ALABAMA BANKERS ASSOCIATION, INC.
WASHINGTON
Regulatory REVIEW

Sponsored by
ALABAMA BANKING SERVICES
- QUALITY ENDORSEMENTS -

September 2019 | Volume 17 | Number 9

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

"Ah, September! You are the doorway to the season that awakens my soul." – Peggy Toney Horton

Joint federal agency issuances, actions and news

2019 Fair Lending Interagency Webinar

Representatives from six federal agencies will discuss a variety of fair lending topics, including:

- Fair Lending and Innovation
- Redlining Case Study, United States v. First Merchants Bank
- Advanced Topics in Redlining
- Fair Lending Analysis in CRA Protests
- HMDA Review Observations
- Complaints in the Fair Lending Risk Assessment and Exam Process

Speakers at this event will represent the following six federal agencies:

- Consumer Financial Protection Bureau
- Department of Justice
- Federal Reserve Board
- Federal Deposit Insurance Corporation
- National Credit Union Administration
- Office of the Comptroller of the Currency
-

Date and Time:
Tuesday, October 1, 2019
Times: 11:00 a.m. - 12:30 p.m. Pacific
12:00 p.m. - 1:30 p.m. Mountain
1:00 p.m. - 2:30 p.m. Central
2:00 p.m. - 3:30 p.m. Eastern

Source link.

Comment: Fair lending and redlining continue to evolve as regulatory issues. This free program should provide a window into the current regulatory scheme.

FFIEC Announces Availability of 2018 Data on Mortgage Lending (08.30.2019)

The Federal Financial Institutions Examination Council (FFIEC) announced the availability of data on mortgage lending transactions at 5,683 U.S. financial institutions covered by the Home Mortgage Disclosure Act (HMDA). Covered institutions include banks, savings associations, credit unions, and mortgage companies. Released are loan-level HMDA data covering 2018 lending activity that were submitted on or before August 7, 2019.

The data include a total of 48 data points providing information about the applicants, the property securing the loan or proposed to secure the loan in the case of non-originated applications, the transaction, and identifiers. Many of the data points are available for the first time in the 2018 HMDA data. A complete list of HMDA data points and the associated data fields is found in Appendix A of the FFIEC's Filing Instructions Guide for HMDA Data Collected in 2018. Certain smaller-volume financial institutions are not required to report all of these data, pursuant to the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA).

The HMDA loan-level data available to the public will be updated, on an ongoing basis, to reflect late submissions and resubmissions. Accordingly, loan-level data downloaded from https://ffiec.cfpb.gov/ at a later date will include any such updated data. An August 7, 2019 static dataset used to develop the observations in this statement about the 2018 HMDA data is available here https://ffiec.cfpb.gov/data-publication/. In addition, beginning in late March 2019, Loan/Application Registers (LARs) for each HMDA filer of 2018 data, modified to protect borrower privacy, became available at https://ffiec.cfpb.gov/data-publication/.

Observations from the 2018 Data

For 2018, the number of reporting institutions declined by about 2.9 percent from the previous year to 5,683. The 2018 data include information on 12.9 million home loan applications. Among them, 10.3 million were closed-end, 2.3 million were open-end, and, for another 378,000 records, pursuant to the EGRRCPA's partial exemptions, financial institutions did not indicate whether the records were closed-end or open-end. A total of 7.7 million applications resulted in loan originations. Among them, 6.3 million were closed-end mortgage originations, 1.1 million were open-end line of credit originations, and, pursuant to the EGRRCPA's partial exemptions, 283,000 were originations for which financial institutions did not indicate whether they were closed-end or open-end. The 2018 data include 2.0 million purchased loans, for a total of 15.1 million records. The data also include information on approximately 177,000 requests for preapprovals for home purchase loans.

Source link.

Comment: Data 'wonks' will certainly be pouring through the expanded fields available for the first time.

FFIEC CRA Alert - 2019 Census and Geocoding System Demographic Data Release (08.30.2019)

The FFIEC CRA website has been recently updated.

The 2019 Census Data Products have been released. In addition, the Geocoding System has been updated to include the 2019 Census demographic data.

Source link.

FFIEC Encourages Standardized Approach to Assessing Cybersecurity Preparedness (08.28.2019)

The Federal Financial Institutions Examination Council (FFIEC) members emphasized the benefits of using a standardized approach to assess and improve cybersecurity preparedness.

The members note that firms adopting a standardized approach are better able to track their progress over time and share information and best practices with other financial institutions and with regulators.

Institutions may choose from a variety of standardized tools aligned with industry standards and best practices to assess their cybersecurity preparedness. These tools include the FFIEC Cybersecurity Assessment Tool, the National Institute of Standards and Technology Cybersecurity Framework, the Financial Services Sector Coordinating Council Cybersecurity Profile, and the Center for Internet Security Critical Security Controls.

FFIEC members welcome collaborative approaches to advance and support cyber preparedness and enhance the efficiency and effectiveness of the supervisory process. While the FFIEC does not endorse any particular tool, these standardized tools support institutions in their self-assessment activities. The tools are not examination programs and the FFIEC members take a risk-focused approach to examinations. As cyber risk evolves, examiners may address areas not covered by all tools.

REFERENCES

•FFIEC Cybersecurity Assessment Tool

•FSSCC Cybersecurity Profile

•NIST Cybersecurity Framework

•Center for Internet Security Controls

Source link.

Comment: The release emphasized that banks adopting a standardized approach are better able to track their progress over time and share information and best practices with other banks and regulators.

Flood Disaster Protection Act: Revised Interagency Examination Procedures (08.27.2019)

Summary The Task Force on Consumer Compliance of the Federal Financial Institutions Examination Council (FFIEC) adopted revised interagency examination procedures for the Flood Disaster Protection Act (FDPA). The revised procedures reflect the amendments to the regulations regarding loans in areas having special flood hazards to implement the private flood insurance provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act). The amendments to the regulations were issued by the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Farm Credit Administration, and the National Credit Union Administration and published in the Federal Register on February 20, 2019.2

This bulletin makes available on the OCC website the revised interagency FDPA examination procedures that reflect the private flood insurance requirements, which are effective July 1, 2019.

Highlights

The FFIEC members developed these examination procedures to promote consistency in the examination process and communication of supervisory expectations. The new regulatory requirements are effective on July 1, 2019. The interagency procedures reflect regulatory provisions that

- require a regulated lending institution to accept private flood insurance policies that meet the definition of “private flood insurance” in satisfaction of the flood insurance purchase requirement.
- include a compliance aid to facilitate a regulated lending institution’s determination that a policy meets the definition of “private flood insurance.”
- permit a regulated lending institution to exercise its discretion to accept a flood insurance policy issued by a private insurer that does not meet the definition of “private flood insurance,” subject to certain restrictions.
- permit a regulated lending institution to exercise its discretion to accept flood coverage provided by a mutual aid society, subject to certain restrictions.

Source link.

Comment: Update flood policies and procedures to assure compliance with this important change.

