

The logo for RKL, consisting of the lowercase letters 'rkl' in a bold, white, sans-serif font, positioned in the top right corner of the image.

rkl

A low-angle, upward-looking photograph of a classical building facade with white columns and a pediment, set against a clear blue sky with a few wispy clouds. The image has a light blue color cast.

RKL REGULATORY COMPLIANCE FOR FINANCIAL INSTITUTIONS >

August 2023

Facilitating the LIBOR Transition Consistent With the LIBOR Act (Regulation Z)

May 11, 2023

- The Consumer Financial Protection Bureau (CFPB or Bureau) is issuing an interim final rule amending Regulation Z, which implements the Truth in Lending Act (TILA), to reflect the enactment of the Adjustable Interest Rate (LIBOR) Act (the LIBOR Act or Act) and its implementing regulation promulgated by the Board of Governors of the Federal Reserve System (Board). This interim final rule further addresses the planned cessation of most U.S. Dollar (USD) LIBOR tenors after June 30, 2023, by incorporating the Board-selected benchmark replacement for consumer loans into Regulation Z. This interim final rule conforms the terminology from the LIBOR Act and the Board's implementing regulation into relevant Regulation Z open-end and closed-end credit provisions and also addresses treatment of the 12-month USD LIBOR index and its replacement index, including permitting creditors to use alternative language in change-in-terms notice content requirements for situations where the 12-month tenor of the LIBOR index is being replaced consistent with the LIBOR Act. The CFPB requests public comment on this interim final rule.
- The final rule is effective June 12, 2023.

[Additional Information](#)

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

May 31, 2023

- The Consumer Financial Protection Bureau (CFPB or Bureau) is 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, covered financial institutions are required to collect and report to the CFPB data on applications for credit for small businesses, including those that are owned by women or minorities. The final rule also addresses the CFPB's approach to privacy interests and the publication of data; shielding certain demographic data from underwriters and other persons; recordkeeping requirements; enforcement provisions; and the rule's effective and compliance dates.
- This final rule is effective August 29, 2023.

[Additional Information](#)

Federal Credit Union Bylaws

July 20, 2023

- On March 15, 2022, Congress enacted the Credit Union Governance Modernization Act of 2022 (Governance Modernization Act). Under the statute, the NCUA has 18 months following the date of enactment to develop a policy by which a federal credit union (FCU) member may be expelled for cause by a two-thirds vote of a quorum of the FCU's board of directors. The NCUA Board (Board) is issuing this final rule to amend the standard FCU bylaws (FCU Bylaws) to adopt such a policy.
- The final rule is effective August 21, 2023.

[Additional Information](#)

Regulation D: Reserve Requirements of Depository Institutions

August 2, 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 5.4 percent, a 0.25 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:* This rule is effective August 2, 2023.
- *Applicability date:* The IORB rate change was applicable on July 27, 2023.

[Additional Information](#)

Regulation A: Extensions of Credit by Federal Reserve Banks

August 2, 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:** This rule is effective August 2, 2023.
- **Applicability date:** The rate changes for primary and secondary credit were applicable on July 27, 2023.

[Additional Information](#)

Bureau Fines Citizens Bank, N.A. for Credit Card Servicing Violations

May 24, 2023

- The CFPB has announced a settlement with **Citizens Bank, N.A.**, Providence, Rhode Island, to resolve allegations that the bank violated consumer financial protection laws and rules that protect individuals when they dispute credit card transactions. The CFPB alleges that Citizens Bank failed to properly manage and respond to customers' credit card disputes and fraud claims. If entered by the court, the order, among other things, would require Citizens Bank to pay a \$9 million civil money penalty.
- Citizens Bank is a large bank headquartered in Providence, Rhode Island, with branches and ATMs in 14 states and the District of Columbia. Citizens Bank is a subsidiary of Citizens Financial Group (NYSE:CFG), which reported \$222 billion in assets as of March 31, 2023, and is one of the 15 largest consumer banks in the country. The CFPB originally sued Citizens Bank in January 2020, when the Bureau alleged that the bank violated the Truth in Lending Act and Regulation Z by:
 - **Improperly denying customer reports of fraud and errors and failing to provide refunds:** The bank failed to reasonably investigate and resolve billing error notices and claims of unauthorized use by making customers jump through unnecessary and burdensome hoops, which are not required under the Truth in Lending Act, to report fraud. The bank also failed to fully credit customers' accounts when unauthorized use and billing errors occurred by sometimes not refunding all finance charges or fees owed to customers.
 - **Failing to provide required documents and referrals:** The bank did not provide certain individuals who submitted billing error notices with required acknowledgment and denial notices, which inform them that their disputes have been received and, if applicable to a person's case, that the dispute was denied. The bank also did not disclose required credit counseling information to individuals who called the bank's toll-free number designated for that purpose, and instead routed some individuals to the bank's collections department.

