Capitol Comments
October 2018

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When there is a deadline or effective date associated with an item, you will see this graphic:

"Bittersweet October. The mellow, messy, leaf-kicking, perfect pause between the opposing miseries of summer and winter." – Carol Bishop Hipps

Joint federal agency issuances, actions and news

Appraisal Regulations Frequently Asked Questions (10.16.2018)

The federal banking agencies (the Agencies) issued new Frequently Asked Questions (FAQs) on appraisal and evaluation functions. This document was developed in response to recent questions about the agencies' real estate appraisal regulations and guidelines and replaces previous FAQs on the appraisal regulations issued in 2005.

These FAQs do not introduce new policy or guidance, but assemble previously communicated policy and interpretations.

These FAQs should be reviewed in conjunction with the federal appraisal regulations, the real estate lending standards, the Interagency Appraisal and Evaluation Guidelines, the Interagency Advisory on the Use of Evaluations in Real Estate-Related Financial Transactions, and other regulations and advisories related to appraisals and evaluations.

The Agencies previously issued FAQs on appraisals and evaluations on March 22, 2005. With the issuance of these FAQs, the Agencies have incorporated the 2005 FAQs that remain relevant and are not directly addressed by the Interagency Appraisal and Evaluation Guidelines into these updated FAQs. The 2005 FAQs are hereby rescinded (FIL-20-2005 will be archived to inactive status).

Source link.

Comment: This is an important compliance tool. Review carefully to determine whether the bank's appraisal policy and procedures should be updated.

Bank Secrecy Act Interagency Statement on Sharing Bank Secrecy Act Resources (10.03.2018)

The FDIC, along with the Board of Governors of the Federal Reserve System, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Financial Crimes Enforcement Network issued an interagency statement on sharing Bank Secrecy Act resources.

The statement addresses instances in which banks 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 described in the statement generally are most suitable for banks with a community focus, less complex operations, and lower-risk profiles for money laundering or terrorist financing.

Banks use collaborative arrangements to pool human, technology, or other resources to reduce costs, increase operational efficiencies, and leverage specialized expertise.

The interagency statement does not apply to collaborative arrangements or consortia formed for the purpose of sharing information under Section 314(b) of the USA PATRIOT Act.

The statement includes examples that describe situations in which collaborative arrangements to share resources may be beneficial for banks.

Collaborative arrangements should be designed and implemented in accordance with the level and nature of money laundering and terrorist financing risk present in the bank.

Sharing resources does not relieve a bank of its responsibility for ensuring compliance with BSA requirements.

Source link.

Comment: According to the statement, collaborative arrangements generally are most suitable for banks with a community focus, less complex operations, and lower-risk profiles for money laundering or terrorist financing.

Proposed Revisions to the Consolidated Reports of Condition and Income and Other Regulatory Reports (10.01.2018)

In response to changes in the accounting for credit losses under the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-13, the banking agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), are requesting comment on proposed revisions to the Consolidated Reports of Condition and Income (Call Report) and certain other FFIEC reports. Other changes addressed in the proposal, which relate to the reporting of high volatility commercial real estate (HVCRE) exposures and reciprocal deposits, result from the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). Institutions are encouraged to comment on the proposal by November 27, 2018.

The proposed changes related to credit loss reporting would affect all three versions of the Call Report (FFIEC 031, FFIEC 041, and FFIEC 051), as well as the following FFIEC reports that are applicable to a limited number of institutions:

- Foreign Branch Report of Condition (FFIEC 030),
- Abbreviated Foreign Branch Report of Condition (FFIEC 030S), and
- Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101).

The proposal includes changes to the Call Report and the FFIEC 101 report that would implement the agencies' proposed revisions to the regulatory capital rules for the current expected credit losses (CECL) methodology in ASU 2016-13, including a CECL regulatory capital transition.

Because ASU 2016-13 has different effective dates for different institutions, the proposed reporting changes related to credit losses would be phased in between March 31, 2019, and December 31, 2022.

The reporting changes arising from EGRRCPA affected the reporting of HVCRE exposures and reciprocal deposits beginning as of the June 30, 2018, report date. In addition, effective as of the September 30, 2018, report date, Call Report Schedule RC-E, Deposit Liabilities, will include a new Memorandum item for "Total reciprocal deposits." Institutions also will report their "Total reciprocal deposits as of June 30, 2018" on a one-time only basis in Schedule RC-E in the September 30, 2018, Call Report.

Redlined copies of the FFIEC report forms showing the proposed revisions related to credit losses, as well as the Call Report items for total reciprocal deposits, are available on the report forms webpage on the FFIEC's website.

Institutions should review FIL-51-2018 for further information about the agencies' regulatory reporting proposal.

Source link.

Comment: We encourage community banks to file a comment letter on the proposal.

High Volatility Commercial Real Estate - Notice of Proposed Rulemaking (09.28.2018)

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRB), and the Federal Deposit Insurance Corporation (FDIC) (collectively, the agencies) are seeking comment on a proposed rule that would, in accordance with section 214 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), revise the capital rules to make the definition of high volatility commercial real estate (HVCRE) exposure consistent with the new statutory definition of a high volatility commercial real estate acquisition, development, or construction (HVCRE ADC) loan. Going forward, the capital rule would continue to contain a single definition of HVCRE that would be applicable under both the standardized approach and the advanced approaches. The proposed rule also seeks comment on whether the banking agencies should further clarify the new definition.

Section 214 of the EGRRCPA states the agencies may only require a depository institution to assign a heightened risk weight to an HVCRE exposure, as defined under the capital rule, if such exposure is an HVCRE ADC loan as defined under the EGRRCPA. The statutory definition also excludes any loan made before January 1, 2015.

The new definition differs from the existing definition primarily in two ways:

First, the existing definition applies to loans that finance ADC activities, whereas the new definition would apply only to loans that “primarily” finance ADC activities and that are secured by land or improved real estate. This change would exclude multipurpose credit facilities that primarily finance the purchase of equipment or other non-ADC activities from the definition of HVCRE.

Second, while both the existing and the new definitions exclude financing for projects to which the borrower has contributed at least 15 percent equity, the existing definition permits only the purchase price of contributed land to be counted for this purpose. The new definition allows the full appraised value of borrower-contributed land (less the total amount of any liens on the real property securing the HVCRE exposure) to be counted as part of the equity contribution.