CFPB actions and news

CFPB Updates its HMDA Webinars and Issues New HMDA Webinar (09.04.2019)

The Bureau recently updated its HMDA Webinars to reflect amendments to HMDA made by the Economic Growth, Regulatory Relief, and Consumer Protection Act, and the interpretive and procedural rule issued by the Bureau in August 2018. In addition, the Bureau issued a new HMDA Webinar that provides an overview of the data points not covered in the first two webinars.

The Bureau also published webinar transcripts for all three HMDA Webinars.

Source link.

Comment: The webinars, as well as slides and transcripts of the webinars, may be viewed here.

FDIC actions and news

FDIC Finalizes Rules to Simplify Capital Calculation for Qualifying Community Banking Organizations and to Early Adopt Certain Related Simplifications to the Regulatory Capital Requirements (09.17.2019)

The FDIC finalized a rule that introduces an optional simplified measure of capital adequacy for qualifying community banking organizations (i.e., the community bank leverage ratio (CBLR) framework), as required by the Economic Growth, Regulatory Relief and Consumer Protection Act. The CBLR framework is designed to reduce burden by removing the requirements for calculating and reporting risk-based capital ratios for qualifying community banking organizations that opt into the framework.

In order to qualify for the CBLR framework, a community banking organization must have a tier 1 leverage ratio of greater than 9 percent, less than $10 billion in total consolidated assets, and limited amounts of off-balance-sheet exposures and trading assets and liabilities. A qualifying community banking organization that opts into the CBLR framework and meets all requirements under the framework will be considered to have met the well-capitalized ratio requirements under the Prompt Corrective Action regulations and will not be required to report or calculate risk-based capital.

The CBLR framework will be available for banks to use in their March 31, 2020, Call Report. The FDIC will issue a compliance guide to accompany the rule.

The FDIC also finalized a rule that permits non-advanced approaches banking organizations to use the simpler regulatory capital requirements for mortgage-servicing assets, certain deferred tax assets arising from temporary differences, investments in the capital of unconsolidated financial institutions, and minority interest when measuring their tier 1 capital as of January 1, 2020. Banking organizations may use this new measure of tier 1 capital under the CBLR framework.

Finally, the FDIC also finalized a rule that makes technical changes to incorporate the CBLR framework into the deposit insurance assessment system. A bank that uses the CBLR framework will not have any changes to how its assessment rate is calculated.

Attachments:

Memorandum and resolution re: Regulatory Capital Rule: Capital Simplification for Qualifying Community Banking Organizations.

Memorandum and resolution re: Regulatory Capital Rule: Simplifications to the Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996; Revised Effective Date.

Memorandum and resolution re: Final Rule to Apply CBLR Framework to Deposit Insurance Assessment System.

FACT SHEET: Overview of the Community Bank Leverage Ratio Framework

Source link.

Comment: Community bankers expressed strong support of an 8 percent community bank leverage ratio. Of note in the final rule, for a bank that falls below the 9 percent capital requirement but remains above 8 percent, there is a 2-quarter grace period to either meet the qualifying criteria again or comply with the generally applicable capital rule.

FDIC Releases Results of Summary of Deposits Annual Survey (09.13.2019)

The Federal Deposit Insurance Corporation (FDIC) released results of its annual survey of branch office deposits for all FDIC-insured institutions as of June 30, 2019. The FDIC's Summary of Deposits (SOD) provides deposit totals for each of the more than 86,000 domestic offices operated by more than 5,300 FDIC-insured commercial and savings banks, savings associations, and U.S. branches of foreign banks.

The SOD includes historical data going back to 1994 that can be analyzed using online reports, tables, and downloads. SOD users can locate bank offices in a particular geographic area and create custom market share reports for areas such as state, county, and metropolitan statistical area. Market share reports have been expanded to allow users to see market growth and market presence for specific institutions.

Users may also subscribe to receive annual email notifications of the SOD.

Source link.

Comment: The expanded reports that allow users to view market growth for a specific bank provides interesting data.

Request for Comments on Interest Rate Restrictions Applicable to Institutions That Are Less Than Well Capitalized (09.09.2019)

Summary: The FDIC has issued a Notice of Proposed Rulemaking (NPR) seeking comment on proposed revisions to its regulations on interest rate restrictions that apply to insured depository institutions that are less than well capitalized.

Statement of Applicability to Institutions with Total Assets Under $1 billion: This Financial Institution Letter applies to all FDIC-insured banks and savings associations, including community institutions.

Highlights:

- Under the proposed rule, the FDIC would amend the methodology for calculating the national rate and national rate cap for specific deposit products. The national rate would be the weighted average of rates offered on a given deposit product by all reporting institutions, weighted by domestic deposit share.
- The national rate cap applicable to less than well-capitalized institutions for particular products would be set at the higher of: (1) the 95th percentile of rates paid by insured depository institutions weighted by each institution's share of total domestic deposits or (2) the proposed national rate (i.e., the weighted average) plus 75 basis points.

- The proposed rule would also modify the current local rate cap calculation and process by allowing institutions that are less than well capitalized to offer up to 90 percent of the highest rate paid on a particular deposit product in the institution's local market area.
- The FDIC is seeking comments regarding the proposed approach as well as other alternative approaches discussed in the notice.
- The NPR was published in the Federal Register on September 4, 2019. Comments will be accepted until November 4, 2019.
- This FIL will become inactive 6 months after issuance.

Source link.

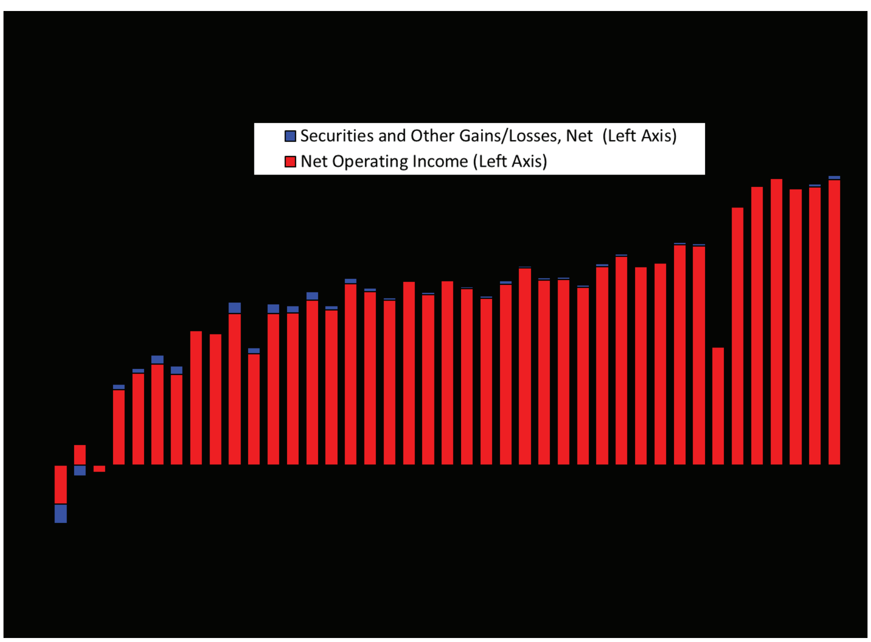
Comment: In April, many community banking associations issued comment letters on brokered deposits and the national rate cap. It is likely those same associations will comment on this NPR after a reasonable time to digest and discuss with their member banks.

