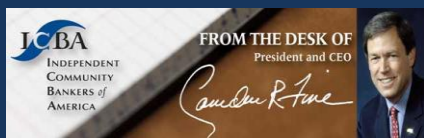




July 2011 – INTERSTATE CAPITOL COMMENTS

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FINE POINTS

By Camden R. Fine
President and CEO of ICBA

Projecting Our Voice

Community banks need their own advocacy voice in Washington, D.C. A voice that is distinctly independent and separate from megabanks and their trade-group allies.

As a former 20-plus-year community banker now serving as your ICBA president and CEO, I know this firsthand. But I also know this from an ICBA survey of chief executives at member and nonmember community banks who were asked about their advocacy needs.

In a response as unanimous as any poll could deliver from any group on any topic, 98 percent agreed. Moreover, in member survey after member survey over the years, community banks also

(To access a blue underlined hyperlink, place your cursor on the link, use Ctrl + Click and the page will open.)

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Editor's Comment: In an effort to improve Capitol Comments, we will continue to add new features. This month we have added such a feature. When there is a deadline associated with a news item, at the beginning of the title to the article, you will see this graphic:



Be mindful that when this graphic appears, someone in your bank probably needs to take action by a date certain.

Recent News



Initial transition period for federal Mortgage Loan Originator registration ends on July 29

Mortgage loan originators employed by federally regulated institutions have until July 29 to comply with the SAFE Act's federal registration requirement.

Comment: If you have questions regarding the registration process, visit the Resource Center's "[Getting Started: Institutions](#)" page. Individual mortgage loan originators should visit the Resource Center's "[Getting Started: Mortgage Loan Originators](#)" page.

CFPB announces large bank supervisory approach

The Consumer Financial Protection Bureau (CFPB) [outlined the agency's approach to supervising large depository institutions](#) to ensure compliance with federal consumer financial protection laws – a supervisory process that will begin on July 21, 2011.

Comment: The CFPB will examine 111 depository institutions that have assets over \$10 billion to help ensure that they conform with consumer financial protection legal requirements. Subsidiaries and all other affiliates of these institutions also fall under the CFPB's authority. These institutions collectively hold more than 80 percent of the banking industry's assets.

FinCEN reports increase in mortgage loan fraud SARs

FinCEN, in its [First Quarter 2011 Mortgage Loan Fraud \(MLF\) analysis](#), reported that the number of MLF SARs rose to 25,485 up 31 percent from 19,420 in the first quarter of 2010. In the first quarter of 2011, 86 percent of MLF SARs reported activities which occurred more than two years prior to the filing of the SARs.

Comment: FinCEN attributes the increase to large mortgage lenders conducting

overwhelmingly confirm that they belong to ICBA for the advocacy and representation it provides as the nation's exclusive voice for community banks.

Since the financial crisis, most people inside and outside the Washington Beltway have come to understand the enormous differences between the community bank and megabank business models. But not everyone always connects the public policy dots that can greatly foster or hinder those fundamentally different models.

Clearly, most community bankers connect the dots. For those running community banks daily against an array of megabank, nonbank and credit union competition, having their own distinct, proactive voice in the federal legislative and regulatory process is not a trifle or luxury. Community bankers know it's an imperative. Time and again, their collective voice has proven pivotal in promoting and protecting not just community banks but also the economic vitality of Main Street America. Systemic risk, too-big-to-fail and the separation of banking and commerce; examinations, regulatory burden and tiered regulation; FDIC assessment policies; and housing government-sponsored reform—ICBA members had, and continue to have, a substantial influence on these and other critical policy issues.

To ensure our industry's voice is heard, ICBA's advocacy efforts have always involved coordinating a wide range of activities by ICBA staff, its members and, whenever possible, allies of our positions and causes, including state and regional banking associations. Testifying at congressional hearings; in-person visits with lawmakers and regulators; formal comment letters and telephone, email and letter-writing blitzes, as well as our federal political action committee, ICBPAC, all play a critical part.

Having an engaged grassroots constituency is vital. Recently, ICBA launched a new grassroots advocacy website called cbconnect.org

additional reviews after receiving demands to repurchase poorly performing mortgage loans.



