

RKL Regulatory Compliance Report for Financial Institutions

December 2018



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

OCTOBER – 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	<p>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.</p> <p>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.</p>
Links / Additional Details	https://occ.gov/news-issuances/news-releases/2018/nr-ia-2018-107a.pdf

OCTOBER – PROPOSED ISSUANCES

Topic	CFPB Proposes Amendment to Civil Penalties Inflation Adjustments
Date	October 12, 2018
Description	The Bureau of Consumer Financial Protection (Bureau) is proposing to amend its rule adjusting for inflation the maximum amount of each civil penalty within the Bureau’s jurisdiction pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996 and further amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Inflation Adjustment Act). The Bureau is proposing an amendment to specify that the adjusted civil monetary penalties only apply to assessments whose associated violations occurred on, or after, Nov. 2, 2015 (the date the 2015 Inflation Adjustment Act amendments were signed into law).
Links / Additional Details	https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfp_proposed-rule_civil-penalty-inflation-adjustments_2018-10_federal-register.pdf

NOVEMBER – FINAL ISSUANCES

Topic	CFPB Announces Annual Exemption Threshold for Consumer Leasing (Regulation M)
Date	November 23, 2018
Description	<p>Based on the annual percentage increase in the CPI-W as of June 1, 2018, the exemption threshold will increase from \$55,800 to \$57,200 effective Jan. 1, 2019.</p> <p>The Board and the Bureau are finalizing amendments to the official interpretations and commentary for the agencies' regulations that implement the Consumer Leasing Act (CLA). The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) amended the CLA by requiring that the dollar threshold for exempt consumer leases be adjusted annually by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). If there is no annual percentage increase in the CPI-W, the Board and the Bureau will not adjust this exemption threshold from the prior year. However, in years following a year in which the exemption threshold was not adjusted, the threshold is calculated by applying the annual percentage change in the CPI-W to the dollar amount that would have resulted, after rounding, if the decreases and any subsequent increases in the CPI-W had been taken into account. Based on the annual percentage increase in the CPI-W as of June 1, 2018, the exemption threshold will increase from \$55,800 to \$57,200 effective Jan. 1, 2019.</p>
Links / Additional Details	https://www.federalregister.gov/documents/2018/11/23/2018-25396/consumer-leasing-regulation-m

Topic	CFPB Announces Annual Adjustment to Appraisals for Higher-Priced Mortgage Loans Exemption
Date	November 23, 2018
Description	<p>Based on the CPI-W in effect as of June 1, 2018, the exemption threshold will increase from \$26,000 to \$26,700, effective Jan. 1, 2019.</p> <p>The OCC, the Board, and the Bureau are finalizing amendments to the official interpretations for their regulations that implement section 129H of the Truth in Lending Act (TILA). Section 129H of TILA establishes special appraisal requirements for “higher-risk mortgages,” termed “higher-priced mortgage loans” or “HPMLs” in the agencies' regulations. The OCC, the Board, the Bureau, the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), and the Federal Housing Finance Agency (FHFA) (collectively, the Agencies) issued joint final rules implementing these requirements, effective Jan. 18, 2014. The Agencies' rules exempted, among other loan types, transactions of \$25,000 or less, and required that this loan amount be adjusted annually based on any annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). If there is no annual percentage increase in the CPI-W, the OCC, the Board, and the Bureau will not adjust this exemption threshold from the prior year. However, in years following a year in which the exemption threshold was not adjusted, the threshold is calculated by applying the annual percentage increase in the CPI-W to the dollar amount that would have resulted, after rounding, if the decreases and any subsequent increases in the CPI-W had been taken into account.</p>
Links / Additional Details	https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/appraisals-higher-priced-mortgage-loans-exemption-threshold-adjustments/

Topic	CFPB Issues Truth in Lending (Regulation Z) Threshold Adjustments
Date	November 23, 2018
Description	Based on the annual percentage increase in the CPI-W as of June 1, 2018, the exemption threshold will increase from \$55,800 to \$57,200 effective Jan. 1, 2019.
Links / Additional Details	https://www.federalregister.gov/documents/2018/11/23/2018-25398/truth-in-lending-regulation-z