When possible, the agencies have attempted to clarify their interpretations of certain terms and are requesting comment on them. The preamble to the proposed rule describes how the agencies interpret exemptions from the HVCRE ADC loan definition for

- loans that finance one- to four-family residential properties, interpreted broadly to include lot development loans.
- loans that finance community development projects, interpreted consistently with the agencies' regulations implementing the Community Reinvestment Act.
- loans to purchase agricultural land, interpreted consistently with call report instructions for reporting loans that finance "farmland."
- loans that finance projects that have been completed and have begun to produce income. Such financing is exempt from the definition of HVCRE ADC loan if it satisfies the banking organization's internal underwriting criteria for permanent financing.

Source link.

Comment: The rulemaking would revise the definition of a "high-volatility commercial real estate (HVCRE) exposure" to conform to the definition of an "HVCRE ADC loan" in S. 2155. We encourage community banks to file a comment letter on the proposal.

BCFP actions and news

2019 HMDA Filing Instructions Guide (10.23.2018)

The Bureau is pleased to announce that the Filing Instructions Guide (FIG) for data collected in 2019 is now available. The FIG is a technical resource to help financial institutions file HMDA data collected in 2019 and reported in 2020.

The FIG can be accessed at https://ffiec.cfpb.gov under Help for Filers.

We encourage financial institutions to direct any questions to HMDAHelp@cfpb.gov.

Source link.

Bureau of Consumer Financial Protection Advisory Committees Meet with New Members (09.27.2018)

WASHINGTON, D.C. — The Bureau of Consumer Financial Protection (Bureau) began meetings in Washington, D.C. with members of its revamped Consumer Advisory Board, Community Bank Advisory Council, and Credit Union Advisory Council. This is the first joint gathering of these three panels of experts, who advise Bureau leadership on a broad range of consumer financial issues and emerging market trends.

"This marks the first meeting of the experts from outside government that make up the Bureau's new-look advisory committees, who are providing a wide array of new perspectives to consumer protection," said Bureau Acting Director Mick Mulvaney. "We look forward to hearing high-quality feedback from these experts in consumer finance markets to inform the Bureau's decision-making going forward."

The Consumer Advisory Board is mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to advise and consult with the Bureau's Director on a variety of consumer financial issues. The Bureau also created a Community Bank Advisory Council and a Credit Union Advisory Council. The Community Bank Advisory Council and Credit Union Advisory Council advise and consult with the Bureau on consumer financial issues related to community banks and credit unions. In March 2018, the Bureau issued a notice in the Federal Register outlining the responsibilities of the advisory committees, as well as the duties of their members, and solicited applications for appointment.

The newly appointed members include experts in consumer protection, financial services, FinTech, community development, fair lending, civil rights, and consumer financial products and services as well as representatives of community banks and credit unions. They are charged with identifying and assessing the impact of emerging products, practices, or services on consumers and other market participants. Advisory committee members share expertise across the range of issues under the Bureau's jurisdiction. New members to the Consumer Advisory Board, Community Bank Advisory Council and Credit Union Advisory Council will serve a one-year term.

Community Bank Advisory Council Members:

- John Erik Beguin, Founder, CEO, and President, Austin Capital Bank
- Bryan Bruns, President & CEO, Lake Central Bank
- Maureen Busch, Vice President, Compliance and CRA Officer, The Bank of Tampa
- Michael H. Head, President/CEO/Director, First Federal Savings Bank
- Aubery L. Hulings, Vice President, Operations Manager, The Farmers National Bank of Emlenton
- Heidi Sexton, EVP/Chief Operating Officer, Sound Community Bank
- Jeanni Stahl, SVP/Chief Risk and Compliance Officer, MetaBank

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FDIC actions and news

Cybersecurity Preparedness Resource (10.19.2018)

As part of the FDIC's Community Banking Initiative, the agency is adding to its cybersecurity awareness resources for financial institutions. This includes two new vignettes for the Cyber Challenge, which consists of exercises that are intended to encourage discussions of operational risk issues and the potential impact of information technology disruptions on common banking functions.

Community financial institutions may be exposed to operational risks through internal or external events ranging from cyber attacks to natural disasters. Operational risks can threaten an institution's ability to conduct basic business operations, impact its customer service, and tarnish its reputation. To help community financial institutions assess and prepare for these risks the FDIC is expanding its Cyber Challenge exercise offering at www.fdic.gov/regulations/resources/director/technical/cyber/purpose.html.

Cyber Challenge facilitates discussion between financial institution management and staff about operational risk issues. The exercises are designed to provide valuable information about an institution's current state of preparedness and identify opportunities to strengthen resilience to operational risk. The first Cyber Challenge videos and supporting discussion materials were released in early 2014, with three additional scenarios released in 2016. All the material is available at the Directors' Resource Center.

Cyber Challenge now consists of:

- Nine scenarios presented through short video vignettes;
- Associated challenge questions;
- Reference materials; and
- An instructional guide.

Cyber Challenge is not a regulatory requirement; rather, it is an optional resource that may assist financial institutions in strengthening their resilience to operational risk. Cyber Challenge is available at www.fdic.gov/regulations/resources/director/technical/cyber/purpose.html.

Source link.

FDIC Enhances Tool to Prevent Elder Financial Exploitation (10.15.2018)

The Federal Deposit Insurance Corporation (FDIC) announced the release of a Spanish-language version of Money Smart for Older Adults. The curriculum, now offered in English and Spanish, has been updated to provide new information and resources to help older adults and their caregivers recognize and prevent fraud, scams, and other types of financial exploitation. The curriculum also includes information to help older adults plan for a secure financial future and make informed financial decisions.

Money Smart for Older Adults was developed jointly by the FDIC and the Bureau of Consumer Financial Protection (Bureau) to provide an instructor-led training module that can be used by trusted individuals who serve the older adult population. Instructors often include representatives of social service agencies, law enforcement, and financial institutions, as well as legal professionals and other volunteers.

The three-part module consists of an instructor guide, a participant/resource guide, and a PowerPoint presentation that supplements classroom instruction.

The curriculum can be downloaded from the FDIC website and the resource guide for consumers can be ordered in bulk through the Bureau. The materials are free of charge. Success stories about the Money Smart curriculum can be found on the FDIC website.

Source link.

Comment: This program is an excellent resource for banks to use in their efforts to prevent elder financial exploitation and to demonstrate their commitment to service in their communities.

FDIC Announces Subscription Alerts for Updates to Examination Manuals (10.10.2018)

The FDIC is offering FDIC-supervised institutions the ability to receive a notification when the agency's Examination Manuals are updated on the website. This service will help community banks remain current on changes in instructions provided to examination staff.

