

RKL Regulatory Compliance Report for Financial Institutions

September 2018



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

JULY – FINAL ISSUANCES

Topic	Agencies Issue Statement Regarding the Impact of the Economic Growth, Regulatory Relief and Consumer Protection Act (EGRRCPA)
Date	July 6, 2018
Description	<p>Company-run stress testing is ending for banks and bank holding companies. 18 months after EGRRCPA's enactment, financial companies with total consolidated assets of less than \$250 billion that are not bank holding companies (BHCs) will no longer be subject to the company-run stress testing requirements in section 165(i)(2) of the Dodd-Frank Act. In contrast, on EGRRCPA's date of enactment, BHCs under \$100 billion in total consolidated assets were no longer subject to section 165(i)(2). The agencies' regulations implementing company-run stress testing provide that the agencies may extend any deadline relating to company-run stress testing. In order to avoid unnecessary burden for depository institutions and to maintain consistency between BHCs and depository institutions, the agencies are extending the deadlines for all regulatory requirements related to company-run stress testing for depository institutions with average total consolidated assets of less than \$100 billion until November 25, 2019 (at which time both statutory exemptions will be in effect).</p> <p>Additionally, the joint statement addresses the approaches to other requirements, such as Resolution Plans (FRB and FDIC); Volcker Rule; and High Volatility Commercial Real Estate (HVCRE) Exposures. EGRRCPA provides that, effective upon enactment, the agencies may only require a depository institution to assign a heightened risk weight to an HVCRE exposure if such exposure is an "HVCRE ADC Loan," as defined in section 214 of EGRRCPA. Accordingly, a depository institution is permitted to risk-weight at 150 percent only those commercial real estate exposures it believes meet the statutory definition of HVCRE ADC Loan. When reporting HVCRE exposures on Schedule RC-R, Part II of the Consolidated Reports of Condition and Income (Call Report), depository institutions may use available information to reasonably estimate and report only HVCRE ADC Loans. Depository institutions may refine these estimates in good faith as they obtain additional information but will not be required to amend previously filed regulatory reports as these estimates are adjusted. Alternatively, a depository institution may also continue to report and risk-weight HVCRE exposures in a manner consistent with the current instructions to the Call Report, until the agencies take further action. Furthermore, to avoid the regulatory burden associated with different definitions for HVCRE exposures within a single organization, the Board will not take action to require a BHC, savings and loan holding company, or intermediate holding company of a foreign bank to estimate and report HVCRE on Schedule HC-R, Part II of the FR Y-9C consistent with the existing regulatory requirements and reporting form instructions if the holding company reports HVCRE in a manner consistent with its subsidiary depository institution(s). A holding company</p>

	may also continue to report and risk-weight HVCRE exposures in a manner consistent with the current instructions to Schedule HC-R, Part II of the FR Y-9C.
Links / Additional Details	https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20180706a1.pdf

Topic	FRB Issues Letter Regarding Restored Protecting Tenants at Foreclosure Act
Date	June 22, 2018
Description	The Board released a Consumer Affairs Letter (CA 18-4) providing background information on the recently restored Protecting Tenants at Foreclosure Act, effective June 23, 2018. In the letter, the Board describes the fundamental purpose of the law and impact of successors in interest. Consumer compliance examiners will determine if a review of compliance with the Act is warranted. The letter includes the compliance examination procedures for the Act.
Links / Additional Details	https://www.federalreserve.gov/supervisionreg/caletters/caltr1804.htm

AUGUST – FINAL ISSUANCES

Topic	CFPB Issues Partial Exemption from HMDA
Date	August 31, 2018
Description	<p>The Bureau of Consumer Financial Protection is issuing an interpretive and procedural rule to implement and clarify the requirements of section 104(a) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (the Act), which amended certain provisions of the Home Mortgage Disclosure Act (HMDA). The rule clarifies that insured depository institutions and insured credit unions covered by a partial exemption under the Act have the option of reporting exempt data fields as long as they report all data fields within any exempt data point for which they report data; clarifies that only loans and lines of credit that are otherwise HMDA reportable count toward the thresholds for the partial exemptions; clarifies which of the data points in Regulation C are covered by the partial exemptions; designates a non-universal loan identifier for partially exempt transactions for institutions that choose not to report a universal loan identifier; and clarifies the Act's exception to the partial exemptions for negative Community Reinvestment Act examination history.</p> <p>Additional HMDA information for reporting exempt data fields may be found on the Compliance Calendar on page 10.</p>
Links / Additional Details	<p>Effective Date: September 7, 2018</p> <p>https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfp_hmda_interpretive-procedural-rule_2018-08.pdf</p>