FFIEC issues supplement to 2005 Internet authentication guidance

On October 12, 2005, the FFIEC agencies¹ (Agencies) issued guidance entitled [*Authentication in an Internet Banking Environment*](#) (Guidance). The Guidance provided a risk management framework for financial institutions offering Internet-based products and services to their customers. It stated that institutions should use effective methods to authenticate the identity of customers and that the techniques employed should be commensurate with the risks associated with the products and services offered and the protection of sensitive customer information. The purpose of the [*Supplement to the Authentication in an Internet Banking Environment*](#) is to reinforce the Guidance's risk management framework and update the Agencies' expectations regarding customer authentication, layered security, or other controls in the increasingly hostile online environment.

Comment: The FFIEC member agencies have directed examiners to formally assess financial institutions under the enhanced expectations outlined in the supplement beginning in January 2012.

The Supplement reiterates and reinforces the expectations described in the 2005 Guidance that financial institutions should perform periodic risk assessments considering new and evolving threats to online accounts and adjust their customer authentication, layered security, and other controls as appropriate in response to identified risks. It establishes minimum control expectations for certain online banking activities and identifies controls that are less effective in the current environment. It also identifies certain specific minimum elements that should be part of an institution's customer awareness and education program.

On page 5 of the Guidance and page 7 of the Supplement, there is an expectation that financial institutions make customer awareness and educational efforts.

The Guidance and this supplement should be passed along to your Compliance Officer, CEO, CFO, Technology Service Providers, and IT Security personnel.

OCC issues guidance on prepaid access programs

The OCC issued guidance on prepaid access programs to national banks. Prepaid access products are the fastest growing area within the payments sector. The products are increasingly being marketed to and used by consumers as an alternative or supplement to traditional bank accounts. It is important for consumers to fully understand these products and their associated costs. National banks that offer consumers access to prepaid funds are exposed to a variety of risks, including potential fraud and money laundering, due to the complexity associated with the design, delivery, and increased functionality of prepaid access products. [OCC 2011-27](#).

Comment: Distribute this to CEOs, Compliance Officers, and Technology Service Providers for national banks.

FinCEN updates validation of zip code fields

As part of a joint effort to improve the quality of BSA data, FinCEN and the IRS have recently [updated](#) the validation of zip code fields to cover city, state, and zip code. The validation has been enhanced to verify that the city and state are consistent with the first five (5) digits of a U.S. zip code as assigned by the U.S. Postal Service. This is a change from the previous cross-validation of state and the first three (3) digits of the U.S. zip code. The accuracy of the zip code field is particularly important to law enforcement agencies as many query based on their geographic location. This validation is being applied to all BSA E-Filing and paper submissions.

Comment: The validation errors occur when an institution's spelling of the city name, the state abbreviation, and the first five (5) digits of the zip code do not exactly match the official listing within the [USPS directory](#).

As a result of this enhanced validation, a number of institutions using the BSA E-Filing system to file CTRs may receive acknowledgement messages indicating certain filing code

(www.cbconnect.org). Accessible to community bankers and the general public, the site leverages the power of the Web and social media by disseminating information and practical communication tools (see feature on page 43).

Of course, ICBA's advocacy efforts concentrate on educating members of Congress and administration and regulatory officials. But they also involve, through the media and other direct communication channels, marshalling support for our positions with the general public, which includes our customers, directors and shareholders.

In other words, virtually all community bankers recognize that having a distinct advocacy voice is essential to the future and well-being of our industry, and all community bankers must help in various ways to project that voice effectively. It takes all of us working together. That's what ICBA membership is about.



FROM THE TOP

By Sal Marranca
Chairman of ICBA

The Lending Squeeze

OK, call me a bit impulsive. But, perhaps in a moment of wild abandon, my loose lips are going to spill the kidney beans right there on the kitchen table. I'm going to admit what every community banker knows firsthand, but what too many Washington policymakers still, four years after the financial crisis, don't seem to grasp with sufficient seriousness or urgency: It's much tougher to lend money today than ever before.

errors (for example, error codes 113—city, 115—state, and 117—zip code). In addition, there continues to be limited validations on street address, such as when the street address contains punctuation (error code 122) and/or the street number or name is blank (error code 112). All these errors are considered secondary, not primary, errors within the BSA E-Filing system. Financial institutions should note that filings with these errors are not being rejected and do not need to be corrected. However, to avoid receiving these errors, institutions may wish to spell out the entire city name or include the full street name and number.