FDIC-Insured Institutions Report Net Income of $62.6 Billion in Second Quarter 2019 (09.05.2019)

- Net Income Increases 4.1 Percent from Second Quarter 2018
- Net Interest Margin Remains Stable at 3.39 Percent
- Community Banks Report Increase in Net Income of 8.1 Percent from a Year Earlier
- Total Loan and Lease Balances Increase from the Previous Quarter and a Year Earlier
- The Number of Banks on the "Problem Bank List" Declines to 56

"While the banking industry reported another positive quarter and the banking system remains strong, the FDIC continues to encourage prudent risk management in order to remain resilient through economic cycles." — FDIC Chairman Jelena McWilliams

For the 5,303 commercial banks and savings institutions insured by the Federal Deposit Insurance Corporation (FDIC), aggregate net income totaled $62.6 billion in second quarter 2019, an increase of $2.5 billion (4.1 percent) from a year earlier. The improvement in net income is attributable to a $4.9 billion (3.7 percent) increase in net interest income. Financial results for second quarter 2019 are included in the FDIC's latest Quarterly Banking Profile released.



Source link.

Comment: Of note, there were increases in both total loans and the net interest margin. The decline in the number

of 'problem banks' was a positive. Nonetheless, elevated provisions, high expenses and fall in fee income were undermining factors.

Risk-Focused, Forward-Looking Safety and Soundness Supervision (08.27.2019)

Summary: The FDIC is updating its Risk Management Manual of Examination Policies (the Manual) to incorporate a new section titled Risk-Focused, Forward-Looking Safety and Soundness Supervision. The latter describes the FDIC's long-standing philosophy and methods for supervising institutions by focusing on the areas presenting the greatest risks. The new section has been included in the new Part VI of the Manual titled "Appendix: Examination Processes and Tools," and describes communication and risk-tailoring principles followed during safety and soundness examination activities.

Statement of Applicability to Institutions with Total Assets under $1 billion: This Financial Institution Letter (FIL) provides information to FDIC supervisory personnel and is applicable to examination activities of all FDIC-insured institutions. This FIL is informational and does not require action on the part of insured institutions.

Highlights:

- Risk-focused supervision was adopted by the FDIC, the Board of Governors of the Federal Reserve System, and the Conference of State Bank Supervisors in 1997 as a framework for carrying out examination activities. Risk-focused supervision uses a tiered approach in which the scope of examinations and resources are focused on the areas in an institution presenting the greatest risks.
- The new section provides a comprehensive description of the FDIC's long-standing examination philosophy and methods, improves transparency of the FDIC's examination practices, and reinforces the expectations placed on FDIC supervisory staff to conduct risk-focused, forward-looking supervision through examination activities.
- The risk-focused approach is forward-looking in that it focuses on an institution's risk management practices, consistent with the definitions contained in the Uniform Financial Institutions Rating System. It enables examiners to look beyond the condition of an institution at a point in time to how well the institution can respond to changing market conditions given its particular risk profile. This approach seeks to identify and correct weaknesses in conditions or practices before they impact an institution's financial condition.
- The new section reemphasizes the importance of clear and transparent communication and risk tailoring during the examination process in accordance with principles adopted by the FDIC as a member of the Federal Financial Institutions Examination Council.
- The FDIC is updating the Manual to include the new section in response to recommendations made by the FDIC Office of Inspector General.
- This FIL will become inactive 12 months after issuance. However, the updated information will remain in effect and is embedded in the new Part VI of the Manual titled "Appendix: Examination Processes and Tools."

Source link.

FDIC Consumer News - August 2019 (09.2019)

This issue of FDIC Consumer News provides excellent information on check scams.

Even in today's digital and mobile world where electronic money transfers are common, consumers and businesses may still prefer the assumed security of paper cashier's checks or official bank checks for large or major payments. Recipients generally prefer one of these checks over a personal check because the financial institution presumably has already collected the funds from the party purchasing the cashier's checks or official bank checks. This means the payment is guaranteed, unless the check is counterfeit, so there are risks to consumers and businesses from these types of paper instruments, as well.

Source link.

Comment: Consider sharing with customers to help them avoid scams.

OCC actions and news

OCC Hosts Compliance and Operational Risk Workshops in Los Angeles (09.09.2019)

WASHINGTON—The Office of the Comptroller of the Currency (OCC) will host two workshops in Los Angeles at the Federal Reserve Bank of Los Angeles, October 22 and 23, for directors of national community banks and federal savings associations supervised by the OCC.

The Compliance Risk workshop on October 22 combines lectures, discussion, and exercises on the critical elements of an effective compliance risk management program. The workshop also focuses on major compliance risks and critical regulations. Topics of discussion include the Bank Secrecy Act, Flood Disaster Protection Act, Fair Lending, Home Mortgage Disclosure Act, Community Reinvestment Act, and other compliance hot topics.

The Operational Risk workshop on October 23 focuses on the key components of operational risk—people, processes, and systems. The workshop also covers governance, third-party risk, vendor management, internal fraud, and cybersecurity.

The workshop fee is $99 and open to directors of national community banks and federal savings associations supervised by the OCC. Participants receive course materials, assorted supervisory publications, and lunch. The workshop is limited to the first 35 registrants.

The workshops are taught by experienced OCC staff and are two of the 24 offered nationwide to enhance and expand the skills of national community bank and federal savings association directors. To register for this workshop, visit www.occ.gov/occworkshops.

Source link.

Comment: These programs are excellent training opportunities for directors of national banks.

OCC Hosts Risk Governance and Credit Risk Workshops in Chicago (08.22.2019)

WASHINGTON — The Office of the Comptroller of the Currency (OCC) will host two workshops at the OCC Central District Office in Chicago, October 1 and 2, for directors of national community banks and federal savings associations supervised by the OCC.

The Risk Governance: Improving Director Effectiveness workshop on October 1 combines lectures, discussion, and exercises to provide practical information for directors to effectively measure and manage risks. The workshop also focuses on the OCC's approach to risk-based supervision and major risks in the financial industry.

The Credit Risk: Directors Can Make a Difference workshop on October 2 focuses on credit risk within the loan portfolio, such as identifying trends and recognizing problems. The workshop also covers the roles of the board and management, how to stay informed of changes in credit risk, and how to effect change.

The workshop fee is $99 and open to directors of national community banks and federal savings associations supervised by the OCC. Participants receive course materials, assorted supervisory publications, and lunch. The workshop is limited to the first 35 registrants.

The workshops are taught by experienced OCC staff and are two of the 24 offered nationwide to enhance and expand the skills of national community bank and federal savings association directors. To register for this workshop, visit [www.occ.gov/occworkshops]().

Source [link]().

Comment: These programs are excellent training opportunities for directors of national banks – especially this one that targets director effectiveness.

Comptroller of the Currency Approves Volcker Rule Reforms (08.20.2019)

WASHINGTON, DC—Comptroller of the Currency Joseph Otting signed a final rule amending the "Volcker Rule" to tailor and simplify the rule while maintaining protections core to the safety and soundness of the federal banking system.