Topic	OCC, FRB and FDIC Issue Interim Final Rule for Expanding Examination Cycle for Certain Small Institutions
Date	August 29, 2018
Description	<p>The Agencies are jointly issuing and requesting public comment on interim final rules to implement section 210 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (Economic Growth Act), which was enacted on May 24, 2018. Section 210 of the Economic Growth Act amends section 10(d) of the Federal Deposit Insurance Act (FDI Act) to permit the agencies to examine qualifying insured depository institutions (IDIs) with under \$3 billion in total assets not less than once during each 18-month period. Prior to enactment of the Economic Growth Act, qualifying IDIs with under \$1 billion in total assets were eligible for an 18-month on-</p>

	site examination cycle. The interim final rules generally would allow qualifying IDIs with under \$3 billion in total assets to benefit from the extended 18-month examination schedule. In addition, the interim final rules make parallel changes to the agencies' regulations governing the onsite examination cycle for U.S. branches and agencies of foreign banks, consistent with the International Banking Act of 1978 (IBA).
Links / Additional Details	Effective Date: August 29, 2018 Comments Close Date: October 29, 2018 https://www.govinfo.gov/content/pkg/FR-2018-08-29/pdf/2018-18685.pdf

Topic	CFPB Issues Amendments to Annual Privacy Requirements Under GLBA
Date	August 10, 2018
Description	This issuances finalized the CFPB's proposed rule made in July 2016. The rule provides an exception under which financial institutions that meet certain conditions are not required to provide annual privacy notices to customers. To qualify for this exception, a financial institution must not share nonpublic personal information about customers except as described in certain statutory exceptions. In addition, the rule requires that the financial institution must not have changed its policies and practices with regard to disclosing nonpublic personal information from those that the institution disclosed in the most recent privacy notice it sent. As part of its implementation, the Bureau is also amending Regulation P to provide timing requirements for delivery of annual privacy notices in the event that a financial institution that qualified for this annual notice exception later changes its policies or practices in such a way that it no longer qualifies for the exception. The Bureau is further removing the Regulation P provision that allows for use of the alternative delivery method for annual privacy notices because the Bureau believes the alternative delivery method will no longer be used in light of the annual notice exception.
Links / Additional Details	Effective Date: The rule was published in the Federal Register on August 18, 2018 and became effective 30 days after publication. https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfp_glba-privacy-notice_final-rule_amendment_2018-08.pdf

Topic	FinCEN Issues Extension of Limited Exception from Beneficial Ownership Requirements for Certain Products and Services
Date	August 8, 2018
Description	FinCEN is extending the limited exception for an additional 30 days, up to and including September 8, 2018, from the obligations of the Beneficial Ownership Rule for rollover or renewal of certain financial products and services (i.e., certificate of deposit or loan accounts) that were established before May 11, 2018 to further consider the issue.
Links / Additional Details	https://www.fincen.gov/sites/default/files/administrative_ruling/2018-08-08/Extension_Temp_Exceptive_Relief.pdf

SEPTEMBER – FINAL ISSUANCES

Topic	Agencies Issue Joint Statement on Banks and Credit Unions Sharing Resources to Improve Efficient and Effectiveness of BSA Compliance
Date	October 3, 2018
Description	The federal depository institutions regulators and the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) today issued a statement to address instances in which certain banks and credit unions may decide to enter into collaborative arrangements to share resources to manage their Bank Secrecy Act (BSA) and anti-money laundering (AML) obligations more efficiently and effectively. Collaborative arrangements as described in the statement generally are most suitable for financial institutions with a community focus, less complex operations, and lower-risk profiles for money laundering or terrorist financing. The statement, which was issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, FinCEN, the National Credit Union Administration, and the Office of the Comptroller of the Currency, explains how these institutions can share BSA/AML resources in order to better protect against illicit finance risks, which can in turn also reduce costs. Today's joint statement is a result of a working group recently formed by these agencies and Treasury's Office of Terrorism and Financial Intelligence aimed at improving the effectiveness and efficiency of the BSA/AML regime.
Links / Additional Details	https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20181003a1.pdf