To further strengthen communications with community banks, the FDIC is providing an opportunity for institutions to receive email notifications as part of the FDIC Subscription Service when any of the four risk-management supervisory Examination Manuals are updated. These manuals are the Risk Management (RM) Manual of Examination Policies, Trust Examination (Trust) Manual, Credit Card Activities (CC) Manual, and Credit Card Securitization (Securitization) Manual.

The RM Manual consists of instructions to examiners on supervisory matters, including how to evaluate an institution for safety and soundness. The Trust Manual addresses trust concepts, principles, common and statutory laws, and regulations that govern the behavior of fiduciaries. The CC Manual assists examiners in understanding the unique characteristics of bank credit card operations and is supplemented by the Securitization Manual that assists examiners in evaluating securitization activities.

An opt-in service to receive alerts when the Compliance Examination Manual (CEM) is updated or revised already exists. The CEM provides supervisory instructions to examination staff that conduct consumer compliance examinations, Community Reinvestment Act performance evaluations, and other related supervisory activities. It includes supervisory policies and examination procedures for evaluating compliance with federal consumer protection laws and regulations.

This service allows subscribers to sign up for similar alerts to other FDIC publications, including news releases, Financial Institution Letters, Supervisory Insights, and statistical analyses.

To sign up for the alerts or access your user profile, enter your email address at https://public.govdelivery.com/accounts/USFDIC/subscribers/new. If this is your first time accessing the system, you will be asked to set email options before making subscription selections.

Source link.

Comment: These are excellent, free resources. Sign up for the ones applicable to your bank!

Home Mortgage Disclosure Act (HMDA): Bureau of Consumer Financial Protection Interpretive and Procedural Rule on Partial Exemptions from HMDA Requirements (10.10.2018)

On August 31, 2018, the Bureau issued an interpretive and procedural rule to implement and clarify HMDA amendments made by the Economic Growth Act signed into law by the President on May 24, 2018.

The Bureau's rule became effective on September 7, 2018. However, as interpreted by the Bureau, the HMDA amendments became effective when the Economic Growth Act was signed into law.

The Economic Growth Act's HMDA amendments provide eligible insured depository institutions (IDIs) with a partial exemption from reporting certain data points with respect to closed-end mortgage loans, open-end lines of credit, or both. The partial exemptions are available to IDIs that meet conditions related to mortgage origination thresholds and Community Reinvestment Act (CRA) performance ratings.

The Bureau's rule clarifies which data points are covered by the partial exemptions. The rule also clarifies that only loans and lines of credit that are otherwise reportable under Regulation C count towards the origination thresholds, as well as how to determine which CRA performance evaluations to consider in determining eligibility for a partial exemption.

In addition, the rule clarifies that eligible IDIs generally may use a non-universal loan identifier for partially exempt transactions and may choose to report exempt data points as long as they report all data fields included in that data point.

Source link.

Comment: Eligible IDIs need not collect the exempted data points.

Banker Teleconference Series: Consumer Compliance Provisions in the Economic Growth, Regulatory Relief, and Consumer Protection Act (10.10.2018)

FDIC staff will address consumer compliance topics related to the Economic Growth, Regulatory Relief, and Consumer Protection Act, which the President signed into law on May 24, 2018.

The teleconference is scheduled for Thursday, October 25, 2018, from 2:00 p.m. to 3:30 p.m. Eastern Time. Registration is available online. https://www.fdic.gov/news/conferences/otherevents/2018-10-25-econ-growth.html

Following a formal presentation, FDIC staff will respond to questions during a Question-and-Answer segment. FDIC staff also encourage institutions to submit questions prior to the teleconference via BankerTeleconference@FDIC.gov. Email questions should be submitted prior to October 19th.

The FDIC also is soliciting suggestions from institutions on topics for future banker events. Please submit suggestions to BankerTeleconference@FDIC.gov.

Source link.

Request for Information on FDIC Communication and Transparency (10.01.2018)

On October 1, 2018, the Federal Deposit Insurance Corporation (FDIC) issued a Request for Information seeking comments and information from interested parties on the FDIC's communication methods and related initiatives. This Request for Information is part of a continuing effort to promote efficiency and increase transparency. Comments on this Request for Information will be accepted for 60 days after date of publication in the Federal Register.

The FDIC is responsible for maintaining stability and public confidence in the nation's financial system by insuring deposits, examining and supervising financial institutions for safety and soundness and consumer protection, making large and complex financial institutions resolvable, and managing receiverships. In order to accomplish this mission, the FDIC must be able to communicate efficiently and effectively with financial institutions.

The FDIC recognizes that the amount of information the Agency provides to banks can create challenges for institutions.

The FDIC uses many forms of communication to inform insured depository institutions about regulations, policies and guidance, industry data and educational materials, and other news and updates. Representative forms of communication are included in the Request for Information.

To reduce burden for institutions and others seeking information, the FDIC is soliciting input on how best to streamline and improve communication with the industry.

The Request for Information seeks general feedback on the FDIC's communication, transparency, and related initiatives. The FDIC also requests feedback on specific topics and questions related to the FDIC's communication and transparency, which are included in the Request for Information.

Comments on the Request for Information will be accepted for 60 days after publication in the Federal Register.

Source link.

FDIC Releases Report on Small Business Lending Survey (10.01.2018)

The Federal Deposit Insurance Corporation (FDIC) published a report on the findings of its Small Business Lending Survey, which collected data on how banks conduct their lending to small businesses. The report found that banks of different sizes approach small business lending differently, but that, overall, relationships are important for both small and large banks.

Small banks, defined in the report as those with assets of less than $10 billion, are more likely to focus on relationship-based practices to conduct small business lending. Large banks, those with assets of $10 billion or more, are more likely to rely on transaction-based methods. However, both small and large banks place importance on relationships with their small business borrowers, and small business lending by banks of all sizes is characterized by high-touch, staff-intensive interactions that are primarily at the local level.

"Small businesses comprise almost half of private-sector employment in the United States, and banks are the most common source of external credit for these businesses. Despite holding only 13 percent of banking industry assets, our data shows that community banks hold 42 percent of small business loans. In light of ongoing consolidation in the banking industry, banks' ability to meet the credit needs of this important sector is of vital interest to the FDIC," said FDIC Chairman Jelena McWilliams.