Comptroller Otting made the following statement upon approving the final rule:

After extensive comment and feedback through the rulemaking process, I am pleased to approve changes to the "Volcker Rule" that simplify the rule in a common sense way that preserves the safety and soundness of the federal banking system and eliminates unintended negative consequences of the prior rule.

Following the financial crisis, banks took important steps to recapitalize their balance sheets, restore liquidity, and improve their risk management in responsible ways. National banks and federal savings associations exited the behaviors and practices that some saw as threats to the insured deposits. The limits and protections put in place by the prior version of the "Volcker Rule" remain to ensure inappropriate risk practices do not recur. At the same time, we have made substantial progress eliminating ineffective complexity and addressing aspects of the rule that restrict responsible banking activity based on our experience with the rule.

I look forward to other agencies joining the OCC in approving the final rule and to voting for the final rule during the Federal Deposit Insurance Corporation board meeting later today. I want to thank the many staff members from all of the agencies for the hard work and collaborative effort to produce the changes to the rule that will maintain the important protections that contribute strength to our nation's banks.

The rule implements Section 13 of the Bank Holding Company Act of 1956 (BHC Act). The BHC Act assigns authority for implementing the prohibitions and restrictions of section 13 to the Office of the Comptroller of the Currency, U.S. Commodity Futures Trading Commission, the FDIC, the Federal Reserve Board, and the Securities and Exchange Commission. The final rule will be published in the Federal Register following consideration and approval of all of the participating agencies.

Source [link]().

Comment: Community banks are exempt if they have total consolidated assets equal to or less than $10 billion and trading assets and liabilities of the bank and its holding company equal to or less than 5 percent of total consolidated assets.

Federal Reserve actions and news

Beige Book (09.04.2019)

Overall Economic Activity

On balance, reports from Federal Reserve Districts suggested that the economy expanded at a modest pace through the end of August. Although concerns regarding tariffs and trade policy uncertainty continued, the majority of businesses remained optimistic about the near-term outlook. Reports on consumer spending were mixed, although auto sales for most Districts grew at a modest pace. Tourism activity since the previous report remained solid in most reporting Districts. On balance, transportation activity softened, which some reporting Districts attributed to slowing global demand and heightened trade tensions. Home sales remained constrained in the majority of Districts due primarily to low inventory levels, and new home construction activity remained flat. Commercial real estate construction and sales activity were steady, while the pace of leasing increased slightly over the prior period. Overall manufacturing activity was down slightly from the previous report. Among reporting Districts, agricultural conditions remained weak as a result of unfavorable weather conditions, low commodity prices, and trade-related uncertainties. Lending volumes grew modestly across several Districts. Reports on activity in the nonfinancial services sector were positive, with reporting Districts noting similar or improved activity from the last report.

Employment and Wages

Overall, Districts indicated that employment grew at a modest pace, on par with the previous reporting period. While employment growth varied by industry, some Districts noted manufacturing employment was flat to down. Firms and staffing agencies universally cited tightness across various labor market segments and skill levels, which continued to constrain growth in overall business activity. On balance, Districts reported that the pace of wage growth remained modest to moderate, similar to the previous reporting period. Districts continued to report strong upward pressure on pay for entry-level and low-skill workers, as well as for technology, construction, and some professional services positions. In addition to wage increases, some Districts noted other efforts—such as enhanced benefits offerings, work arrangement flexibility, and signing bonuses—to attract and retain employees.

Prices

On net, Districts indicated modest price increases since the last report. Retailers and manufacturers in some District reported slight increases in input costs. Although firms in some Districts noted an ability to pass along price increases manufacturers relayed limited ability to raise prices. District reports on the impact of tariffs on pricing were mixed, with some Districts anticipating that the effects would not be felt for a few months.

Highlights by Federal Reserve District

Dallas

Economic activity continued to expand moderately. Retail sales were flat and drilling activity dipped, but output growth strengthened in manufacturing. Selling price increases were modest, as most firms were limited in their ability to pass through higher costs. Hiring continued at a steady pace. Outlooks were mixed, with tariffs, trade tensions, stock market volatility, and slowing global growth driving up uncertainty.

Source link.

Comment: The overall economy expanded at the same 'modest pace' seen in earlier reports this year, according to the survey. While there was continued uncertainty over U.S. trade policy with China, a majority of business owners 'remain optimistic about the near-term outlook,' the Fed found. Manufacturing and agriculture were the two weak spots in the late summer.

Other federal action and news

FTC - Serious Health Claims for CBD Products Need Proof (09.10.2019)

Three companies that tout their cannabis-derived products as miracle treatments for serious illnesses have gotten letters from the FTC warning that they're at risk for legal action unless they have sound scientific evidence to back up their claims. The companies sell oils, capsules, edible gummies, and creams that contain cannabidiol (CBD), a chemical compound derived from the cannabis plant.

One company claims that CBD works like "magic" to relieve even the most agonizing pain. The company claims CBD has been clinically proven to treat diseases including cancer, Alzheimer's disease, and multiple sclerosis. The second company's website says CBD products are proven to treat twenty health conditions, including autism, anorexia, cancer, and AIDS. The third company's site promotes CBD edible gummies as highly effective at treating the root cause of most major degenerative diseases. It also claims its CBD cream relieves pain and that its CBD oil may effectively treat depression, PTSD, epilepsy, and other diseases.

This week, the FTC sent letters that urge the companies to review all claims — including consumer testimonials — made for their products, to ensure they're backed by competent and reliable scientific evidence. The letters tell the companies to notify the FTC within 15 days of the specific actions they have taken to address the agency's concerns.

Talk with your doctor before you try a healthcare product you find online. Find out about the product's risks, side effects, and possible interactions with any medications you're taking.

Source link.

Comment: Be cautious when banking customers with CBD business. In many states, these products are still not 'legal' until the various state agencies issue rules regarding hemp and hemp related products.

CSBS BLOG - Community Banks Express Positive Future Outlook by Michael L. Stevens, CSBS Senior Executive Vice President (09.03.2019)

Community bankers are optimistic about the future, based on their outlook for business conditions, monetary policy, regulatory burden, expansion and profitability. This is derived from the freshly released Community Bank Sentiment Index, released by CSBS. The inaugural results show an index of 122, with 100 being neutral.

Bankers are optimistic about the outlook for future business conditions, with 68% believing conditions will be the same or better. Given the overall positive state of the economy, this is pretty remarkable. As you would expect, a positive economic environment has a direct correlation to the bottom line, with 80% of banks expecting the same or better profits and 60% believing they will see an increase in franchise value.

The indicators are not all positive, however, with 42% of bankers projecting higher regulatory burden. This is notable given that the agenda of the federal agencies is focused on regulatory relief. Perhaps that is a message of skepticism to Washington or a belief that the environment will not last long.

You can read the full report to learn how this breaks down by region and asset size, the influence of technology and impact on merger activity. It is not surprising to see things are not quite as optimistic in the regions dominated by agriculture.