NOVEMBER – PROPOSED ISSUANCES

Topic	CFPB and the Federal Reserve Board Propose Amendments to Regulation CC
Date	November 20, 2018
Description	<p>The Bureau and the Federal Reserve Board are jointly proposing amendments to Regulation CC, which implements the Expedited Funds Availability Act, and are also providing an additional opportunity for public comment on certain amendments to Regulation CC that the Board proposed in 2011. In the 2018 Proposal, the Agencies are proposing a calculation methodology for implementing a statutory requirement to adjust the dollar amounts in the EFA Act every five years by the aggregate annual percentage increase in the Consumer Price Index for Wage Earners and Clerical Workers (CPIW) rounded to the nearest multiple of \$25. The 2018 Proposal would also implement the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) amendments to the EFA Act, which include extending coverage to American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam, and would make certain other technical amendments.</p> <p>With regard to reopening comments on the 2011 Funds Availability Proposal, the Board published proposed amendments to Regulation CC in the Federal Register on March 25, 2011. The Board and the Bureau now have joint rulemaking authority with respect to subpart B of Regulation CC, related definitions, and appendices of the amendments that the Board proposed on that date. The Board and the Bureau are reopening the comment period for the 2011 Funds Availability Proposal.</p>
Links / Additional Details	<p>https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfc_proposed-rule_availability-funds-collection-checks_regulation-cc_2018-11.pdf</p>

DECEMBER – FINAL ISSUANCES

Topic	CFPB Issues Truth in Lending Act (Regulation Z) Adjustment to Asset-Size Exemption Threshold
Date	December 31, 2018
Description	<p>The Bureau is amending the official commentary that interprets the requirements of the Bureau’s Regulation Z (Truth in Lending) to reflect a change in the asset-size threshold for certain creditors to qualify for an exemption to the requirement to establish an escrow account for a higher-priced mortgage loan based on the annual percentage change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12-month period ending in November.</p> <p>The adjustment to the escrows asset-size exemption threshold will also increase a similar threshold for small-creditor portfolio and balloon-payment qualified mortgages. Balloon-payment qualified mortgages that satisfy all applicable criteria, including being made by creditors that have (together with certain affiliates) total assets below the threshold, are also excepted from the prohibition on balloon payments for high-cost mortgages.</p> <p><u>December 31, 2018</u></p> <p>The exemption threshold is adjusted to increase to \$2.167 billion from \$2.112 billion. The adjustment is based on the 2.6 percent increase in the average of the CPI-W for the 12-month period ending in November 2018. Therefore, creditors with assets of less than \$2.167 billion (including assets of certain affiliates) as of Dec. 31, 2018, are exempt, if other requirements of Regulation Z also are met, from establishing escrow accounts for higher-priced mortgage loans in 2019. This asset limit will also apply during a grace period, in certain circumstances, with respect to transactions with applications received before April 1 of 2020.</p>
Links / Additional Details	https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfp_final-rule_truth-in-lending-act-escrows_threshold-adjustment_12-2018.pdf

Topic	CFPB Issues Home Mortgage Disclosure (Regulation C) Adjustment to Asset-Size Exemption Threshold
Date	December 31, 2018
Description	<p>The CFPB is issuing a final rule amending the official commentary that interprets the requirements of the Bureau's Regulation C (Home Mortgage Disclosure) to reflect the asset-size exemption threshold for banks, savings associations, and credit unions based on the annual percentage change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).</p> <p><u>December 31, 2018</u> The exemption threshold is adjusted to increase to \$46 million from \$45 million. The adjustment is based on the 2.6 percent increase in the average of the CPI-W for the 12-month period ending in November 2018. Therefore, banks, savings associations, and credit unions with assets of \$46 million or less as of Dec. 31, 2018, are exempt from collecting data in 2019.</p>
Links / Additional Details	https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcftp_final-rule_home-mortgage-disclosure-act_annual-adjustment_12-2018.pdf