Fed publishes annual fee trigger

The Federal Reserve Board [published](#) its annual adjustment to the amount of fees that triggers additional disclosure requirements under TILA and the HOEPA for home mortgage loans with rates or fees above a certain amount. The dollar amount of the fee-based trigger has been adjusted to \$611 for 2012 based on the annual percentage change reflected in the consumer price index that was in effect as of June 1, 2011.

Comment: The adjustment is effective January 1, 2012. The adjustment does not affect the rules for "higher-priced mortgage loans" adopted by the Board in July 2008. Coverage of mortgage loans under the July 2008 rules is determined using a different rate-based trigger.

Final rule on small bank holding company treatment of subordinated debt

The Federal Reserve Board [announced](#) the adoption of an interim final rule that allows small bank holding companies that are S-Corps or that are organized in mutual form to exclude subordinated debt issued to Treasury under the Small Business Lending Fund from treatment as "debt" for purposes of the debt-to-equity standard under the Board's Small Bank Holding Company Policy Statement.

The Board also announced its adoption of a final rule that allows bank holding companies that are S-Corps or that are organized in mutual form to include in Tier 1 capital all subordinated debt issued to Treasury under TARP, subject to certain limits. The final rule also allows small bank holding companies that are S-Corps or that are organized in mutual form to exclude subordinated debt issued to Treasury under TARP from treatment as "debt" for purposes of the debt-to-equity standard. This rule makes final the interim final rule that the Board adopted in June 2009. (76 FedReg 35959)



OCC clarifies expectations for mortgage foreclosures

The OCC clarified expectations for the oversight and management of mortgage foreclosure activities by national banks.

[OCC Bulletin 2011-29](#) stresses that banks engaged in mortgage servicing must ensure compliance with foreclosure laws, conduct foreclosures in a safe and sound manner, and establish responsible business practices that provide accountability and appropriate treatment of borrowers. The bulletin provides additional clarification on expectations regarding governance of foreclosure process to include adequate staffing and training, dual-track processing, management of affidavit and notary practices, documentation, oversight of third-party service providers, and adherence to all laws and regulations related to mortgage foreclosure. [Interagency Review of Foreclosure Policies and Practices](#)

Comment: The bulletin directs all national banks to conduct a self-assessment of foreclosure management practices no later than September 30, 2011 and correct any weaknesses identified. National bank examiners will review the self-assessments and corrective actions in the next quarterly review or examination of the bank.

Banking agencies issue host state loan-to-deposit ratios

The Fed, the FDIC, and the OCC issued the [host state loan-to-deposit ratios](#) that the banking agencies will use to determine compliance with section 109 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. These ratios update data released on June 24, 2010.

In general, section 109 prohibits a bank from establishing or acquiring a branch or branches outside of its home state primarily for the purpose of deposit production. Section 109 also prohibits branches of banks controlled by out-of-state bank holding companies from

That's right, it's much more difficult—and more difficult than is necessary—to lend the same amount of money to the same creditworthy individuals and small businesses today than before the financial crisis. Really, that wasn't so hard to admit, but the implications of that long-lingering fact, unfortunately, aren't as easy for a community bank to deal with.

We're squeezed at both ends. On one end, demand on the street for loans is still way down in most markets, including mine. Even some who desperately need loans are shunning them. That was a major consideration when my community bank turned down Small Business Lending Fund capital financing: I can't be sure my bank can generate enough new lending to meet the requirements.

On the other end, intense overregulation and misdirected regulation that ICBA has loudly fought for years is hindering lending. Examiners still send too many community banks scurrying unnecessarily to find more capital, justify loan-loss reserves and defend flawlessly performing loans with reams of additional documentation. And that overlooks our state and federal compliance and CRA exams, or Federal Home Loan Bank and IRS exams.

All that regulatory second-guessing, poking and probing isn't insignificant, or very gentle. And it's a major distraction from serving our customers and generating new lending—the very goal of policymakers. Nevertheless, because lending is fundamental to every community bank, we're exploring new avenues in lending at Cattaraugus County Bank (CCB). For the first time, we're studying indirect lending through car dealerships. We're looking to expand and retain more income from our credit card program. In other ways, we're trying to be creative and open to forms of lending we would not have considered two years ago.

Just as important, we're also speaking out more about obvious truths. We're doing more to remind

operating primarily for the purpose of deposit production. Section 109 provides a process to test compliance with the statutory requirements. A bank that fails both steps is in violation of section 109 and is subject to sanctions by the appropriate banking agency.