Topics in the survey included, but were not limited to, banks' small business borrowers, market areas and competitive environments, competitive practices and advantages, and underwriting practices, including for loans to start-ups. Banks were also asked about their overall volume of small business lending to assess how well current reporting measures capture their actual lending to small businesses.

About 2,000 banks were selected at random to participate in the large-scale, nationally representative survey. Approximately 1,200 banks—more than one-sixth of all FDIC-insured institutions in the United States—ultimately responded, yielding a 60 percent survey response rate. The data was collected in 2016 and 2017.

More information can be found on the FDIC's small business lending page, https://www.fdic.gov/sbls.

Source link.

Comment: Among the findings, the report concludes that for both small and large banks, a personal relationship with the borrower was cited as a banks top competitive advantage in the market and many are willing to grant exceptions to underwriting policies based on their relationships.

OCC actions and news

Updated Booklets and Rescissions (10.15.2018)

The Office of the Comptroller of the Currency (OCC) issued updates to the “Agricultural Lending,” “Oil and Gas Exploration and Production Lending,” and “Trade Finance and Services” booklets of the Comptroller’s Handbook, which are used by examiners in their examination and supervision of these areas.

Updates to Comptroller’s Handbook booklets are summarized in the “Table of Updates Since Publication” in the back of each booklet. Refer to the “Foreword” booklet of the Comptroller’s Handbook for more information regarding the OCC’s process for updating booklets.

The updated booklets replace the booklets of the same titles issued in January 2017 (“Agricultural Lending” and “Oil and Gas Exploration and Production Lending”) and April 2015 (“Trade Finance and Services”). Also rescinded are OCC Bulletin 2014-24, “Agricultural Lending: Comptroller’s Handbook Revision and Rescission”; OCC Bulletin 2016-9, “Oil and Gas Exploration and Production Lending: Revised Comptroller’s Handbook Booklet”; and OCC Bulletin 2015-26, “Trade Finance and Services: Revised Comptroller’s Handbook Booklet and Rescissions,” which transmitted publication of previous versions of each booklet.

- The updated booklets incorporate references to relevant OCC issuances published since these booklets were last issued.
- reflect the integration of federal savings associations into certain regulations.
- include clarifying edits regarding supervisory guidance, sound risk management practices, legal language, or the roles of the bank's board or management.
- revise certain content for general clarity.

Source link.

OCC to Host Innovation Office Hours in Dallas (10.04.2018)

WASHINGTON — The Office of the Comptroller of the Currency (OCC) will hold Innovation Office Hours, November 14-15, 2018, in Dallas, Texas, to promote responsible innovation in the federal banking system.

Office Hours are one-on-one meetings with the OCC's Office of Innovation staff to discuss financial technology (fintech), new products or services, partnering with a bank or a fintech company, or other matters related to responsible innovation in the federal banking system. OCC staff will provide feedback and respond to questions. Each meeting will last no longer than one hour.

Interested parties should request an Office Hours session by October 14, 2018, and are asked to provide information on why they are interested in meeting with the OCC. Specific meeting times and arrangements will be determined after the OCC receives and accepts the request.

Related Links

OCC's Responsible Innovation Web Page

OCC Office of Innovation: A General Guide (PDF)

Source link.

Comptroller of the Currency Discusses Implementation of the Economic Growth Act (10.02.2018)

WASHINGTON—Comptroller of the Currency Joseph M. Otting discussed the implementation of the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 during testimony before the Senate Committee on Banking, Housing, and Urban Affairs.

The Comptroller's testimony highlighted agency and interagency progress toward implementing the law. That progress includes OCC release of a notice of proposed rulemaking (NPR) required to grant federal savings associations greater flexibilities afforded by the law and approval of an NPR to increase the threshold for required recovery planning to banks with total consolidated assets of $50 billion or more. Testimony also discussed interagency actions to implement provisions of the law that exempt smaller banks from the Volcker Rule, require certain municipal securities to be treated as high quality liquid assets, expand eligibility for the 18-month examination cycle, modify the agencies' capital rules for high volatility commercial real estate exposures, and amend the agencies' swap margin rule.

In addition to work on rules required by the Economic Growth Act, Comptroller Otting provided committee members an update regarding agency priorities, including encouraging banks to re-enter the small-dollar lending market, issuing an advance notice of public rulemaking to begin public dialogue modernizing Community Reinvestment Act regulations, moving forward on accepting special purpose national bank charters for fintech companies engaged in the business of banking, making compliance with the Bank Secrecy Act and anti-money laundering regulations more efficient and effective, and improving the efficiency and effectiveness of OCC operations..

Related Links

Oral Statement (PDF)

Written Testimony (PDF)

Source link.

Truth in Lending - Revised Comptroller's Handbook Booklet and Rescissions (09.26.2018)

The Office of the Comptroller of the Currency (OCC) issued today the “Truth in Lending Act” (TILA) booklet of the Comptroller's Handbook. This updated booklet replaces a similarly titled booklet issued in December 2014.

This booklet provides updated guidance and procedures to examiners in connection with changes made to Regulation Z (12 CFR 1026), which implements TILA. The updated OCC booklet includes procedures implementing the Bureau of Consumer Financial Protection’s rule: the Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z), which became effective in October 2015.

This bulletin makes available on the OCC website the OCC’s revised examination procedures for Regulation Z and removes the “Interagency TILA/Regulation Z Examination Manual” posted in May 2015.

With the issuance of this booklet, the following documents are rescinded:

- OCC Bulletin 2014-61, “Truth in Lending Act: Revised Comptroller’s Handbook Booklet and Rescissions” (December 16, 2014).
- The TILA sections of OCC Bulletin 2015-27, “Revised Interagency Examination Procedures for Consumer Compliance” (May 1, 2015), and OCC Bulletin 2015-42, “Initial Examinations for Compliance With TILA-RESPA Integrated Disclosure Rule” (November 6, 2015).

Significant revisions from the OCC’s 2014 TILA booklet reflect

- requirements for integrated mortgage loan disclosures under TILA and RESPA.
- special provisions on certain construction loans.
- special provisions relating to small creditors and rural or underserved areas.
- changes regarding appraisals for higher-priced mortgage loan exemptions.
- updates to mortgage origination examination procedures.
- added quick reference tools regarding TILA–RESPA integrated disclosures and high-cost mortgage loans.
- updates to mortgage servicing rules and the small creditor definition.

Source link.

