment: Curry delivered a rather blunt message to the state regulators on hand. It is a short, but interesting read.

Fed Chair Yellen speaks to Congress

Federal Reserve Chair Janet Yellen presented identical [remarks](#)³² before the Joint Economic Committee, U.S. Congress, and before the Committee on the Budget, U.S. Senate. Yellen said that the Fed does not intend to raise its key target for short-term interest rates. She expects economic activity to expand at a somewhat faster pace this year, unemployment to continue to decline, and inflation to move toward two percent.

Fed publishes Beige Book

Reports from the twelve Federal Reserve Districts suggest economic activity continued to expand across most regions and sectors from late November through the end of the year. Nine Districts indicated the local economy was expanding at a moderate pace; among these, the Atlanta and Chicago Districts saw conditions improve compared with the previous reporting period. Boston and Philadelphia cited modest growth, while Kansas City reported the economy held steady in December. The economic outlook is positive in most Districts, with some reports citing expectations of "more of the same" and some expecting a pickup in growth. [Beige Book](#).³³

FedFlash for May

The FedFlash [May updates](#)³⁴ include: Support for Microsoft Windows and Internet Explorer; New FedReceipts RTNs; FedACH Risk Origination Monitoring Service; Changes in production of Federal Reserve notes; Changes to customer testing schedule for Fedwire Services; and Federal Services business continuity reminder.

Fed issues latest FedFocus

[FedFocus](#)³⁵ provides the latest Federal Reserve Financial Services news. Each edition keeps you informed about hot topics in the industry, as well as provides insight into the value of Federal Reserve Financial Services. The May edition of FedFocus includes these topics: International payments; 100 years of Fed cash processing; and FEDucation.

Federal agency rulemaking:

Selected final rules since last Capitol Comments:

There were no significant final rules issued since the April issue of Capitol Comments.



Selected upcoming final federal rule compliance dates:

11.30.2014 Servicemembers Civil Relief Act Notice Disclosure, [Form HUD-92070](#)³⁶, 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.

08.01.2015 [CFPB: Final integrated Mortgage Disclosures Under the RESPA \(Reg. X\) and the Truth In Lending Act \(Reg. Z\)](#)³⁷ Notice of final rule and official interpretations. [CFPB blog on the disclosure.](#)

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

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

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

- 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 \(PDF\)](#).
- 03.31.2014 [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.
- 01.18.2014 CFPB, FRB, FDIC, FHFA, NCUA, and OCC: [Appraisals for Higher-Priced Mortgage Loans](#)⁴⁰ [Federal Banking Regulators: Appraisals for Higher-Priced Mortgage Loans – Supplemental Final Rule](#)⁴¹ 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](#)⁴²
- 01.13.2014 [SEC: Registration of Municipal Advisors](#)⁴³ 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](#)⁴⁴ 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](#)⁴⁵ 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](#)⁴⁶ There are a number of effective dates—consult the [compliance guide](#)⁴⁷ for details. 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. There are a number of effective dates—consult the [compliance guide](#)⁴⁹ for details.
- 01.10.2014 CFPB: [RESPA/Regulation X and TILA/Regulation Z Mortgage Servicing](#)⁵⁰ 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](#)⁵¹:
●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](#)⁵²
- 01.10.2014 CFPB: [High-Cost Mortgage and Homeownership Counseling Amendments to TILA/Regulation Z and Homeownership Counseling Amendments to RESPA/Regulation X](#)⁵³ 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](#)⁵⁴ 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. They 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](#)⁵⁵ 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 \(Basel III\)](#)⁵⁶ 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](#)⁵⁷. The FDIC Board of Directors approved an [interim final rule](#)⁵⁸ 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](#)⁵⁹ to strengthen the supplementary leverage requirements for the largest most systemically important banking organizations. The OCC announced ([NR 2013-110](#)⁶⁰) 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](#)⁶¹ 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](#)⁶² The CFPB issued [Clarifications of the 2013 Escrows final rule](#)⁶³ (Reg. Z) on May 16, 2013.
- 06.01.2013 Amendments in the [Loan Originator Compensation final rules](#)⁶⁴ 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.

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.	CTR	Currency Transaction Report . Filed for each deposit, withdrawal, exchange of currency that involves a transaction in currency of more than \$10,000.
ATM	Automated Teller Machine	Dodd-Frank Act	The Dodd–Frank Wall Street Reform and Consumer Protection Act
CARD Act	Credit Card Accountability Responsibility and Disclosure Act of 2009	DOJ	Department of Justice
CFPB	Consumer Financial Protection Bureau	FDIC	Federal Deposit Insurance Corporation
CFR	Code of Federal Regulations . Codification of rules and regulations of federal agencies.	EFTA	Electronic Fund Transfer Act
CRA	Community Reinvestment Act . This Act is designed to encourage loans in all segments of communities.	Federal bank regulatory agencies	FDIC, FRB, and OCC
CRE	Commercial Real Estate	Federal financial institution regulatory agencies	CFPB, FDIC, FRB, NCUA, and OCC
CSBS	Conference of State Bank Supervisors	FEMA	Federal Emergency Management Agency
		FFIEC	Federal Financial Institutions Examination Council

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

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