Comment period extended on proposed OCC overdraft protection guidance

On June 8, 2011, the OCC published in the Federal Register a [proposed guidance](#) with request for comment to clarify the OCC's application of the principles of safe and sound banking practices in connection with deposit-related consumer credit products such as automated overdraft protection and direct deposit advance programs. The OCC [extended the comment period to August 7, 2011](#).

Comment: If you are at a national bank, it is important that you comment on this proposed guidance. Contact your state's community bankers association for assistance.

HUD revises disclosure protecting homeownership rights of military

The HUD announced a revised [Notice of Disclosure](#) form that emphasizes the rights of the active duty military and their dependents who are protected under the Servicemembers Civil Relief Act. The revised Notice advises servicemembers seeking relief to call 1 (800) 342-9647 or visit www.militaryonesource.com/scra for additional information and guidance. It also provides guidance on obtaining military legal assistance.

Round Two of the CFPB's mortgage disclosure designs

In May, the CFPB requested public and industry input on two mortgage disclosure designs. They received over 13,000 comments. On June 27, they [asked for input](#) on the design changes that they made to those disclosures. They only accepted feedback until July 5, 2011. If you would like to receive updates from the CFPB, go to their [home page](#) and click on "Receive Updates" at the top of the page.

Comment: The CFPB is working on the design of the disclosures, but, as currently drafted, they would necessitate amendments to Reg Z and RESPA.

HUD settles RESPA violation for \$4.5 million

On July 12, 2011, HUD announced that it reached an [agreement](#) to settle allegations that a title company paid real estate brokers and other settlement service providers improper kickbacks or referral fees in violation of the RESPA. The title company agreed to cease the practice and pay HUD \$4.5 million to resolve the complaint.

Comment: The day after HUD announced this \$4.5 million settlement, it [announced a \\$3.1 million settlement](#). Be careful out there.

December 31 ends over-the-counter sales of paper savings bonds

Treasury announced it will end over-the-counter sales of paper savings bonds at the end of this year. This includes sales of savings bonds through financial institutions and applications mailed directly to the Federal Reserve Bank by customers.

Comment: Ending sales of paper bonds will save an estimated \$70 million over the next five years and is a continuation of Treasury's all-electronic initiative.

Dodd-Frank Act (DFA) agency actions

Note to the Reader: This section is devoted to matters relating directly to the Dodd-Frank Act. In this section, we will report on both proposed and final rulemaking. We don't usually report on proposed rulemaking because readers can confuse the proposals with final rules; however, an exception will be made with respect to selected rules proposed in response to the Dodd Frank Act. Please be aware that rules listed as proposed have not been adopted by the regulators. We encourage you to comment on proposals.

Recent DFA final rules adopted:



FDIC issues final rule repealing ban on paying interest on demand deposit accounts

The FDIC issued a [final rule](#) amending its regulations to reflect section 627 of the Dodd-Frank Act repealing the prohibition against the payment of interest on demand deposit accounts.

our customers what's special about community banks like CCB—how we support our local economies in good times and bad, and how we need both our customers' deposits and loans to do that. Promoting greater awareness about community banking is part of financial literacy; it helps people make smarter financial choices.

We are also making an extra effort to communicate more clearly to regulators and policymakers, including those who appear in our lobby and those in far-off Washington. Before safety and soundness reviews at my bank, field examiners receive a PowerPoint overview of my community bank, its strategic plans and its marketplace. Similarly, my senior staff and directors are getting involved in educating lawmakers and seeking their support for solutions such as the regulatory and tax-relief measures in the ICBA-inspired Communities First Act.

Together we can help turn lending around. But we have to be willing to speak up. Are you doing your part? Don't let others carry your water. Let's all fight the good fight together.

Sal Marranca is President and CEO of Cattaraugus County Bank in Little Valley, N.Y.

Comment: The final rule is effective July 21, 2011.



Fed issues final debit card interchange fees rules and lists of banks above and below exemption

The Fed issued a [final rule](#) establishing standards for debit card interchange fees and prohibiting network exclusivity arrangements and routing restrictions. This rule, Regulation II (Debit Card Interchange Fees and Routing), is required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. Under the final rule, the maximum permissible interchange fee that an issuer may receive for an electronic debit transaction will be the sum of 21 cents per transaction and 5 basis points multiplied by the value of the transaction.