OCC Releases Bank Supervision Operating Plan for Fiscal Year 2019 (09.25.2018)

WASHINGTON — The Office of the Comptroller of the Currency (OCC) released its bank supervision operating plan for fiscal year (FY) 2019.

The plan provides the foundation for policy initiatives and for supervisory strategies as applied to individual national banks, federal savings associations, federal branches, federal agencies, and technology service providers. OCC staff members use this plan to guide their supervisory priorities, planning, and resource allocations.

Supervisory strategies for FY 2019 focus on

- cybersecurity and operational resiliency.
- commercial and retail credit loan underwriting, concentration risk management, and the allowance for loan and lease losses.
- Bank Secrecy Act/anti-money laundering (BSA/AML) compliance management.
- compliance-related change management to address regulatory requirements.
- internal controls and end-to-end processes necessary for product and service delivery.

The OCC will provide periodic updates about supervisory priorities through the Semiannual Risk Perspective in the fall and spring.

Related Link

Fiscal Year 2019 Operating Plan (PDF)

Source link.

***Comment:* Specifically mentioned were regulatory requirements including the Home Mortgage Disclosure Act, the integrated mortgage disclosure requirements under the Truth in Lending Act and Real Estate Settlement Procedures Act, and the Military Lending Act.**

Federal Reserve actions and news

Federal Reserve Payments Study Finds U.S. Payments Fraud a Small but Growing Fraction of Overall Payments (10.16.2018)

The value of fraudulent noncash payments in the United States rose significantly between 2012 and 2015--outpacing growth in noncash payments overall, according to a new report based on Federal Reserve Payments Study data. The study's survey of depository institutions found that the value of noncash payments fraud rose 37 percent from $6.1 billion in 2012 to $8.3 billion in 2015. Over the same period, the total value of noncash payments rose 12 percent from $161.2 trillion to $180.3 trillion.

The report provides estimates of payments fraud totals and rates for payments processed over general-purpose credit and debit card networks, including non-prepaid and prepaid debit card networks, the automated clearinghouse (ACH) transfer system, and the check clearing system. These payment systems form the core of the noncash payment and settlement systems used to clear and settle everyday payments made by consumers and businesses in the United States.

The fraud data were collected as part of Federal Reserve surveys of depository institutions in 2012 and 2015 and payment card networks in 2015 and 2016. The types of fraudulent payments covered in the study are those made by an unauthorized third party.

Data from the depository institutions survey show that the overall rate of payments fraud, by value, increased from 2012 to 2015 in the United States, driven primarily by card fraud.

Source link.

Comment: Both the Fed and the payment card networks surveys found that card payments fraud, at less than one-tenth of a percent of all card payments, is rare, and also represents a small fraction of the value of card payments.

Federal Reserve Outlook Live Invitation - Healthy Communities: Opportunities for CRA Collaboration (10.09.2018)

Outlook Live Webinar
Thursday, November 1, 2018
Times: 11:00 a.m. - 12:00 p.m. Pacific
12:00 p.m. - 1:00 p.m. Mountain
1:00 p.m. - 2:00 p.m. Central
2:00 p.m. - 3:00 p.m. Eastern

Join Federal Reserve System Community Development staff for a presentation on the intersection between community and economic development, public health, and health care. In this session, attendees will gain a basic understanding of the Federal Reserve's Community Development function as well as identify how depository institutions can receive credit under the Community Reinvestment Act for fostering healthy and vibrant communities. Presenters will describe potential strategies to utilize in the field as well as a list of collaboration tools that banks, public health practitioners, health care organizations, and others can use to foster physical, social, and economic well-being in the markets they serve.

We will follow the presentation with a Questions and Answers segment, where we will respond to audience questions. In addition to taking questions during the webinar, please consider sending in questions via email in advance of the event to facilitate the Q&A segment.

Registration

Please click on the URL or copy and paste it into your browser to register for this webinar: https://www.webcaster4.com/Webcast/Page/577/27728.

Source link.

Federal Reserve Board Seeks Public Comment on Potential Actions To Facilitate Real-Time Interbank Settlement of Faster Payments (10.03.2018)

The Federal Reserve Board on Wednesday invited public comment on actions the Federal Reserve could take to support faster payments in the United States. The potential actions, which would facilitate real-time interbank settlement of faster payments, build on collaborative work with the payment industry through the Federal Reserve System's Strategies for Improving the U.S. Payment System (SIPS) initiative.

Faster payment services are valued for the conveniences they provide, such as the ability to pay another individual on-the-spot using a mobile phone application. They also provide consumers, households, and businesses more flexibility in managing their money because faster payments can be sent and received at any time, on any day.

Views are being sought on two potential actions that may support the further development of faster payments in the United States while increasing the resiliency and security of services offered to the public: 1) the development of a service for real-time interbank settlement of faster payments 24 hours a day, seven days a week, 365 days a year (24x7x365); and 2) the creation of a liquidity management tool that would enable transfers between Federal Reserve accounts on a 24x7x365 basis to support services for real-time interbank settlement of faster payments, regardless of whether those services are provided by the private sector or the Federal Reserve Banks. The Board is not committing to any specific action and is seeking input on which, if any, actions the Federal Reserve should take.

"Consumers and businesses increasingly expect to be able to send and immediately receive payments at any time of the day, any day of the year," said Federal Reserve Board Governor Lael Brainard. "A 24/7 economy with 24/7 real-time payments needs 24/7 real-time settlement. That is where we believe that the Federal Reserve and the private sector together need to make investments for the future."

Real-time settlement avoids interbank credit risk by aligning the speed of interbank settlement with the speed of underlying payments. As a result, broad use of real-time settlement for faster payments could enhance the overall safety of the faster payments market in the United States. Development of a nationwide real-time interbank settlement infrastructure by the Federal Reserve could encourage more banks to develop faster payment services, creating more choice for consumers, households, and businesses.

A liquidity management tool could improve the level of participation by banks in a real-time settlement infrastructure for faster payments, and hence public access to faster payment services, by mitigating risk that can arise for banks outside of standard business hours.

The Board's Federal Register notice is attached. Comments are due by December 14, 2018.

Source link.

Other federal action and news

FFIEC Launches New BSA/AML InfoBase on its Website (10.18.2018)

The Federal Financial Institutions Examination Council (FFIEC) launched the redesigned Bank Secrecy Act/Anti-Money Laundering (BSA/AML) InfoBase website, which is aimed at sharing bank examination procedure information with examiners, financial institutions, the public, and other stakeholders.