Topic	Summaries of Rights Under the Fair Credit Reporting Act (Regulation V)
Date	September 12, 2018
Description	<p>Effective September 21, 2018, new section 605A(i) of the Fair Credit Reporting Act (FCRA), added by the Economic Growth, Regulatory Relief, and Consumer Protection Act (the Act), requires that a new notice of rights be included whenever a consumer is required to receive a summary of rights required by FCRA section 609. The Bureau has issued an interim final rule to amend the model forms in Appendices I and K to Regulation V to incorporate the new required notice. The interim final rule also amends the model form in Appendix I to reflect a statutory change to the minimum duration of initial fraud alerts and makes adjustments to update contact information for certain FCRA enforcement agencies in the model form in Appendix K.</p> <p>To mitigate the impact of these changes on users of the existing model forms, the interim final rule also provides that the Bureau will regard the use of the model forms published in Appendices I and K on November 14, 2012, to constitute compliance with the FCRA provisions requiring such forms, so long as a separate page</p>

	that contains the additional required information is provided in the same transmittal. The interim final rule solicits comment on the amendments to Appendices I and K to inform possible further revisions to the model forms that the Bureau may consider in the future.
Links / Additional Details	Effective Date: September 21, 2018 https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfp_interim-final-rule_fcra_rights-summaries.pdf

Topic	FRB Approves Final Amendments to Liability Provisions Under Reg CC
Date	September 12, 2018
Description	The Board approved final amendments to the liability provisions of Regulation CC, which governs availability of funds and collection of checks. These amendments continue the Board's efforts to update Regulation CC to reflect the evolution of the nation's check collection system from one that is largely paper-based to one that is virtually all electronic. In today's check collection environment, original paper checks may be unavailable for inspection in certain disputes between banks. When the original check is not available, the final amendments update Regulation CC to include a presumption that a substitute or electronic check was altered in certain cases of doubt. The presumption applies only to disputes between banks and only when one bank has transferred an electronic or substitute check to the other bank. As with existing rules under Regulation CC, the parties may, by mutual agreement, vary the effect of the amendments' provisions. In addition, the final amendments clarify that the presumption does not apply if it is contrary to another federal statute or regulation, such as the U.S. Department of the Treasury's rules regarding U.S. Treasury checks.
Links / Additional Details	Effective Date: January 1, 2019 https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20180912a1.pdf

Topic	FinCEN Issues Exemptive Relief from Beneficial Ownership for Rollovers, Renewals, Modifications and Extensions of Certain Accounts
Date	September 7, 2018
Description	FinCEN granted exemptive relief to covered financial institutions from the obligations of the Beneficial Ownership requirements for Legal Entity Customers and its requirement to identify and verify the identity of the beneficial

	<p>owner(s) when a legal entity customer opens a new account as a result of the following: • A rollover of a certificate of deposit (CD) (as defined below); • A renewal, modification, or extension of a loan (e.g., setting a later payoff date) that does not require underwriting review and approval; • A renewal, modification, or extension of a commercial line of credit or credit card account (e.g., a later payoff date is set) that does not require underwriting review and approval; and • A renewal of a safe deposit box rental. The exception only applies to the rollover, renewal, modification or extension of any of the types of accounts listed above occurring on or after May 11, 2018, and does not apply to the initial opening of such accounts.</p>
Links / Additional Details	<p>https://www.fincen.gov/sites/default/files/administrative_ruling/2018-09-18/Permanent%20Exceptive%20Relief%20Extension%20of%20Compliance%20Date%20CDs_final%20508%202.pdf</p>

SEPTEMBER – PROPOSED ISSUANCES

Topic	FRB Seeks Public Comment on Proposal to Amend Regulations H and K
Date	September 21, 2018
Description	<p>The Board on Friday requested public comment on a proposal to amend Regulation H (Membership of State Banking Institutions in the Federal Reserve System) and Regulation K (International Banking Operations) to repeal provisions that incorporate the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act). The proposal reflects the transferal of the Board's rulemaking authority for the S.A.F.E. Act to the Bureau of Consumer Financial Protection (Bureau). Entities that were subject to the Board's rules are now subject to the Bureau's rules.</p> <p>The S.A.F.E. Act mandates a nationwide licensing and registration system for residential mortgage loan originators. The Dodd-Frank Wall Street Reform and Consumer Protection Act transferred rulemaking authority for the S.A.F.E. Act to the Bureau from the Board, the other federal banking agencies, and the Farm Credit Administration. Because the Bureau has already issued a final rule that is substantially identical to the Board's regulations that incorporate the S.A.F.E. Act, the Board is proposing to repeal its versions of those regulations.</p>
Links / Additional Details	<p>Comments Close Date: 60 days after publication of the proposal in the Federal Register</p> <p>https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20180921a2.pdf</p>