The Board also approved an [interim final rule](#) that allows for an upward adjustment of no more than 1 cent to an issuer's debit card interchange fee if the issuer develops and implements policies and procedures reasonably designed to achieve the fraud-prevention standards set out in the interim final rule. If an issuer meets these standards and wishes to receive the adjustment, it must certify its eligibility to receive the adjustment to the payment card networks in which it participates.

Comment: The final rule is effective on October 1, 2011. Comments on the interim final rule are due by September 30, 2011. The fraud-prevention adjustment is effective on October 1, 2011, concurrent with the debit card interchange fee limits.

In accordance with the statute, issuers that, together with their affiliates, have assets of less than \$10 billion are exempt from the debit card interchange fee standards. To assist payment card networks in determining which of the issuers are subject to the debit card interchange fee standards, [the Board published lists](#) of institutions that are above and below the small issuer exemption asset threshold. The Board will publish the list annually.



Final rule: Reg. Z and Reg. M amended

The Federal Reserve adopted two rules expanding the coverage of consumer protection regulations to credit transactions and leases of higher dollar amounts. The final rules amend [Reg. Z](#) and [Reg. M](#) (Consumer Leasing) to implement a provision of the Dodd-Frank Act.

Comment: Effective July 21, 2011, the Dodd-Frank Act requires that the protections of the Truth in Lending Act and the Consumer Leasing Act apply to consumer credit transactions and consumer leases up to \$50,000, compared with \$25,000 currently. This amount will be adjusted annually to reflect any increase in the consumer price index.

Proposed DFA rules with open comment periods:

Fed proposes Reg. Z rule on consumer ability to repay mortgage

The Fed requested public comment on a [proposed rule under Reg. Z](#) that would require creditors to determine a consumer's ability to repay a mortgage before making the loan and would establish minimum mortgage underwriting standards.

Comment: A more detailed comment can be found in the May edition of Capitol Comments. The Fed is soliciting comment on the proposed rule until July 22, 2011.

Publications, reports, studies, testimony & speeches

- **NMLS 2010 Annual Report**

The Nationwide Mortgage Licensing System and Registry's third annual report is now available at [2010 Annual Report](#).

Comment: In 2010, 24 state agencies transitioned their licensees onto NMLS. Fifty-eight agencies now require licensees to meet state law requirements contained in the SAFE Act. The mortgage loan originator registration process began on January 31, 2011. The deadline for registration is July 29, 2011.

- **FDIC Summer Supervisory Insights**

Along with its regular features, the [FDIC's Summer 2011 Supervisory Insights](#) contains articles entitled: "Managing Risks in Third-Party Payment Processor Relationships" and "SBA Lending: Insights for Lenders and Examiners."

Comment: According to the article, these third-party relationships expose financial institutions to risks that may not be present with other commercial customers. To limit potential risks, the FDIC says financial institutions should implement risk mitigation policies and procedures that include appropriate oversight and control commensurate with the risk and complexity of the activities. At a minimum, risk mitigation programs should result in the financial institution assessing its risk tolerance for this type of activity, verifying the legitimacy of the payment processor's business operations, and monitoring payment processor relationships for suspicious activity.

- **Mortgage performance improves**

The performance of first-lien mortgages serviced by large national banks and federal thrifts improved during the first quarter of 2011, according to a report released by the OCC and OTS. [Joint Release](#). [Report](#).

- **Consumer Compliance Handbook**

The Fed's Consumer Compliance Handbook was [updated](#) on July 5, 2011.

- **OCC on national bank solar energy investments**

The OCC published an [online newsletter](#) that provides a guide for national banks seeking to invest in solar energy projects under the national bank public welfare investment authority.

- **Fed report on agreements between educational institutions and credit card issuers**

The Fed released a [report](#) that contains 2010 payment and account information about agreements between institutions of higher education and credit card issuers. The Fed also updated an online database that includes the full text of each agreement that was in effect during 2010.

The Credit CARD Act requires issuers to submit to the Fed annually their agreements with educational institutions or affiliated organizations, such as alumni associations. For each agreement, issuers are also required to submit information regarding payments made to the institution or organization and the number of accounts opened under the agreement.

Comment: An [online database](#) provides the complete text of each agreement and the payment and accounts information submitted by issuers.