The FFIEC BSA/AML InfoBase was redesigned to improve the overall experience for users. The redesign improves site navigation, enhances search capabilities, provides mobile-friendly capability, and contains new functionality that allows users to download various sections of the FFIEC BSA/AML Examination Manual.

Please visit the redesigned website using this URL: https://bsaaml.ffiec.gov.

Source link.

CSBS to Create Index of Community Bank Sentiment (10.04.2018)

Washington, D.C. – CSBS announced that it is creating an ongoing sentiment index of community bankers based on its annual survey.

In a paper authored by noted Temple University economists William Dunkelberg and Jonathan Scott, CSBS outlined how it will build the new Index of Community Bank Sentiment. The index is intended to bring attention to market conditions and how they impact prospects for growth and participation for community banks in their communities.

"The Indicator will show how bankers are feeling about the future and provide us with an important barometer of the state of the industry," said CSBS Senior Executive Vice President Michael Stevens. "That is important, as community banks are key instruments of the economy, especially when it comes to small business and agriculture lending."

The number of community banks has dropped from 14 thousand to fewer than 5 thousand banks in the past 30 years, and large banks today hold 65 percent of the market share. And yet community banks provide nearly one half of all small business lending, 75 percent of lending in rural America, and are the only banking service in 20 percent of the nation's counties.

Dunkelberg and Scott will work with CSBS to create the Index, building on the national community bank survey, which CSBS and the state bank regulars have conducted for five years. The results are released each year as part of annual Federal Reserve-CSBS-FDIC research conference on community banking.

Source link.

Comment: From the CSBS "…most banks are community banks (FDIC definition), and many counties rely on community banks alone. Community banks have over 50,000 physical locations around the United States, providing the only banking services in 20 percent of the nation's counties."

State Regulators Release First-Ever Data Report on Money Services Businesses (10.04.2018)

Washington, D.C. – State financial regulators released the inaugural Money Services Businesses (MSB) Industry Report with transaction data covering 2017 from licensed money transmission, payments, virtual currency and other businesses. The report is based on data collected from the Nationwide Multistate Licensing System (NMLS), which is operated by the Conference of State Bank Supervisors (CSBS).

Key facts:

- The money services businesses industry overall handled $1.24 trillion in 2017.
- The money transmission industry is highly concentrated with the 10 largest companies moving 74 percent of the almost $685 billion total.
- Foreign transfers, or international wires, comprised 22 percent of all money transmission in the United States. The average foreign transaction was $479.
- Virtual currency exchange ($110.8 billion) and virtual currency transmission ($6.2 billion) account for 9.4 percent of the industry.

John Ducrest, commissioner of the Louisiana Office of Financial Institutions and chair of the CSBS subsidiary that operates NMLS (State Regulatory Registry): "State regulators rely on company and industry data to regulate money services businesses for the benefit of local communities and the safety of customer funds. The MSB Call Report and new Industry Report are providing essential insight for state regulators."

Rick St. Onge, Money Transmitter Regulators Association (MTRA) president and non-depository examinations chief for the Washington State Department of Financial Institutions, announced at the MTRA Annual Conference in Jackson Wyoming, “The MSB Industry Report leverages data collected from NMLS, including state licensing and supervisory data and the MSB Call Report. The MTRA supports Vision 2020 and states’ effort to reduce licensing burdens with increased efficiency.”

More information is available here.

See the full report at mortgage.nationwidelicensingsystem.org/about/Reports/2017-NMLS-Money-Services-Businesses-Report.pdf.

Source link.

Federal Reserve, CSBS Release Findings from 2018 Survey of Community Banks (10.03.2018)

ST. LOUIS — The Federal Reserve System and the Conference of State Bank Supervisors (CSBS) released findings from a national survey of community bankers as part of the sixth annual Community Banking in the 21st Century research and policy conference, taking place today and tomorrow at the Federal Reserve Bank of St. Louis. The conference is sponsored annually by the Federal Reserve System, CSBS and the Federal Deposit Insurance Corp.

The survey report, available on the conference website at www.communitybanking.org, provides a comprehensive view of trends in the community banking industry from the perspectives of bankers nationwide.

Survey responses were obtained from 521 community banks in 37 states from April through July 2018. In addition to regulatory issues, this year’s survey addressed trends in small business and other lending, banking services, mergers and acquisitions, management succession, and financial technology.

“Creating more awareness and understanding about community banking is a primary focus of this research report and the related conference,” wrote CSBS Chairman Charlotte N. Corley in the report’s foreword.

Following are some key findings from this year’s survey responses:

- Inferred compliance costs for the overall community banking industry, which had been increasing in previous years, declined to an estimated $4.7 billion. Despite the decline, surveyed bankers cited the cost of regulations as a key factor in considering whether to accept acquisition offers.
- Management succession was considered at least a moderately important factor by two-thirds of bankers who were weighing acquisition offers.
- A majority of bankers said they were collecting and analyzing data in preparation for implementation of the Current Expected Credit Loss (CECL) model.
- The vast majority of bankers said that, in response to competitive pressure for small business loans, they rarely or never eased terms by extending maturity, reducing collateral requirements, requiring fewer covenants or allowing more borrower leverage.

Complementing the national survey findings were “Five Questions for Five Bankers,” summaries of qualitative interviews conducted by state bank supervisors in 28 states over the same three-month period. Questions addressed trends in industry consolidation, supervision and regulation, differentiation among banks making small business loans, the threat of technological “disruption,” and managing cyber-risk.

Source link.

Publications, articles, reports, studies, testimony & speeches

Preventing the Next State Budget Crisis: A Conference Summary (10.17.2018)

Over 100 researchers, academics, policymakers, and business people gathered at the Federal Reserve Bank of Chicago to explore strategies and methods for improving state fiscal stability and performance while promoting budgetary transparency. The Chicago Fed cosponsored the program with the Volcker Alliance, the Pew Charitable Trusts, and the Lincoln Institute of Land Policy.

Robert Inman, Wharton School, University of Pennsylvania, provided the opening keynote based on joint work with Andrew Haughwout, Federal Reserve Bank of New York. Their work focuses on identifying the root cause of a future fiscal problem by measuring the condition of the stock of public wealth held by a government. Public wealth measures the cash and securities of a government (minus the long- and short-term debt) plus the value of capital stock plus pension assets (minus liabilities). Inman argued that a critical function of government is to maintain and build public wealth. When there is evidence that a government is drawing down its stock of public wealth, a fiscal crisis may be on the horizon even if financial reports suggest that the annual general fund budget is balanced.