We are issuing the third quarter survey for bankers to complete. All it takes is four minutes to answer 15 questions to share your perspective of the economic outlook. Data will be collected during the month of September with the initial reading released at the Community Bank Research and Policy Conference on October 1.

This index has the opportunity to be an important indicator of economic activity for policy makers, bankers and the market. If you are a banker, we need and value your perspective. If you are a regulator or vendor for community banks, please make them aware of the survey and encourage participation.

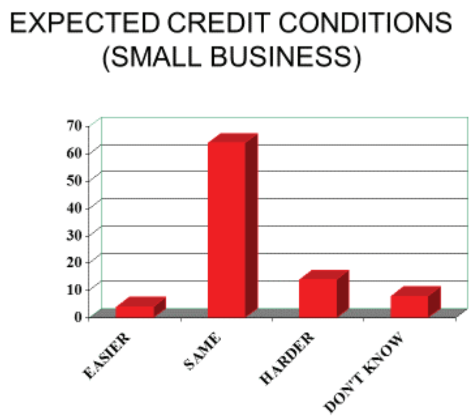
What happens at the local level matters to us all.

Source link.

CSBS BLOG - Main Street Banks Share Outlook for Interest Rates (09.20.2019)

After raising its policy rate nine times (from near zero beginning in late 2015), early in January the Federal Reserve Bank suspended its planned normalization of interest rates and credit conditions, ending plans to further raise rates and reduce the size of its portfolio of government bonds and mortgage backed securities. This was in response to increasing concerns about economic "weakness" in the press and a negative response in the equity markets in late December that also reflected some liquidity concerns. The financial press reported rate cuts are "priced in" on Wall Street and markets "expect" the Fed to deliver as early as the July meeting. The markets' expectations were met.

For many observers, this has been a surprise because the economy is doing very well, is at full employment based on labor market measures, and surveys of business optimism such as the National Federation of Independent Business Small Business Optimism that are flashing "expansion" or "growth" readings (even if slower). Among small business owners who account for about half of private employment and gross domestic product, Chart 1 show that only 4% expect credit conditions to ease, while 14% expect conditions to tighten and 64% expect no change in the July survey.



Source link.

Comment: While lower rates can cut into bank profitability, that is often outweighed by the economic expansions that accompany Fed rate cutting.

John Ryan Statement on CSBS vs. OCC Decision (09.04.2019)

"The Conference of State Bank Supervisors' suit against the OCC seeks to make clear that the OCC may not flout Congress and preempt state laws by granting national bank charters to nonbanks. Yesterday's decision did not rule on the merits of the case, and our position that receiving deposits is an indispensable part of the business of banking is unchanged. State financial regulators continue to support the New York Department of Financial Services' (DFS) case against the OCC, which is proceeding over the same objections the OCC raised in the CSBS suit."

Source link.

Comment: On September 3, 2019, Judge Dabney Friedrich of the U.S. District Court for the District of Columbia dismissed the Conference of State Bank Supervisors' second suit challenging the Office of the Comptroller of the Currency's statutory authority to grant special purpose national bank charters to Fintechs ('Fintech Charter') because the CSBS 'continues to lack standing and its claims remain unripe.'

FinCEN Advisory Alerts Financial Sector to Fentanyl Trafficking Schemes (08.21.2019)

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) issued an advisory today to alert financial institutions to financial schemes related to the trafficking of fentanyl and other synthetic opioids. Information in the advisory will assist them in detecting and reporting related criminal activity.

FinCEN Advisory (FIN-2019-A006): https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2019-a006

Treasury News Release: https://home.treasury.gov/news/press-releases/sm756

Source link.

Comment: 'The Bank Secrecy Act data that FinCEN collects, analyzes, and disseminates provides tremendous insight into the illicit financial networks and individuals fueling America's deadly opioid crisis,' said FinCEN Director Kenneth A. Blanco. 'We are making the financial sector aware of tactics and typologies behind illicit schemes to launder the proceeds of these fatal drug sales, including transactions using digital currency and foreign bank accounts. Financial institutions must be on alert to red flags and other indicators of the complex schemes fentanyl traffickers are employing so that financial institutions can report and share relevant information with law enforcement, and ultimately help save lives.'

Publications, articles, reports, studies, testimony & speeches

Industrial Production and Capacity Utilization - G.17 (09.17.2019)

Industrial production rose 0.6 percent in August after declining 0.1 percent in July. Manufacturing production increased 0.5 percent, more than reversing its decrease in July. Factory output has increased 0.2 percent per month over the past four months after having decreased 0.5 percent per month during the first four months of the year. In August, the indexes for utilities and mining moved up 0.6 percent and 1.4 percent, respectively. At 109.9 percent of its 2012 average, total industrial production was 0.4 percent higher in August than it was a year earlier. Capacity utilization for the industrial sector increased 0.4 percentage point in August to 77.9 percent, a rate that is 1.9 percentage points below its long-run (1972–2018) average.

Source link.

Comptroller of the Currency Discusses Community Reinvestment Act, Honored for his Philanthropy (09.10.2019)

SANTA ANA, Calif.—Comptroller of the Currency Joseph Otting discussed community reinvestment and economic opportunity during remarks at the 2019 Illumination Reception hosted by the Oasis Center International, in Santa Ana, Calif.

During his comments, Comptroller Otting highlighted how the Community Reinvestment Act (CRA) encouraged investment and funding that help make the work of the Oasis Center International and many other community services possible.

"The CRA has been a vital tool to increase the flow of capital into underserved communities that are often communities of color," the Comptroller said. "It has resulted in trillions of dollars invested in our neighborhoods since 1977. After talking with thousands of community advocates, development professionals, policy makers, and bankers, I am convinced there are billions more that could reach low- and moderate-income communities by modernizing CRA to clarify what counts, update where CRA activity counts, evaluate CRA performance more objectively, and make reporting more timely and transparent."

During the event, the Comptroller was honored with the 2019 OASIS Community Award presented by center Founder and Executive Director Jin Sung. The award recognizes Mr. Otting's philanthropy and career-long partnership with community groups to discover and encourage creative ways to positively affect underserved communities.

"I congratulate the OASIS Center for its contributions to the communities of southern California and its commitment to bringing the arts back into the lives of our youth, with an emphasis on under-resourced youth in low-to-moderate income communities. I am humbled to be recognized for my long-term commitment to this community and efforts to promote services and investment in underserved communities more broadly," Mr. Otting said.

Source link.

Consumer Credit - G.19 (09.09.2019)

In July, consumer credit increased at a seasonally adjusted annual rate of 6-3/4 percent. Revolving credit increased at an annual rate of 11-1/4 percent, while nonrevoving credit increased at an annual rate of 5-1/4 percent.

Source link.

Introductory Remarks - Governor Michelle W. Bowman, At 'A Fed Listens Event' Sponsored by the Federal Reserve Bank of St. Louis, St. Louis, Missouri (09.04.2019)

In keeping with the purpose of Fed Listens, I would like to spend most of our time in conversation, but I do want to offer a few thoughts about why the Fed is reaching out to seek a broad range of views, and what we are trying to achieve.

