

RKL Regulatory Compliance Report for Financial Institutions

June 2018



RKL's quarterly compliance report identifies proposed and finalized, federally issued consumer compliance/regulatory items.

APRIL – FINAL ISSUANCES

Topic	HUD Updates SCRA Notice
Date	March 2018
Description	HUD updated the Servicemembers Civil Relief Act (SCRA) Notice, which expired on December 31, 2017. Form 92070 is available on HUD's website for immediate use and/or integration with software.
Links / Additional Details	https://www.hud.gov/sites/dfiles/OCHCO/documents/92070.pdf

Topic	CFPB Amends Requirements Under the Truth in Lending Act (Regulation Z)
Date	April 26, 2018
Description	The CFPB is amending federal mortgage disclosure requirements under RESPA and TILA that are implemented in Regulation Z. The amendments relate to when a creditor may compare charges paid by or imposed on the consumer to amounts disclosed on a Closing Disclosure, instead of a Loan Estimate, to determine if an estimated closing cost was disclosed in good faith.
Links / Additional Details	Effective Date: June 1, 2018 https://www.gpo.gov/fdsys/pkg/FR-2018-05-02/pdf/2018-09243.pdf

Topic	FDIC, OCC and Board Increase Threshold Level for Commercial Real Estate Appraisals
Date	April 9, 2018
Description	The agencies increase the threshold level at or below which appraisals are not required for commercial real estate transactions from \$250,000 to \$500,000. The final rule defines commercial real estate transaction as a real estate related financial transaction that is not secured by a single 1-4 family residential property. Excluded are construction loans secured by a single 1-4 family residential property
Links / Additional Details	Effective Date: April 9, 2018 https://www.gpo.gov/fdsys/pkg/FR-2018-04-09/pdf/2018-06960.pdf

Topic	FDIC Issues Final Rule Removing Transferred OTS Regulations Regarding Consumer Protection in Sales of Insurance
Date	April 2, 2018
Description	The FDIC is adopting a final rule to rescind in its entirety part 390, subpart I and to modify the scope of part 343 to include State savings associations and their subsidiaries to conform to and reflect the scope of the FDIC's current supervisory responsibilities as the appropriate federal banking agency. The final rule also defines "FDIC supervised insured depository institution or institution" and "State savings association." In the final rule, the FDIC also transfers an anti-coercion and anti-tying provision from part 390, subpart I that is applicable to State savings associations. Upon removal of part 390, subpart I, the Consumer Protection in Sales of Insurance regulations applicable for all insured depository institutions for which the FDIC has been designated the appropriate federal banking agency will be found at 12 CFR part 343.
Links / Additional Details	Effective Date: May 2, 2018

APRIL – PROPOSED ISSUANCES

Topic	FDIC Proposes Renewal of Existing Information Collection for Branch Closures
Date	April 30, 2018
Description	The Federal Deposit Insurance Act mandates that an insured depository institution closing a branch notify its primary federal regulator not later than 90 days prior to the closing. The statute also provides that a notice be posted on the premises of the branch for the 30-day period immediately prior to the closing and that the customers be notified in a mailing at least 90 days prior to the closing. Each insured depository institution that has one or more branches is required to adopt a written policy for branch closings.
Links / Additional Details	Comments must be submitted on or before June 29, 2018.

MAY – FINAL ISSUANCES

Topic	FinCEN Issues Final Rule on Customer Due Diligence Requirements in Verification of Identity of Beneficial Owners of Legal Entity Customers
Date	May 11, 2018
Description	Beginning on the Applicability Date, covered financial institutions must identify and verify the identity of the beneficial owners of all legal entity customers (other than those that are excluded) at the time a new account is opened (other than accounts that are exempted). The financial institution may comply either by obtaining the required information on a standard certification form (Certification Form (Appendix A)) or by any other means that comply with the substantive requirements of this obligation. The financial institution may rely on the beneficial ownership information supplied by the customer, provided that it has no knowledge of facts that would reasonably call into question the reliability of the information. The identification and verification procedures for beneficial owners are very similar to those for individual customers under a financial institution's customer identification program (CIP), except that for beneficial owners, the institution may rely on copies of identity documents. Financial institutions are required to maintain records of the beneficial ownership information they obtain and may rely on another financial institution for the performance of these requirements, in each case to the same extent as under their CIP rule.
Links / Additional Details	Effective Date: July 11, 2018