Inman divided states into three types based on their public wealth performance. "Tax smoothers" use rainy day funds to smooth budgets over recessions and actively restore fund balances during recoveries. These states recognize the need to build buffers for downturns and to replenish them during upturns in the economy. States in this group include Arizona, California, Connecticut, Colorado, and Idaho. In contrast, "borrowers" draw down their stock of public wealth during downturns but tend not to restore balances during recoveries. States in this group include Illinois, Kansas, Maryland, Massachusetts, Mississippi, and New Jersey. Finally, "savers" appear to systematically build reserves under virtually any economic climate. States in this category include Iowa, Montana, Nebraska, North Dakota, South Dakota, Texas, and Wyoming.

Source link.

Thoughts on the U.S. Economy, Monetary Policy and Energy Sector Dynamics by Esther George President and Chief Executive Officer Federal Reserve Bank of Kansas City (10.11.2018)

Ten years ago this month, financial conditions were fragile and the economy was deep in recession.

The unemployment rate stood at 6.5 percent on its way to 10 percent a year later. The recovery from that recession was slow, but the economy has come a long way. The combination of fiscal stimulus, corporate and bank bailouts, and unconventional monetary policy aided in stabilizing the economy. Yet, these dramatic actions did not generate the sharp bounce back of economic activity that we might have expected based on some past recoveries. Instead, the economy found its footing in a moderate, but resilient, recovery with annual growth in real Gross Domestic Product (GDP) of around 2 percent. More surprisingly, despite the sluggish pace of output growth, employment has grown at a relatively brisk pace, pushing the unemployment rate down to its lowest level since 1969.

Because we are well into a recovery of record length, and with interest rates increasing, many pundits are saying a recession is inevitably on the horizon. Others are convinced that recent tax cuts and increased government spending, combined with robust consumer and business spending, provide momentum that could extend the current expansion. Rather than try to project the future, I'll discuss what I see as the key factors that are in play today and that, on balance, suggest continued growth ahead. In doing so, I'll offer my views on monetary policy and highlight the changing role of the energy sector in contributing to the overall performance of the economy, including the region served by the Kansas City Fed.

Source link.

Chicago Fed National Activity Index (09.24.2018)

The Chicago Fed National Activity Index (CFNAI) was unchanged at +0.18 in August. Three of the four broad categories of indicators that make up the index increased from July, and two of the four categories made positive contributions to the index in August. The index's three-month moving average, CFNAI-MA3, rose to +0.24 in August from +0.02 in July.

Source link.

Selected federal rules – proposed

Proposed rules are included only when community banks October want to comment. Date posted October not be the same as the Federal Register Date.

Posted Date	SUMMARY OF PROPOSED RULE
09.18.2018	High Volatility Commercial Real Estate - Three federal banking agencies invited public comment on a proposal to modify the agencies' capital rules for high volatility commercial real estate exposures, as required by the Economic Growth, Regulatory Relief, and Consumer Protection Act. The proposal also asks for comment on certain terms contained in the revised definition of high volatility commercial real estate. The changes, when finalized, would apply to all banking organizations subject to the agencies' capital rules. Comments are due 11.27.2018.
09.05.2018	Reforming CRA Regulatory Framework - The Office of the Comptroller of the Currency (OCC or agency) invites comments on this advance notice of proposed rulemaking (ANPR) to solicit ideas for building a new framework to transform or modernize the regulations that implement the Community Reinvestment Act of 1977 (CRA). A new CRA regulatory framework would help regulated financial institutions more effectively serve the convenience and needs of their communities by encouraging more lending, investment, and activity where it is needed most; evaluating CRA activities more consistently; and providing greater clarity regarding CRA-qualifying activities. A transformed or modernized framework also would facilitate more timely evaluations of bank CRA performance, offer greater transparency regarding ratings, promote a consistent interpretation of the CRA, and encourage increased community and economic development in low- and moderate-income (LMI) areas. Revisions of this nature are consistent with the original intent of the CRA: To help meet the credit needs of the communities that banks serve. In addition, these types of revisions would align with the transformation of the banking industry and reduce the complexity, ambiguity, and burden associated with the regulations. Comments are due 11.19.2018.

Selected federal rules – upcoming effective dates

Not all final rules are included. Only rules affecting community banks are reported, but we make no guarantees that these are all the final rules your bank needs to know about.

EFFECTIVE DATE:	SUMMARY OF FINAL RULE:
01.01.2018	Regulatory Capital Rules: Retention of Certain Existing Transition Provisions for Banking Organizations That Are Not Subject to Advanced Approaches Capital Rules. The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) are adopting a final rule to extend the regulatory capital treatment applicable during 2017 under the regulatory capital rules (capital rules) for certain items. These

items include regulatory capital deductions, risk weights, and certain minority interest limitations. The relief provided under the final rule applies to banking organizations that are not subject to the capital rules' advanced approaches (non-advanced approaches banking organizations). Specifically, for these banking organizations, the final rule extends the current regulatory capital treatment of mortgage servicing assets, deferred tax assets arising from temporary differences that could not be realized through net operating loss carrybacks, significant investments in the capital of unconsolidated financial institutions in the form of common stock, non-significant investments in the capital of unconsolidated financial institutions, significant investments in the capital of unconsolidated financial institutions that are not in the form of common stock, and common equity tier 1 minority interest, tier 1 minority interest, and total capital minority interest exceeding the capital rules' minority interest limitations. Under the final rule, advanced approaches banking organizations continue to be subject to the transition provisions established by the capital rules for the above capital items. Therefore, for advanced approaches banking organizations, their transition schedule is unchanged, and advanced approaches banking organizations are required to apply the capital rules' fully phased-in treatment for these capital items beginning January 1, 2018.

05.16.2018 *Beneficial Ownership Requirements for Legal Entity Customers of Certain Financial Products and Services with Automatic Rollovers or Renewals*. The Financial Crimes Enforcement Network (FinCEN) is issuing this ruling to provide a 90-day limited exceptive relief to covered financial institutions from the obligations of the Beneficial Ownership Requirements for Legal Entity Customers (31 CFR § 1010.230) (Beneficial Ownership Rule) with respect to certain financial products and services that automatically rollover or renew (i.e., certificate of deposit (CD) or loan accounts) and were established before the Beneficial Ownership Rule's Applicability Date, October 11, 2018. This exception begins, retroactively, on October 11, 2018, and will expire on October 9, 2018. During this time, FinCEN will determine whether and to what extent additional exceptive relief October be appropriate for such financial products and services that were established before October 11, 2018, but are expected to rollover or renew after such date.