This kind of comprehensive outreach on monetary policy is new for the Fed. For many decades, there was a sense at the Board that the public wasn't interested or willing to dive into the complexities of monetary policy. That view has changed in a fundamental way, especially in the aftermath of the financial crisis when it was urgently important that the public understand what we were doing. So we began explaining as accessibly and clearly as we could what we were doing and why. Now we are listening broadly as well.

Since I became a Board member almost a year ago, it's become clear to me that people not only are willing to engage on complex economic issues, they also want to know that their concerns are being taken into account on issues that affect their financial well-being.

The movement toward greater transparency and public engagement is ongoing, and advancing that effort is one of my top priorities.

Source link.

Challenges for Monetary Policy - Chair Jerome H. Powell (08.23.2019)

This year's symposium topic is "Challenges for Monetary Policy," and for the Federal Reserve those challenges flow from our mandate to foster maximum employment and price stability. From this perspective, our economy is now in a favorable place, and I will describe how we are working to sustain these conditions in the face of significant risks we have been monitoring.

The current U.S. expansion has entered its 11th year and is now the longest on record.1 The unemployment rate has fallen steadily throughout the expansion and has been near half-century lows since early 2018. But that rate alone does not fully capture the benefits of this historically strong job market. Labor force participation by people in their prime working years has been rising. While unemployment for minorities generally remains higher than for the workforce as a whole, the rate for African Americans, at 6 percent, is the lowest since the government began tracking it in 1972. For the past few years, wages have been increasing the most for people at the lower end of the wage scale. People who live and work in low- and middle-income communities tell us that this job market is the best anyone can recall. We increasingly hear reports that employers are training workers who lack required skills, adapting jobs to the needs of employees with family responsibilities, and offering second chances to people who need one.

Inflation has been surprisingly stable during the expansion: not falling much when the economy was weak and not rising *much as the expansion gained strength. Inflation ran close to our symmetric 2 percent objective for most of last year but has been running somewhat below 2 percent this year.*

Thus, after a decade of progress toward maximum employment and price stability, the economy is close to both goals. Our challenge now is to do what monetary policy can do to sustain the expansion so that the benefits of the strong jobs market extend to more of those still left behind, and so that inflation is centered firmly around 2 percent.

Today I will explore what history tells us about sustaining long, steady expansions. A good place to start is with the passage of the Employment Act of 1946, which stated that it is the "continuing policy and responsibility of the Federal Government ... to promote maximum employment, production, and purchasing power."2 Some version of these goals has been in place ever since. I will divide the history since World War II into three eras organized around some well-known "Greats." The first era comprises the postwar years through the Great Inflation. The second era brought the Great Moderation but ended in the Great Recession. The third era is still under way, and time will tell what "Greats" may emerge.

Source link.

Selected federal rules – proposed

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

PROPOSED DATE	SUMMARY OF PROPOSED RULE
08.21.2019	Proposed Rule on Certain Assessment Credits - The Federal Deposit Insurance Corporation (FDIC) invites public comment on a notice of proposed rulemaking that would amend the deposit insurance assessment regulations that govern the use of small bank assessment credits (small bank credits) and one-time assessment credits (OTACs) by certain insured depository institutions (IDIs). Under the proposal, once the FDIC begins to apply small bank credits to quarterly deposit insurance assessments, such credits would continue to be applied as long as the Deposit Insurance Fund (DIF) reserve ratio is at least 1.35 percent (instead of, as currently provided, 1.38 percent). In addition, after small bank credits have been applied for eight quarterly assessment periods, and as long as the reserve ratio is at least 1.35 percent, the FDIC would remit the full nominal value of any remaining small bank credits in lump-sum payments to each IDI holding such credits in the next assessment period in which the reserve ratio is at least 1.35 percent, and would simultaneously remit the full nominal value of any remaining OTACs in lump-sum payments to each IDI holding such credits. **Comments must be received by September 30, 2019.**
08.20.2019	Interest Rate Restrictions on Institutions That Are Less Than Well Capitalized - The FDIC is seeking comment on proposed revisions to its regulations relating to interest rate restrictions that apply to less than well capitalized insured depository institutions. Under the proposed rule, the FDIC would amend the methodology for calculating the national rate and national rate cap for specific deposit products. The national rate would be the weighted average of rates paid by all insured depository institutions on a given deposit product, for which data are available, where the weights are each institution's market share of domestic deposits. The national rate cap for particular products would be set at the higher of (1) the 95th percentile] of rates paid by insured depository institutions weighted by each institution's share of total domestic deposits, or (2) the proposed national rate plus 75 basis points. The proposed rule would also greatly simplify the current local rate cap calculation and process by allowing less than well capitalized institutions to offer up to 90 percent of the highest rate paid on a particular deposit product in the institution's local market area. **Comments must be received by November 4, 2019.**
08.16.2019	HUD's Implementation of the Fair Housing Act's Disparate Impact Standard- Title VIII of the Civil Rights Act of 1968, as amended (Fair Housing Act or Act), prohibits discrimination in the sale, rental, or financing of dwellings and in other housing-related activities on the basis of race, color, religion, sex, disability, familial status, or national origin. HUD has long interpreted the Act to create liability for practices with an unjustified discriminatory effect, even if those practices were not motivated by discriminatory intent. This rule proposes to amend HUD's interpretation of the Fair Housing Act's disparate impact standard to better reflect the Supreme Court's 2015 ruling in Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc., and to provide clarification regarding the application of the standard to State laws governing the business of insurance. This rule follows a June 20, 2018, advance notice of proposed rulemaking, in which HUD solicited comments on the disparate impact standard set forth in HUD's 2013 final rule, including the disparate impact rule's burden-shifting approach, definitions, and causation standard, and whether it required amendment to align with the decision of the Supreme Court in Inclusive Communities Project, Inc. **Comments must be received by October 18, 2019.**
07.23.2019	Capital Treatment of Land Development Loans - 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 issuing a notice of proposed rulemaking (proposal) to seek comment on the treatment of loans that finance the development of land for purposes of the one- to four-family residential properties exclusion in the definition of high volatility commercial real estate (HVCRE) exposure in the agencies' regulatory capital rule. This proposal expands upon the notice of proposed rulemaking (HVCRE NPR) issued on September 28, 2018, which proposed to revise the definition of HVCRE exposure in the regulatory capital rule to conform to the statutory definition of "high volatility commercial real estate acquisition,

development, or construction (HVCRE ADC) loan," in accordance with section 214 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). **Comments close September 22, 2019.**

07.03.2019 Home Mortgage Disclosure (Regulation C) Data Points and Coverage; Extension of Comment Period - On May 8, 2019, the Bureau of Consumer Financial Protection (Bureau) published in the Federal Register an Advance Notice of Proposed Rulemaking (ANPR) soliciting comments relating to the data points the Bureau's October 2015 final rule implementing the Home Mortgage Disclosure Act (HMDA) added to Regulation C or revised to require additional information. The ANPR also solicits comments relating to the requirement that institutions report certain business- or commercial-purpose transactions under Regulation C. The ANPR provided a 60-day comment period that will end on July 8, 2019. To allow interested persons more time to consider and submit their responses, the Bureau has determined that an extension of the comment period until October 15, 2019 is appropriate. **The comment period for the ANPR published May 8, 2019, at 84 FR 20049, is extended. Responses must now be received on or before October 15, 2019.**

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.