Topic	NCUA Issues Final Rule on Commercial Lending
Date	May 30, 2018
Description	The NCUA Board is amending the definition of member business loan (MBL) in its MBL rule with respect to 1- to 4- family dwellings. This regulatory change conforms to a recent amendment to the Federal Credit Act (FCU Act) by the Economic Growth, Regulatory Relief, and Consumer Protection Act (Economic Growth Act). The definition of an MBL now excludes all extensions of credit that are fully secured by a lien on a 1- to 4- family dwelling regardless of the borrower's occupancy status. Because these kinds of loans are no longer considered MBLs, they do not count towards the aggregate MBL cap imposed on each federally insured credit union by the FCU Act.
Links / Additional Details	Effective Date: June 5, 2018

Topic	FinCEN Delays Beneficial Ownership for Automatic Rollovers or Renewals
Date	May 16, 2018
Description	The Financial Crimes Enforcement Network (FinCEN) is issuing this ruling to provide a 90-day limited exceptive relief to covered financial institutions from the obligations of the Beneficial Ownership Requirements for Legal Entity Customers (31 CFR § 1010.230) (Beneficial Ownership Rule) with respect to certain financial products and services that automatically rollover or renew (i.e., certificate of deposit or loan accounts) and were established before the Beneficial Ownership Rule's Applicability Date, May 11, 2018. This exception begins, retroactively, on May 11, 2018, and will expire on August 9, 2018.
Links / Additional Details	https://www.fincen.gov/sites/default/files/2018-05/FinCEN%20Ruling%20CD%20and%20Loan%20Rollover%20Relief_FINAL%20508-revised.pdf

Topic	Regulatory Relief Signed into Law
Date	May 24, 2018
Description	The President signed S. 2155 into law, which is a step toward providing regulatory relief to financial institutions. Among other items, the Economic Growth, Regulatory Relief and Consumer Protection Act relieves certain financial institutions required to report HMDA from the 2015 HMDA amendments. Banks that originated fewer than 500 closed-end mortgage loans per year are exempt from expanded HMDA data points. Additionally, the law makes the expired Protecting Tenants at Foreclosure Act a permanent rule and institutes longer exam cycles for community banks.
Links / Additional Details	https://www.congress.gov/bill/115th-congress/senate-bill/2155

MAY – PROPOSED ISSUANCES

Topic	NCUA Proposes Alternatives to Payday Loans for Federal Credit Unions
Date	May 24, 2018
Description	The NCUA Board is proposing to amend the NCUA’s general lending rule to provide federal credit unions (FCUs) with an additional option to offer payday alternative loans (PALs). This proposal would not replace the current PALs rule (PALs I). Rather, it would be an alternative option, with different terms and conditions, for FCUs to offer PALs to their members. Specifically, this proposal (PALs II) would differ from PALs I by modifying the minimum and maximum amount of the loans, modifying the number of loans a member can receive in a rolling six-month period, eliminating the minimum membership requirement and increasing the maximum maturity for these loans. The NCUA Board is proposing to incorporate all other requirements of PALs I into PALs II.
Links / Additional Details	Comments Due By: August 3, 2018 https://www.gpo.gov/fdsys/pkg/FR-2018-06-04/pdf/2018-11591.pdf

JUNE – FINAL ISSUANCES

Topic	Federal Reserve Board of Governors Issues Final Rule Concerning Reg CC Availability of Funds and Collection of Checks
Date	June 15, 2018
Description	The Board has modified the current check collection and return requirements to reflect the virtually all-electronic check collection and return environment and to encourage all depository banks to receive, and payment banks to send, returned checks electronically. The Board retained, without change, the current same-day settlement rule for paper checks. The Board is also applying Regulation CC’s existing check warranties under subpart C to checks that are collected electronically, and in addition, has adopted new warranties and indemnities related to checks collected and returned electronically and to electronically created items.
Links / Additional Details	Effective Date: July 1, 2018 https://www.federalregister.gov/documents/2017/06/15/2017-11379/availability-of-funds-and-collection-of-checks

