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RKL REGULATORY COMPLIANCE FOR FINANCIAL INSTITUTIONS >

November 2021



Real Estate Lending Standards

October 27, 2021

- The FDIC is issuing a final rule to amend Interagency Guidelines for Real Estate Lending Policies (Real Estate Lending Standards). The purpose of the final rule is to incorporate consideration of the community bank leverage ratio (CBLR) rule, which does not require electing institutions to calculate tier 2 capital or total capital, into the Real Estate Lending Standards. The final rule allows a consistent approach for calculating the ratio of loans in excess of the supervisory loan-to-value limits (LTV Limits) at all FDIC-supervised institutions, using a methodology that approximates the historical methodology the FDIC has followed for calculating this measurement without requiring institutions to calculate tier 2 capital. The final rule also avoids any regulatory burden that could arise if an FDIC-supervised institution subsequently decides to switch between different capital frameworks.
- **The final rule is effective on November 26, 2021**

[Additional Information](#)



Credit Union Service Organizations (CUSOs)

October 27, 2021

- The NCUA Board (Board) is issuing a final rule that amends the NCUA's credit union service organization (CUSO) regulation. The final rule accomplishes two objectives: expanding the list of permissible activities and services for CUSOs to include the origination of any type of loan that a Federal credit union (FCU) may originate; and granting the Board additional flexibility to approve permissible activities and services.
- **This final rule is effective November 26, 2021.**

[Additional Information](#)



Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA, and Qualified Mortgages)

October 25, 2021

- The Bureau of Consumer Financial Protection (Bureau) is issuing this final rule amending the official interpretations for Regulation Z, which implements the Truth in Lending Act (TILA). The Bureau is required to calculate annually the dollar amounts for several provisions in Regulation Z; this final rule reviews the dollar amounts for provisions implementing TILA and amendments to TILA, including under the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act), the Home Ownership and Equity Protection Act of 1994 (HOEPA), and the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).
- For open-end consumer credit plans under TILA, the threshold that triggers requirements to disclose minimum interest charges will remain unchanged at \$1.00 in 2022.
- For open-end consumer credit plans under the CARD Act, the adjusted dollar amount in 2022 for the safe harbor for a first violation penalty fee will increase to \$30 and for subsequent violation the penalty fee will increase to \$41.

[Additional Details](#)



Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA, and Qualified Mortgages - CONTINUED)

October 25, 2021

- HOEPA loans adjusted total loan amount for high cost mortgages will be \$22,969.
- For QMs under the General QM loan definition, the **thresholds for the spread between the APR and the APOR in 2022 will be:**
 - 2.25 or more points for 1st liens \geq \$114,847
 - 3.5 or more points for 1st liens \geq \$68,908 but less than \$114,847
 - 6.5 or more points for 1st liens $<$ \$68,908
 - 6.5 or more points for 1st liens secured by a manufactured home $<$ \$114,847
 - 3.5 or more points for a subordinate lien \geq \$68,908
 - 6.5 or more points for a subordinate lien $<$ \$68,908

[Additional Information](#)



Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA, and Qualified Mortgages - CONTINUED)

October 25, 2021

All QMs points and Fees will be:

3% of total loan amount when $\geq \$114,847$

\$3,445 for loans $\geq \$68,908$ but $< \$114,847$

5% of the total loan amount for loans $\geq \$22,969$ but $< \$68,908$

\$1,148 for loans $\geq \$14,356$ but $< \$22,969$

8% of total loan amount for loans $< \$14,356$

[Additional Information](#)

Small Business Lending Data Collection Under the Equal Credit Opportunity Act (Regulation B)

October 8, 2021

- The Bureau of Consumer Financial Protection (Bureau) is publishing for public comment a proposed rule amending Regulation B to implement changes to the Equal Credit Opportunity Act (ECOA) made by section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Consistent with section 1071, the Bureau is proposing to require covered financial institutions to collect and report to the Bureau data on applications for credit for small businesses, including those that are owned by women or minorities. The Bureau's proposal also addresses its approach to privacy interests and the publication of section 1071 data; shielding certain demographic data from underwriters and other persons; recordkeeping requirements; enforcement provisions; and the proposed rule's effective and compliance dates.
- **Comments Due By: January 6, 2022.**