EFFECTIVE DATE:	SUMMARY OF FINAL RULE:
03.06.2019	Limited Exception for a Capped Amount of Reciprocal Deposits from Treatment as Brokered Deposits - The FDIC is amending its regulations that implement brokered deposits and interest rate restrictions to conform with recent changes to section 29 of the Federal Deposit Insurance Act made by section 202 of the Economic Growth, Regulatory Relief, and Consumer Protection Act related to reciprocal deposits, which took effect on May 24, 2018. The FDIC is also making conforming amendments to the FDIC's regulations governing deposit insurance assessments. This rule will be effective March 6, 2019.
04.01.2019	CFPB - Final Rule: Rules Concerning Prepaid Accounts Under the Electronic Fund Transfer Act (Regulation E) and the Truth in Lending Act (Regulation Z) - Summary: The Bureau of Consumer Financial Protection (Bureau) is amending Regulation E, which implements the Electronic Fund Transfer Act, and Regulation Z, which implements the Truth in Lending Act, and the official interpretations to those regulations. This rulemaking relates to a final rule published in the Federal Register on November 22, 2016, as amended on April 25, 2017, regarding prepaid accounts under Regulations E and Z. The Bureau is finalizing modifications to several aspects of that rule, including with respect to error resolution and limitations on liability for prepaid accounts where the financial institution has not successfully completed its consumer identification and verification process; application of the rule's credit-related provisions to digital wallets that are capable of storing funds; certain other clarifications and minor adjustments; technical corrections; and an extension of the overall effective date to April 1, 2019. The amendments in this final rule are effective on April 1, 2019. The effective date of the final rule published on November 22, 2016 (81 FR 83934), as delayed on April 25, 2017 (82 FR 18975), is further delayed from April 1, 2018 to April 1, 2019. The effective date of the final rule published on April 25, 2017 (82 FR 18975), is delayed from April 1, 2018 to April 1, 2019. The effective date for the addition of § 1005.19(b), published on November 22, 2016 (81 FR 83934), as confirmed on April 25, 2017 (82 FR 18975), is delayed from October 1, 2018 to April 1, 2019.
04.01.2019	Three-Year Regulatory Capital Phase in for New Current Expected Credit Losses (CECL) - 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 address changes to credit loss accounting under U.S. generally accepted accounting principles, including banking organizations' implementation of the current expected credit losses methodology (CECL). The final rule provides banking organizations the option to phase in over a three-year period the day-one adverse effects on regulatory capital that may result from the adoption of the new accounting standard. In addition, the final rule revises the agencies' regulatory capital rule, stress testing rules, and regulatory disclosure requirements to reflect CECL, and makes conforming amendments to other regulations that reference credit loss allowances. The final rule is effective on April 1, 2019. Banking organizations may early adopt this final rule prior to that date. The final rule is effective on April 1, 2019. Banking organizations may early adopt this final rule prior to that date.
04.15.2019	Limited Exception for a Capped Amount of Reciprocal Deposits From Treatment as Brokered Deposits; Technical Amendment - The FDIC is making technical amendments to the preamble of a final rule published in the Federal Register on February 4, 2019. The final rule relates to a limited exception for a capped amount of reciprocal deposits from treatment as brokered deposits. As published, several industry participants raised concerns about the meaning of a sentence in the preamble of the final rule. To avoid potential confusion, the FDIC is amending the language, as explained below. The technical amendments are effective April 15, 2019.
04.17.2019	Disclosure of Financial and Other Information by FDIC-Insured State Nonmember Banks -The Federal Deposit Insurance Corporation (FDIC) is amending its regulations by rescinding and removing its regulations entitled Disclosure of Financial and Other Information By FDIC-Insured State Nonmember Banks. Upon the removal of the regulations, all insured state nonmember banks and insured state-licensed branches of foreign banks (collectively, "banks") would no longer be subject to the annual disclosure statement requirement set out in the existing regulations. The financial and other information that has been subject to disclosure by individual banks under the regulations is publicly available through the FDIC's website. This rule will be effective April 17, 2019.
07.01.2019	Loans in Areas Having Special Flood Hazards (Private Insurance) - The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), the Farm Credit Administration (FCA), and

the National Credit Union Administration (NCUA) are amending their regulations regarding loans in areas having special flood hazards to implement the private flood insurance provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act). Specifically, the final rule requires regulated lending institutions to accept policies that meet the statutory definition of "private flood insurance" in the Biggert-Waters Act; and permits regulated lending institutions to exercise their discretion to accept flood insurance policies issued by private insurers and plans providing flood coverage issued by mutual aid societies that do not meet the statutory definition of "private flood insurance," subject to certain restrictions. This rule will be effective July 1, 2019.