Topic	OCC Issues Notice of Proposed Rulemaking for Covered Savings Associations
Date	September 18, 2018
Description	<p>The OCC is inviting comment on a proposed rule to implement a new section of the Home Owners' Loan Act (HOLA). The Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) amended HOLA to add a new section that allows a Federal savings association with total consolidated assets of \$20 billion or less, as of December 31, 2017, to elect to operate as a covered savings association. A covered savings association has the same rights and privileges as a national bank and is subject to the same duties and restrictions as a national bank. A covered savings association retains its Federal savings association charter and existing governance framework. The new section of HOLA requires the OCC to issue rules that, among other things, establish streamlined standards and procedures for elections to operate as covered savings associations and clarify requirements for the treatment of covered savings associations.</p>
Links / Additional Details	<p>Comments Close Date: November 19, 2018</p> <p>https://www.occ.treas.gov/news-issuances/federal-register/83fr47101.pdf</p>

Topic	OCC Issues Advance Notice of Proposed Rulemaking for Reforming the CRA Regulatory Framework
Date	September 5, 2018
Description	The agency is inviting comments on the ANPR and soliciting ideas for building a new framework to transform or modernize the regulations that implement the Community Reinvestment Act of 1977 (CRA). The agency is seeking comments on a set of 31 questions posed in the ANPR. Comments may be submitted and read on the OCC's website.
Links / Additional Details	Comments Close Date: November 19, 2018. https://www.occ.treas.gov/news-issuances/federal-register/83fr45053.pdf

COMPLIANCE CALENDAR

Effective Date	Implementing Rule / Regulation	Links to Information
January 1, 2018	Regulation C - HMDA	<p>Rule: https://www.federalregister.gov/documents/2015/10/28/2015-26607/home-mortgage-disclosure-regulation-c</p> <p>Compliance Guide: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_hmda_small-entity-compliance-guide.pdf</p> <p>Reportable Data: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201710_cfpb_reportable-hmda-data_regulatory-and-reporting-overview-reference-chart.pdf</p> <p>Regulatory Relief (Interpretive Rule): https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfp_hmda_interpretive-procedural-rule_2018-08_executive-summary.pdf</p>
April 9, 2018	Real Estate Appraisals	<p>Joint Issuance: https://www.occ.treas.gov/news-issuances/federal-register/83fr15019.pdf</p>
April 19, 2018	Regulations X and Z – Successors in Interest	<p>Rule: https://www.federalregister.gov/documents/2018/03/12/2018-04823/mortgage-servicing-rules-under-the-truth-in-lending-act-regulation-z</p> <p>Rule: https://www.federalregister.gov/documents/2017/10/16/2017-21912/mortgage-servicing-rules-under-the-real-estate-settlement-procedures-act-regulation-x</p> <p>Compliance Guide: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_mortserv_guide_v3.1.pdf</p>
April 19, 2018	Regulations X and Z – Bankruptcy Periodic Statements	<p>Rule: https://files.consumerfinance.gov/f/documents/cfpb_mortgage-servicing_final-rule_2018-amendments.pdf</p>

		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/2017-10_cfpb_KBYO-Small-Entity-Compliance-Guide_v5.pdf Executive Summaries: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_2018-TILA-RESPA-rule_executive-summary.pdf https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201708_cfpb_2017-TILA-RESPA-Rule-Detailed-Summary-of-Changes-and-Clarifications.pdf
January 1, 2019	Liability Provisions Under Reg CC	Rule: https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20180912a1.pdf

April 1, 2019	Regulation Z – Prepaid Rule	<p>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</p> <p>Compliance Guide: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_prepaid_small-entity-compliance-guide.pdf</p>
August 19, 2019	Payday Lending Rule	<p>Rule: https://www.federalregister.gov/documents/2017/11/17/2017-21808/payday-vehicle-title-and-certain-high-cost-installment-loans</p> <p>Executive Summary: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201710_cfpb_executive-summary_payday-loans-rule.pdf</p>

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