[Additional Information](#)



Funding Opportunities: Bank Enterprise Award (BEA) Program; FY 2021 Funding Round

October 14, 2021

- This NOFA is issued in connection with the fiscal year (FY) 2021 funding round of the Bank Enterprise Award Program (BEA Program). The BEA Program is administered by the U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund). Through the BEA Program, the CDFI Fund awards formula-based grants to depository institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) for increasing their levels of loans, investments, Service Activities, and technical assistance to residents and businesses in the most economically Distressed Communities, and financial assistance and technical assistance to certified Community Development Financial Institutions (CDFIs) through equity investments, equity-like loans, grants, stock purchases, loans, deposits, and other forms of assistance, during a specified period.

[Additional Information](#)

FDIC Financial Institution Letter: Agencies Issue Joint Statement on Managing the LIBOR Transition

October 20, 2021

- Five federal financial institution regulatory agencies,¹ in conjunction with the state bank and state credit union regulators, (collectively, agencies) are jointly issuing this statement to emphasize the expectation that supervised institutions with LIBOR exposure continue to progress toward an orderly transition away from LIBOR. Additionally, this statement includes clarification regarding new LIBOR contracts, considerations when assessing appropriateness of alternative reference rates, and expectations for fallback language. Failure to adequately prepare for LIBOR's discontinuance could undermine financial stability and institutions' safety and soundness and create litigation, operational, and consumer protection risks.
- [Additional Information](#)

Office of the Comptroller of the Currency “OCC” Bulletin: LIBOR Transition: Updated Self-Assessment Tool for Banks

October 18, 2021

- This OCC Bulletin provides an updated self-assessment tool for banks to evaluate their preparedness for cessation of the London Interbank Offered Rate (LIBOR).
- This bulletin rescinds OCC Bulletin 2021-7, “Libor Transition: Self Assessment Tool for Banks,” published on February 10, 2021, and replaces the tool attached to that bulletin.
- [Additional Information](#)

Effective Date	Implementing Rule/Regulation	Additional Details
November 1, 2020	New URLA Required Use	• Issuance
November 19, 2020	Payday, Vehicle Title, and Certain High-Cost Installment Loans; Delay of Compliance Date	• Issuance
January 1, 2021	Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA and Qualified Mortgages)	• Rule
January 1, 2021	CRA Asset Size Adjustment for Small and Intermediate Small Institutions	• Rule
January 1, 2021	HMDA Adjustment to Asset Size Exemption Threshold	• Rule
March 1, 2021	New URLA Required Use	• Issuance
November 30, 2021	Final rule creating implementing regulations for the Fair Debt Collection Practices Act	• Rule
January 1, 2022	Reg C Final rule establishing 200 loans as the permanent HMDA data reporting threshold for open-end lines of credit	• Rule
October 1, 2022	Mandatory Compliance for QM definitions under Reg Z	• Rule

DID YOU KNOW?

The acronym “BSA” has over 100 definitions, the most common two being:

- BSA – Boys Scouts of America
- The BSA was founded in 1910 and grew rapidly to become the largest youth organization in the United States. Early issues involved race, the "younger boy problem,"^[1] and the "older boy problem." Troops initially followed local community policy on race. For younger boys, the Cubbing program arose and for older boys, Rovering and Exploring programs were developed. Additional programs and changes have occurred over the years to adapt the program to the youth of the day.
- BSA – Bank Secrecy Act
- **Bank Secrecy Act**, also called **Currency and Foreign Transactions Reporting Act**, U.S. legislation, signed into law in 1970 by Pres. Richard Nixon, that requires banks and other financial entities in the United States to maintain records and file reports on currency transactions and suspicious activity with the government. The Bank Secrecy Act (BSA), sometimes referred to as BSA/AML (anti-money laundering), was formulated to facilitate the investigation of cases of suspected money laundering and fraud and to detect illegal financial activities by tracking suspicious currency transactions.
- Other uses of the acronym are: Botanical Society of America, Black Student Alliance, Body Surface Area, and Broad-Spectrum Antibiotic, to name just a few. Check out the entire list at:
<https://www.acronymfinder.com/BSA.html>



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