



RKL REGULATORY COMPLIANCE FOR FINANCIAL INSTITUTIONS ➤

January 2023

Reserve Requirements of Depository Institutions

December 2, 2022

- The Board is amending Regulation D, Reserve Requirements of Depository Institutions, to reflect the annual indexing of the reserve requirement exemption amount and the low reserve tranche for 2023. The annual indexation of these amounts is required notwithstanding the Board's action in March 2020 of setting all reserve requirement ratios to zero. The Regulation D amendments set the reserve requirement exemption amount for 2023 at \$36.1 million (increased from \$32.4 million in 2022) and the amount of the low reserve tranche at \$691.7 million (increased from \$640.6 million in 2022). The adjustments to both of these amounts are derived using statutory formulas specified in the Federal Reserve Act (the "Act"). The annual indexation of the reserve requirement exemption amount and low reserve tranche, though required by statute, will not affect depository institutions' reserve requirements, which will remain zero.
- This final rule is effective January 3, 2023.

Additional Information

Home Mortgage Disclosure (Regulation C); Judicial Vacatur of Coverage Threshold for Closed-End Mortgage Loans

December 21, 2022

- In April 2020, the Consumer Financial Protection Bureau (Bureau or CFPB) issued a final rule (2020 HMDA Rule) to amend Regulation C to increase the threshold for reporting data about closed-end mortgage loans. The 2020 HMDA Rule increased the closed-end mortgage loan reporting threshold from 25 loans to 100 loans in each of the two preceding calendar years, effective July 1, 2020. On September 23, 2022, the United States District Court for the District of Columbia vacated the 2020 HMDA Rule as to the increased loan-volume reporting threshold for closed-end mortgage loans. As a result of the September 23, 2022, order, the threshold for reporting data about closed-end mortgage loans is 25, the threshold established by the 2015 HMDA Rule. Accordingly, this technical amendment updates the *Code of Federal Regulations* to reflect the closed-end mortgage loan reporting threshold of 25 mortgage loans in each of the two preceding calendar years.
- This technical amendment is effective December 21, 2022.

Additional Information

Community Reinvestment Act Regulations Asset-Size Thresholds

December 23, 2022

- The Board and the FDIC (collectively, the Agencies) are amending their Community Reinvestment Act (CRA) regulations to adjust the asset-size thresholds used to define “small bank” and “intermediate small bank.” As required by the CRA regulations, the adjustment to the threshold amount is based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).
- This rule is effective January 1, 2023.

Additional Information

Truth in Lending Act (Regulation Z) Adjustment to Asset-Size Exemption Threshold

December 30, 2022

- The Consumer Financial Protection Bureau (Bureau) is amending the official commentary to its Regulation Z in order to make annual adjustments to the asset-size thresholds exempting certain creditors from the requirement to establish an escrow account for a higher-priced mortgage loan (HPML). These changes reflect updates to the exemption from the escrow requirement in the Truth in Lending Act (TILA) for creditors that, together with their affiliates that regularly extended covered transactions secured by first liens, had total assets of less than \$2 billion (adjusted annually for inflation). They also reflect updates to the exemption the Bureau added, by implementing section 108 of the Economic Growth, Regulatory Relief and Consumer Protection Act (EGRRCPA), for certain insured depository institutions and insured credit unions with assets of \$10 billion or less (adjusted annually for inflation). These amendments are based on the annual percentage change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Based on the 8.6 percent increase in the average of the CPI-W for the 12-month period ending in November 2022, the exemption threshold for creditors and their affiliates that regularly extended covered transactions secured by first liens is adjusted to \$2.537 billion from \$2.336 billion and the exemption threshold for certain insured depository institutions and insured credit unions with assets of \$10 billion or less is adjusted to \$11.374 billion from \$10.473 billion.
- This rule is effective on January 1, 2023.

Additional Information

Home Mortgage Disclosure (Regulation C) Adjustment to Asset-Size Exemption Threshold

December 30, 2022

- The Consumer Financial Protection Bureau (Bureau) is 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). Based on the 8.6 percent increase in the average of the CPI-W for the 12-month period ending in November 2022, the exemption threshold is adjusted to \$54 million from \$50 million. Therefore, banks, savings associations and credit unions with assets of \$54 million or less as of December 31, 2022, are exempt from collecting data in 2023.
- This rule is effective on January 1, 2023.

Additional Information

Regulation D: Reserve Requirements of Depository Institutions

January 13, 2023

- The Board of Governors of the Federal Reserve System (“Board”) has adopted final amendments to its Regulation D to revise the rate of interest paid on balances (“IORB”) maintained at Federal Reserve Banks by or on behalf of eligible institutions. The final amendments specify that IORB is 4.40 percent, a 0.50 percentage point increase from its prior level. The amendment is intended to enhance the role of IORB in maintaining the federal funds rate in the target range established by the Federal Open Market Committee (“FOMC” or “Committee”).
- *Effective date:* The amendments to part 204 (Regulation D) are effective January 13, 2023.
- *Applicability date:* The IORB rate change was applicable on December 15, 2022.