Topic	CFPB Announces Ceiling on Allowable Charges Under Fair Credit Reporting Act (FCRA)
Date	December 31, 2018
Description	<p>The Bureau of Consumer Financial Protection (Bureau) announces that the ceiling on allowable charges under section 612(f) of the Fair Credit Reporting Act (FCRA) will increase from \$12.00 to \$12.50, effective for 2019.</p> <p>Section 612(f)(1)(A) of the Fair Credit Reporting Act (FCRA) provides that a consumer reporting agency may charge a consumer a reasonable amount for making a disclosure to the consumer pursuant to section 609 of the FCRA. Section 612(f)(1)(A) of the FCRA further provides that, where a consumer reporting agency is permitted to impose a reasonable charge on a consumer for making a disclosure to the consumer pursuant to section 609 of the FCRA, the charge shall not exceed \$8.00 and shall be indicated to the consumer before making the disclosure. Section 612(f)(2) of the FCRA states that the Bureau shall increase the \$8.00 maximum amount on January 1 of each year, based proportionally on changes in the Consumer Price Index, with fractional changes rounded to the nearest fifty cents. The Bureau's calculations are based on the CPI-U, which is the most general Consumer Price Index and covers all urban consumers and all items.</p>
Links / Additional Details	https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcftp_final-rule_fair-credit-reporting-act_annual-adjustment_12-2018.pdf

Topic	OCC Issues Bulletin Regarding Updated Booklets and Rescissions
Date	December 28, 2018
Description	<p>The Office of the Comptroller of the Currency (OCC) today issued updates to the “Bank Premises and Equipment,” “Consigned Items and Other Customer Services,” and “Litigation and Other Legal Matters” booklets of the <i>Comptroller’s Handbook</i>.</p> <p>Updates to <i>Comptroller’s Handbook</i> booklets are summarized in the “Table of Updates Since Publication” in the back of each booklet. Refer to the “Foreword” booklet of the <i>Comptroller’s Handbook</i> for more information regarding the OCC’s process for updating booklets.</p> <p>Rescissions</p> <p>The revised and updated booklets replace the booklets of the same title previously issued in 2016 and 2015 and rescind the following: OCC Bulletin 2016-42, “Bank Premises and Equipment: Revised Comptroller’s Handbook Booklet and Rescissions”; OCC Bulletin 2016-44, “Consigned Items and Other Customer Services: Revised Comptroller’s Handbook Booklet”; and OCC Bulletin 2015-4, “Litigation and Other Legal Matters: Revised Comptroller’s Handbook Booklet.” These OCC Bulletins transmitted the previous versions of the booklets.</p>
Links / Additional Details	https://occ.gov/news-issuances/bulletins/2018/bulletin-2018-49.html

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-
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
October 3, 2018	Joint Statement on Sharing Resources to Improve BSA Compliance	Interagency Statement: https://occ.gov/news-issuances/news-releases/2018/nr-ia-2018-107a.pdf
January 1, 2019	CFPB – FCRA ceilings on allowable charges	Rule: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfc_final-rule_fair-credit-reporting-act_annual-adjustment_12-2018.pdf

January 1, 2019	CFPB – annual threshold for Consumer Leasing	Rule: https://www.federalregister.gov/documents/2018/11/23/2018-25396/consumer-leasing-regulation-m
January 1, 2019	CFPB announces annual adjustment to Appraisals for Higher-Priced Mortgage Loans Exemption	Rule: https://www.federalregister.gov/documents/2018/11/23/2018-25400/appraisals-for-higher-priced-mortgage-loans-exemption-threshold
January 1, 2019	CFPB – TILA Asset Size Exemption	Rule: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfp_final-rule_truth-in-lending-act-escrows_threshold-adjustment_12-2018.pdf
January 1, 2019	CFPB – TILA Exemption Threshold Adjustment	Rule: https://www.federalregister.gov/documents/2018/11/23/2018-25398/truth-in-lending-regulation-z
January 1, 2019	CFPB – HMDA Reg C Asset Size Exemption	Rule: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfp_final-rule_home-mortgage-disclosure-act_annual-adjustment_12-2018.pdf
January 1, 2019	Liability Provisions Under Reg CC	Rule: https://www.govinfo.gov/content/pkg/FR-2018-09-17/pdf/2018-20029.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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