[Additional Information](#)

Quality Control Standards for Automated Valuation Models

June 21, 2023

- The OCC, Board, FDIC, NCUA, CFPB, and FHFA (collectively, the agencies) invite comment on a proposed rule to implement the quality control standards mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) for the use of automated valuation models (AVMs) by mortgage originators and secondary market issuers in determining the collateral worth of a mortgage secured by a consumer's principal dwelling. Under the proposal, the agencies would require institutions that engage in certain credit decisions or securitization determinations to adopt policies, practices, procedures, and control systems to ensure that AVMs used in these transactions to determine the value of mortgage collateral adhere to quality control standards designed to ensure a high level of confidence in the estimates produced by AVMs; protect against the manipulation of data; seek to avoid conflicts of interest; require random sample testing and reviews; and comply with applicable nondiscrimination laws.
- Comments must be received on or before August 21, 2023.

[Additional Information](#)

Policy Statement: Minority Depository Institution Preservation Program

June 29, 2023

- The NCUA Board is issuing proposed revisions to Interpretive Ruling and Policy Statement 13–1, regarding the Minority Depository Institution Preservation Program for credit unions.
- Comments must be received on or before August 28, 2023.

[Additional Information](#)

Interagency Policy Statement on Prudent Commercial Real Estate Loan Accommodations and Workouts

June 29, 2023

- The Federal Deposit Insurance Corporation (FDIC), along with the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), and National Credit Union Administration (NCUA) (collectively, the agencies), in consultation with the Federal Financial Institutions Examination Council State Liaison Committee, are issuing the interagency Policy Statement on Prudent Commercial Real Estate Loan Accommodations and Workouts (Statement). The Statement is a principles based resource for financial institutions to consider when engaging with borrowers experiencing financial difficulties.

[Additional Information](#)

The FDIC Revises its Supervisory Guidance on Multiple Re-Presentation NSF Fees

June 2023

- The Federal Deposit Insurance Corporation (FDIC) is issuing guidance to ensure that supervised institutions are aware of the consumer compliance risks associated with assessing multiple nonsufficient funds (NSF) fees arising from the re-presentation of the same unpaid transaction. Additionally, the FDIC is sharing its supervisory approach where a violation of law is identified and full corrective action is expected.
- The FDIC will now look to remediation “when appropriate” after considering “the likelihood of substantial consumer harm” and the challenges with getting information about the frequency and timing of fees.
- The FDIC has generally accepted a two-year lookback period for restitution in instances where institutions have been unable to reasonably access accurate ACH data for re-presented transactions. In addition, based on the ongoing and extensive challenges observed in accurately identifying re-presented transactions through core processing systems, the FDIC does not intend to request an institution to conduct a lookback review absent a likelihood of substantial consumer harm.

[Additional Information](#)

Administration Operating Fee Schedule Methodology

July 6, 2023

- The NCUA Board (Board) is requesting comment on changes to the methodology it uses to determine how it apportions operating fees charged to Federal credit unions (FCUs). The Board uses operating fees to fund part of the NCUA's annual budget. In this notice, the Board proposes to change the exemption threshold below which Federal Credit Unions would not be required to pay the operating fee and proposes to establish a process to update the exemption threshold in future years based on the credit union system's annual asset growth. Comments must be received on or before June 26, 2023.

[Additional Information](#)

Interagency Guidance on Reconsiderations of Value of Residential Real Estate Valuations

July 21, 2023

- The Board, CFPB, FDIC, NCUA, and OCC (together, the agencies) are issuing proposed guidance that would highlight risks associated with deficient residential real estate valuations and describe how financial institutions may incorporate reconsiderations of value (ROV) processes and controls into established risk management functions. The proposed guidance would also highlight examples of policies and procedures that a financial institution may choose to establish to help identify, address and mitigate the risk of discrimination impacting residential real estate valuations.
- Comments must be submitted on or before September 19, 2023.

[Additional Information](#)

CUNA and NAFCU announce intent to merge to form “America's Credit Unions”

August 1, 2023

- The Credit Union National Association (CUNA) and the National Association of Federally-Insured Credit Unions (NAFCU), the nation’s two leading credit union associations, officially announced their intent to merge and form a new organization, America’s Credit Unions. When the transaction closes, Jim Nussle, President and CEO of CUNA, will serve as the President and CEO of the new association should the merger take effect.
- Should members approve of the merger, America’s Credit Unions will legally be established no earlier than January 2024, with the intent to be fully operational by early 2025. The new association will initially be governed by a 16-person Board of Directors. This Transition Board will include current board members from both CUNA and NAFCU, including members of each board’s executive committee.
- By combining strengths into a single entity, America’s Credit Unions will be a highly influential and effective voice for credit unions in Washington, D.C., and, in partnerships with the Leagues, across all 50 states, Puerto Rico and Guam.

[Additional Information](#)



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