Additional Information

Regulation A: Extensions of Credit by Federal Reserve Banks

January 13, 2023

- The Board of Governors of the Federal Reserve System (“Board”) has adopted final amendments to its Regulation A to reflect the Board's approval of an increase in the rate for primary credit at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically increased by formula as a result of the Board's primary credit rate action.
- *Effective date:* The amendments to part 201 (Regulation A) are effective January 13, 2023.
- *Applicability date:* The rate changes for primary and secondary credit were applicable on December 15, 2022.

Additional Information

CFPB Finds Members of the Reserves and National Guard Paying Millions of Dollars in Extra Interest Each Year

December 7, 2022

- The CFPB released a new report revealing that only small fractions of activated Guard and Reserve servicemembers receive interest rate reduction benefits under the Servicemembers Civil Relief Act (SCRA). The SCRA gives servicemembers on active duty the right to request interest rate reductions on outstanding loans during the time they are activated and for an additional year in the case of mortgages.
- Reserve and National Guard members called to active duty are paying an extra \$9 million in interest every year because they are not receiving rate reduction benefits under the Servicemembers Civil Relief Act. The CFPB is recommending steps to make it easier for servicemembers to request and receive interest rate reductions.

Additional Information

CFPB Issues Updated HELOC Brochure

December 14, 2022

- The Consumer Financial Protection Bureau (Bureau or CFPB) announces the availability of an updated consumer publication, “What You Should Know about Home Equity Lines of Credit,” also known as the HELOC booklet, required by the Truth in Lending Act (TILA), as implemented by Regulation Z. This version of the HELOC booklet is updated to align with the Bureau's educational efforts, to be more concise and to improve readability and usability.
- You can access the English and Spanish versions here: www.consumerfinance.gov/learnmore.

Additional Information

FDIC Official Sign and Advertising Requirements, False Advertising, Misrepresentation of Insured Status and Misuse of the FDIC's Name or Logo

December 21, 2022

- The Federal Deposit Insurance Corporation (FDIC) is seeking comment on a proposal to modernize the rules governing use of the official FDIC sign and insured depository institutions' (IDIs) advertising statements to reflect how depositors do business with IDIs today, including through digital and mobile channels. The proposed rule also would clarify the FDIC's regulations regarding misrepresentations of deposit insurance coverage by addressing specific scenarios where consumers may be misled as to whether they are doing business with an IDI and whether their funds are protected by deposit insurance. The proposal is intended to enable consumers to better understand when they are doing business with an IDI and when their funds are protected by the FDIC's deposit insurance coverage.
- Comments must be received by the FDIC no later than February 21, 2023.

Additional Information

Financial Innovation: Loan Participations, Eligible Obligations and Notes of Liquidating Credit Unions

December 30, 2022

- The NCUA Board (Board) is seeking comment on a proposed rule that would amend the NCUA's rules regarding the purchase of loan participations and the purchase, sale and pledge of eligible obligations and other loans (including notes of liquidating credit unions). The proposed rule is intended to clarify the NCUA's current regulations and provide additional flexibility for federally insured credit unions (FICUs) to make use of advanced technologies and opportunities offered by the financial technology (fintech) sector. The proposal would also make conforming amendments to the NCUA's rule regarding loans to members and lines of credit to members by adding new provisions about indirect lending arrangements and indirect leasing arrangements. Finally, the proposal would make other conforming changes and technical amendments in other sections of the NCUA's regulations. The Board does not view these conforming and technical changes as substantive.
- Comments must be received by February 28, 2023.

Additional Information

Servicemember Reports about Identity Theft are Increasing

January 12, 2023

- Identity theft can quickly reverse a good credit report, filling it with unknown, maxed-out credit card accounts or collections accounts for mystery debts. It can spell trouble for anyone, but for servicemembers, identity theft resulting in negative information on a credit report can lead to the loss of a security clearance or even discharge.
- In 2021, military consumers — who include active duty servicemembers, veterans and military family members — reported nearly 50,000 cases of identity theft to the Federal Trade Commission (FTC). Between 2014 and 2022, military consumer complaints to the CFPB about debts they said resulted from identity theft increased nearly fivefold, from just over 200 annually in 2014, to more than 1,000 in 2022.
- Nationwide consumer reporting companies (NCRCs) must be responsive to the identity theft and credit concerns of servicemembers, veterans and military families. We also encourage financial institutions to consider how they can strengthen their protections against identity theft. The CFPB will continue to use its available tools to ensure that NCRCs and financial institutions take appropriate action when servicemembers report identity theft.

Additional Information

Agency Information Collection Activities; Proposals, Submissions and Approvals: Beneficial Ownership Information Reports

January 17, 2023

- FinCEN invites all interested parties to comment on the report that will be used to collect beneficial ownership information, as required by the Beneficial Ownership Information Reporting Requirements final rule that was published on September 30, 2022. The details included in the information collection are listed below. This request for comment is made pursuant to the Paperwork Reduction Act of 1995.
- Written comments are welcome and must be received on or before March 20, 2023.

Additional Information



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BARRY PELAGATTI

Partner & Leader, Financial Services Industry Group

BPelagatti@rklcpa.com

JULIYA KOFMAN GREENFIELD

Principal, Financial Services Industry Group

JKofmanGreenfield@RKLcpa.com

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