07.01.2019	Delay of Effective Date; Regulatory Capital Rule: Implementation and Transition of the Current Expected Credit Losses Methodology for Allowances and Related Adjustments to the Regulatory Capital Rule and Conforming Amendments to Other Regulations - On February 14, 2019, the Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) (collectively, the agencies) published in the Federal Register a final rule to address changes to credit loss accounting under U.S. generally accepted accounting principles, including banking organizations' implementation of the current expected credit losses methodology (CECL) (final rule). The final rule had an effective date of April 1, 2019, and provides that banking organizations may early adopt the final rule prior to that date. The agencies have determined that a delay of the effective date to July 1, 2019, is appropriate.
07.22.2019	Revisions to Prohibitions and Restrictions on Proprietary Trading and Certain Interests In, and Relationships With, Hedge Funds and Private Equity Funds - The OCC, Board, FDIC, SEC, and CFTC are adopting final rules to amend the regulations implementing the Bank Holding Company Act's prohibitions and restrictions on proprietary trading and certain interests in, and relationships with, hedge funds and private equity funds (commonly known as the Volcker Rule) in a manner consistent with the statutory amendments made pursuant to certain sections of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The EGRRCPA amendments and the final rules exclude from these prohibitions and restrictions certain firms that have total consolidated assets equal to $10 billion or less and total trading assets and liabilities equal to five percent or less of total consolidated assets. The EGRRCPA amendments and the final rules also revise the restrictions applicable to the naming of a hedge fund or private equity fund to permit an investment adviser that is a banking entity to share a name with the fund under certain circumstances. These final rules are effective on July 22, 2019.
07.22.2019	Reduced Reporting for Covered Depository Institutions - The OCC, the Board, and the FDIC (collectively, the agencies) are issuing a final rule to implement section 205 of the Economic Growth, Regulatory Relief, and Consumer Protection Act by expanding the eligibility to file the agencies' most streamlined report of condition, the FFIEC 051 Call Report, to include certain insured depository institutions with less than $5 billion in total consolidated assets that meet other criteria, and establishing reduced reporting on the FFIEC 051 Call Report for the first and third reports of condition for a year. The OCC and Board also are finalizing similar reduced reporting for certain uninsured institutions that they supervise with less than $5 billion in total consolidated assets that otherwise meet the same criteria. This document also includes a Paperwork Reduction Act notice to further reduce the amount of data required to be reported on the FFIEC 051 Call Report for the first and third calendar quarters, and other related changes. The agencies are committed to exploring further burden reduction and are actively evaluating further revisions to the FFIEC 051 Call Report, consistent with guiding principles developed by the FFIEC. The agencies also are considering ways to simplify the Call Report forms and instructions. This rule is effective July 22, 2019.
08.19.2019	Payday, Vehicle Title, and Certain High-Cost Installment Loans - The Bureau of Consumer Financial Protection (Bureau or CFPB) is issuing this final rule establishing regulations creating consumer protections for certain consumer credit products and the official interpretations to the rule. First, the rule identifies it as an unfair and abusive practice for a lender to make covered short-term or longer-term balloon-payment loans, including payday and vehicle title loans, without reasonably determining that consumers have the ability to repay the loans according to their terms. The rule exempts certain loans from the underwriting criteria prescribed in the rule if they have specific consumer protections. Second, for the same set of loans along with certain other high-cost longer-term loans, the rule identifies it as an unfair and abusive practice to make attempts to withdraw payment from consumers' accounts after two consecutive payment attempts have failed, unless the consumer provides a new and specific authorization to do so. Finally, the rule prescribes notices to consumers before attempting to withdraw payments from their account, as well as processes and criteria for registration of information systems, for requirements to furnish and obtain information from them, and for compliance programs and record retention. The rule prohibits evasions and operates as a floor leaving State and local jurisdictions to adopt further regulatory measures (whether a usury limit or other protections) as appropriate to protect consumers. Effective Date: This regulation is effective January 16, 2018. Compliance Date: Sections 1041.2 through 1041.10, 1041.12, and 1041.13 have a compliance date of September 19, 2019. A federal court granted the Bureau of Consumer Financial Protection's request to delay the effective date of its rule on small-dollar loans. The decision delays the September 2019 compliance date. On June 6, 2019 the bureau issued a Final Rule delaying the compliance date until November 19, 2020 and included correcting amendments.
08.21.2019	Joint Ownership Deposit Accounts - The FDIC is amending its deposit insurance regulations to update one of the requirements that must be satisfied for an account to be separately insured as a joint account. Specifically, the final rule provides an alternative method to satisfy the "signature card" requirement. Under the final rule, the signature card requirement may be satisfied by information contained in the deposit account records of the insured depository institution establishing co-ownership of the deposit account, such as evidence that the institution has issued a mechanism for accessing the account to each co-owner or evidence of usage of the deposit account by each co-owner. This rule is effective on September 21, 2019.
09.03.2019	Availability of Funds and Collection of Checks (Regulation CC) -The Board and the Bureau (Agencies) are amending Regulation CC, which implements the Expedited Funds Availability Act (EFA Act), to implement a statutory requirement in the EFA Act to adjust the dollar amounts under the EFA Act for inflation. The Agencies are also amending Regulation CC to incorporate the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) amendments to the EFA Act, which include extending coverage to American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam, and making certain other technical amendments. This rule is effective September 3, 2019, except for the amendments to 12 CFR 229.1, 229.10, 229.11, 229.12(d), 229.21, and appendix E to part 229, which are effective July 1, 2020.
10.01.2019	Regulatory Capital Rule: Simplifications to the Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of

	1996 - 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 (final rule) to simplify certain aspects of the capital rule. The final rule is responsive to the agencies' March 2017 report to Congress pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996, in which the agencies committed to meaningfully reduce regulatory burden, especially on community banking organizations. The key elements of the final rule apply solely to banking organizations that are not subject to the advanced approaches capital rule (non-advanced approaches banking organizations). Under the final rule, non-advanced approaches banking organizations will be subject to simpler regulatory capital requirements for mortgage servicing assets, certain deferred tax assets arising from temporary differences, and investments in the capital of unconsolidated financial institutions than those currently applied. The final rule also simplifies, for non-advanced approaches banking organizations, the calculation for the amount of capital issued by a consolidated subsidiary of a banking organization and held by third parties (sometimes referred to as a minority interest) that is includable in regulatory capital. In addition, the final rule makes technical amendments to, and clarifies certain aspects of, the agencies' capital rule for both non-advanced approaches banking organizations and advanced approaches banking organizations (technical amendments). Revisions to the definition of high-volatility commercial real estate exposure in the agencies' capital rule are being addressed in a separate rulemaking. This rule is effective October 1, 2019, except for the amendments to 12 CFR 3.21, 3.22, 3.300, 217.21, 217.22, 217.300(b) and (d), 324.21, 324.22, and 324.300, which are effective April 1, 2020. For more information, see SUPPLEMENTARY INFORMATION.
10.01.2019	Recordkeeping for Timely Deposit Insurance Determination - The FDIC is amending its rule entitled "Recordkeeping for Timely Deposit Insurance Determination" to clarify the rule's requirements, better align the burdens of the rule with the benefits, and make technical corrections. This rule is effective on October 01, 2019.
11.24.2019	Sec. 106 of Economic Growth, Regulatory Relief, and Consumer Protection Act titled 'Eliminating barriers to jobs for loan originators.' - Section 106 allows certain state-licensed mortgage loan originators (MLOs) who are licensed in one state to temporarily work in another state while waiting for licensing approval in the new state. It also grants MLOs who move from a depository institution (where loan officers do not need to be state licensed) to a non-depository institution (where they do need to be state licensed) a grace period to complete the necessary licensing. This rule is effective on November 24, 2019.
01.01.2020	Regulatory Capital Rule: Capital Simplification for Qualifying Community Banking Organizations - SUMMARY: 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 that provides for a simple measure of capital adequacy for certain community banking organizations, consistent with section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (final rule). Under the final rule, depository institutions and depository institution holding companies that have less than $10 billion in total consolidated assets and meet other qualifying criteria, including a leverage ratio (equal to tier 1 capital divided by average total consolidated assets) of greater than 9 percent, will be eligible to opt into the community bank leverage ratio framework (qualifying community banking organizations). Qualifying community banking organizations that elect to use the community bank leverage ratio framework and that maintain a leverage ratio of greater than 9 percent will be considered to have satisfied the generally applicable risk-based and leverage capital requirements in the agencies' capital rules (generally applicable rule) and, if applicable, will be considered to have met the well-capitalized ratio requirements for purposes of section 38 of the Federal Deposit Insurance Act. The final rule includes a two-quarter grace period during which a qualifying community banking organization that temporarily fails to meet any of the qualifying criteria, including the greater than 9 percent leverage ratio requirement, generally would still be deemed well-capitalized so long as the banking organization maintains a leverage ratio greater than 8 percent. At the end of the grace period, the banking organization must meet all qualifying criteria to remain in the community bank leverage ratio framework or otherwise must comply with and report under the generally applicable rule. Similarly, a banking organization that fails to maintain a leverage ratio greater than 8 percent would not be permitted to use the grace period and must comply with the capital rule's generally applicable requirements and file the appropriate regulatory reports. This rule is effective on January 01, 2020.

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