06.01.2018 ***Federal Mortgage Disclosure Requirements Under the Truth in Lending Act (Regulation Z).*** The Bureau of Consumer Financial Protection (Bureau) is amending Federal mortgage disclosure requirements under the Real Estate Settlement Procedures Act (RESPA) and the Truth in Lending Act (TILA) that are implemented in Regulation Z. The amendments relate to when a creditor October compare charges paid by or imposed on the consumer to amounts disclosed on a Closing Disclosure, instead of a Loan Estimate, to determine if an estimated closing cost was disclosed in good faith.

07.01.2018 Availability of Funds and Collection of Checks The Board is amending subparts A, C, and D of Regulation CC, Availability of Funds and Collection of Checks (12 CFR part 229), which implements the Expedited Funds Availability Act of 1987 (EFA Act), the Check Clearing for the 21st Century Act of 2003 (Check 21 Act), and the official staff commentary to the regulation.1 In the final rule, the Board has modified the current check collection and return requirements to reflect the virtually all-electronic check collection and return environment and to encourage all depositary banks to receive, and paying banks to send, returned checks electronically. The Board has retained, without change, the current same-day settlement rule for paper checks. The Board is also applying Regulation CC's existing check warranties under subpart C to checks that are collected electronically, and in addition, has adopted new warranties and indemnities related to checks collected and returned electronically and to electronically-created items.

09.17.2018 Amendment to the Annual Privacy Notice Requirement Under the Gramm-Leach-Bliley Act (Regulation P). The Bureau of Consumer Financial Protection (Bureau) is amending Regulation P, which requires, among other things, that financial institutions provide an annual notice describing their privacy policies and practices to their customers. The amendment implements a December 2015 statutory amendment to the Gramm-Leach-Bliley Act providing an exception to this annual notice requirement for financial institutions that meet certain conditions.

10.01.2018 TRID 2.0 The Consumer Financial Protection Bureau (CFPB) finalized updates to its "Know Before You Owe" mortgage disclosure rule with amendments that are intended to formalize guidance in the rule, and provide greater clarity and certainty. The changes will facilitate implementation of the Know Before You Owe rule by the mortgage industry. The CFPB is also releasing a limited follow-up proposal to address an additional implementation issue. While the amendments became effective 60 days after publication in the Federal Register, mandatory compliance with the amendments is not required until October 1, 2018.

04.01.2019 Prepaid Accounts under the Electronic Fund Transfer Act (Regulation E) and the Truth In Lending Act (Regulation Z). The CFPB is issuing this final rule to create comprehensive consumer protections for prepaid accounts under Regulation E, which implements the Electronic Fund Transfer Act; Regulation Z, which implements the Truth in Lending Act; and the official interpretations to those regulations. The final rule modifies general Regulation E requirements to create tailored provisions governing disclosures, limited liability and error resolution, and periodic statements, and adds new requirements regarding the posting of account agreements. Additionally, the final rule regulates overdraft credit features that October be offered in conjunction with prepaid accounts. Subject to certain exceptions, such credit features will be covered under Regulation Z where the credit feature is offered by the prepaid account issuer, its affiliate, or its business partner and credit can be accessed in the course of a transaction conducted with a prepaid card. For additional information, see the CFPB's prepaid rule implementation page.

Common words, phrases, and acronyms

APOR	"Average Prime Offer Rates" are derived from average interest rates, points, and other pricing terms offered by a representative sample of creditors for mortgage transactions that have low-risk pricing characteristics.
CARD Act	Credit Card Accountability Responsibility and Disclosure Act of 2009
CFPB	Consumer Financial Protection Bureau
CFR	Code of Federal Regulations. Codification of rules and regulations of federal agencies.
CRA	Community Reinvestment Act. This Act is designed to encourage loans in all segments of communities.
CRE	Commercial Real Estate
CSBS	Conference of State Bank Supervisors
CTR	Currency Transaction Report. Filed for each deposit, withdrawal, exchange of currency that involves a transaction in currency of more than $10,000.
Dodd-Frank Act	The Dodd–Frank Wall Street Reform and Consumer Protection Act
DOJ	Department of Justice
FDIC	Federal Deposit Insurance Corporation
EFTA	Electronic Fund Transfer Act
Federal bank regulatory agencies	FDIC, FRB, and OCC
Federal financial institution regulatory agencies	CFPB, FDIC, FRB, NCUA, and OCC
FEMA	Federal Emergency Management Agency
FFIEC	Federal Financial Institutions Examination Council
FHFA	Federal Housing Finance Agency
FHA	Federal Housing Administration
FinCEN	Financial Crime Enforcement Network

FR	Federal Register. U.S. government daily publication that contains proposed and final administrative regulations of federal agencies.
FRB, Fed or Federal Reserve	Federal Reserve Board
FSOC	Financial Stability Oversight Council
FTC	Federal Trade Commission
GAO	Government Accountability Office
HARP	Home Affordable Refinance Program
HAMP	Home Affordable Modification Program
HMDA	Home Mortgage Disclosure Act
HOEPA	Home Ownership and Equity Protections Act of 1994
HPML	Higher Priced Mortgage Loan
HUD	U.S. Department of Housing and Urban Development
IRS	Internal Revenue Service
MLO	Mortgage Loan Originator
MOU	Memorandum of Understanding
NFIP	National Flood Insurance Program. U.S. government program to allow the purchase of flood insurance from the government.
NMLS	National Mortgage Licensing System
OCC	Office of the Comptroller of the Currency
OFAC	Office of Foreign Asset Control
OREO	Other Real Estate Owned
QRM	Qualified Residential Mortgage
Reg. B	Equal Credit Opportunity
Reg. C	Home Mortgage Disclosure
Reg. DD	Truth in Savings
Reg. E	Electronic Fund Transfers
Reg. G	S.A.F.E. Mortgage Licensing Act
Reg. P	Privacy of Consumer Financial Information
Reg. X	Real Estate Settlement Procedures Act
Reg. Z	Truth in Lending

RESPA	Real Estate Settlement Procedures Act
SAR	Suspicious Activity Report – Report financial institutions file with the U.S. government (FinCEN) regarding activity that October be criminal in nature.

SDN	Specially Designated National
TILA	Truth in Lending Act
TIN	Tax Identification Number
Treasury	U.S. Department of Treasury