Topic	OCC Issues Clarifications to Supervisory Policies for Examining Community Reinvestment Act (CRA)
Date	June 15, 2018
Description	<p>Clarifications on standard processes related to CRA evaluations were communicated to examiners and became effective on May 2, 2017. These clarifications address:</p> <ul style="list-style-type: none"> • The type of information considered and presented in the written performance evaluation (PE) and the process for sharing CRA evaluation data and ratings with OCC-supervised banks. • Factors considered when evaluating bank performance under the small- and large-bank lending tests. • Branch distribution when concluding on the availability and effectiveness of bank systems for delivering retail banking services. • Internal and external performance context factors when concluding on performance. • Consideration of CRA plans imposed as conditions of approval of corporate applications in the evaluation process. <p>These policies and processes apply to the evaluations of all OCC-supervised banks subject to the CRA, regardless of the bank’s asset size or CRA evaluation type. Transitional procedures are being implemented. If banks with CRA evaluations in progress believe these policies will create a burden during an ongoing evaluation, they should raise this concern with their examiners.</p> <p>Effective June 1, 2018, the OCC rescinded its previous “Large Bank CRA Examiner Guidance,” issued December 29, 2000, and transmitted publicly by OCC Bulletin 2000-35.</p>
Links / Additional Details	https://www.occ.treas.gov/news-issuances/bulletins/2018/bulletin-2018-17.html

COMPLIANCE CALENDAR

Effective Date	Implementing Rule / Regulation	Links to Information
January 1, 2018	Regulation C - HMDA	Rule: https://www.federalregister.gov/documents/2015/10/28/2015-26607/home-mortgage-disclosure-regulation-c Compliance Guide: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_hmda_small-entity-compliance-guide.pdf
April 9, 2018	Real Estate Appraisals	Joint Issuance: https://www.occ.treas.gov/news-issuances/federal-register/83fr15019.pdf
April 19, 2018	Regulations X and Z – Successors in Interest	Rule: https://www.federalregister.gov/documents/2018/03/12/2018-04823/mortgage-servicing-rules-under-the-truth-in-lending-act-regulation-z Rule: https://www.federalregister.gov/documents/2017/10/16/2017-21912/mortgage-servicing-rules-under-the-real-estate-settlement-procedures-act-regulation-x Compliance Guide: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_mortserv_guide_v3.1.pdf
April 19, 2018	Regulations X and Z – Bankruptcy Periodic Statements	Rule: https://files.consumerfinance.gov/f/documents/cfpb_mortgage-servicing_final-rule_2018-amendments.pdf Compliance Guide: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_mortserv_guide_v3.1.pdf
May 11, 2018	FinCEN – Customer Due Diligence/Beneficial Ownership Rule	Rule: https://www.federalregister.gov/documents/2016/05/11/2016-10567/customer-due-diligence-requirements-for-financial-institutions FAQ's: https://www.fincen.gov/sites/default/files/2018-04/FinCEN_Guidance_CDD_FAQ_FINAL_508_2.pdf

June 1, 2018	FinCEN - Updates to SAR	Issuance: https://bsaefiling.fincen.treas.gov/docs/SARXMLAnnouncement_Jan2018.pdf
June 1, 2018	CFPB – TRID (Good Faith Determination)	Final Rule: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_tila-respa_final-rule_amendments-to-federal-mortgage-disclosure-requirements.pdf
July 1, 2018	Regulation CC – Expedited Funds Availability	Rule: https://www.federalregister.gov/documents/2017/06/15/2017-11379/availability-of-funds-and-collection-of-checks
October 1, 2018	Amendments to Regulations X and Z - TRID	Rule: https://www.federalregister.gov/documents/2017/08/11/2017-15764/amendments-to-federal-mortgage-disclosure-requirements-under-the-truth-in-lending-act-regulation-z Compliance Guide: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201710_cfpb_KBYO-Small-Entity-Compliance-Guide_v5.pdf
April 1, 2019	Regulation Z – Prepaid Rule	Rule: https://www.federalregister.gov/documents/2016/11/22/2016-24503/prepaid-accounts-under-the-electronic-fund-transfer-act-regulation-e-and-the-truth-in-lending-act Compliance Guide: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_prepaid_small-entity-compliance-guide.pdf
August 19, 2019	Payday Lending Rule	Rule: https://www.federalregister.gov/documents/2017/11/17/2017-21808/payday-vehicle-title-and-certain-high-cost-installment-loans Executive Summary: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201710_cfpb_executive-summary_payday-loans-rule.pdf

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