How to submit comments to your federal regulators:

Office of the Comptroller of the Currency: Because paper mail in the Washington, DC area and at the OCC is subject to delay, commenters are encouraged to submit comments by the Federal eRulemaking Portal or e-mail, if possible. Please use the title in the Federal Register publication of the proposal. You may submit comments by any of the following methods:

- Federal eRulemaking Portal—Regulations.gov: Go to
- <http://www.regulations.gov> . Select “Document Type” of “Proposed Rule”, and in “Enter Keyword or ID Box”, enter the docket number found in the Federal Register publication of the proposed rule and click “Search.” On “View By Relevance” tab at bottom of screen, in the “Agency” column, locate the proposed rule for OCC, in the “Action” column, click on “Submit a Comment” or “Open Docket Folder” to submit or view public comments and to view supporting and related materials for this proposed rule.
- Click on the “Help” tab on the Regulations.gov home page to get information on using Regulations.gov, including instructions for submitting or viewing public comments, viewing other supporting and related materials, and viewing the docket after the close of the comment period.
- E-mail: regs.comments@occ.treas.gov
- Mail: Office of the Comptroller of the Currency, 250 E Street, SW., Mail Stop 2-3, Washington, DC 20219.
- Fax: (202) 874-5274.
- Hand Delivery/Courier: 250 E Street, SW., Mail Stop 2-3, Washington, DC 20219.

Instructions: You must include “OCC” as the agency name and the docket number in your

comment. In general, OCC will enter all comments received into the docket and publish them on the Regulations.gov Web site without change, including any business or personal information that you provide such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure.

Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Board of Governors of the Federal Reserve System: You may submit comments, identified by the docket number and the RIN number found in the Federal Register publication of the rule proposal, by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: regs.comments@federalreserve.gov. Include the docket number and RIN number in the subject line of the message.
- Fax: (202) 452-3819 or (202) 452-3102.
- Mail: Address to Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

Federal Deposit Insurance Corporation: You may submit comments, identified by RIN number, by any of the following methods:

- Agency Web Site: <http://www.FDIC.gov/regulations/laws/federal/propose.html>.
- Follow instructions for submitting comments on the Agency Web Site.
- E-mail: Comments@FDIC.gov. Include the RIN number on the subject line of the message.
- Mail: Robert E. Feldman, Executive Secretary, Attention: Comments, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.
- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.

Instructions: All comments received must include the agency name and RIN for this rulemaking and will be posted without change to <http://www.fdic.gov/regulations/laws/federal/propose.html>, including any personal information provided.

Office of Thrift Supervision: You may submit comments, identified by docket number found in the Federal Register publication of the proposed rule, by any of the following methods:

- Federal eRulemaking Portal – Regulations.gov: Go to
- <http://www.regulations.gov> and follow the directions.
- E-mail: regs.comments@ots.treas.gov. Please include the Docket number in the subject line of the message and include your name and telephone number in the message.
- Mail: Regulation Comments, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552, Attention: [Insert docket number]
- Facsimile: (202) 906-6518.
- Hand Delivery/Courier: Guard's Desk, East Lobby Entrance, 1700 G Street, NW., from 9 a.m. to 4 p.m. on business days, Attention: Regulation Comments,
- Chief Counsel's Office, Attention: [Insert docket number].

Instructions: All submissions received must include the agency name and docket number for this rulemaking. All comments received will be entered into the docket and posted on Regulations.gov without change, including any personal information provided. Comments, including attachments and other supporting materials received, are part of the public record and subject to public disclosure.

Do not enclose any information in your comment or supporting materials that you consider

confidential or inappropriate for public disclosure.

Selected upcoming federal compliance dates:

- 07.21.2011 The FDIC [final rule](#) repeals the prohibition against the payment of interest on demand deposit accounts.
- 07.21.2011 This is the transfer date when the CFPB will be vested with the consumer protection authorities currently held by the existing federal financial regulators, such as the Federal Reserve and the FDIC.
- 07.21.2011 The final rules amend [Reg. Z](#) and [Reg. M](#) (Consumer Leasing) to implement a provision of the Dodd-Frank Act, which requires Truth in Lending Act and the Consumer Leasing Act apply to consumer credit transactions and consumer leases up to \$50,000, compared with \$25,000 currently. This amount will be adjusted annually to reflect any increase in the consumer price index.
- 07.22.2011 Effective date of the repeal of Reg Q's prohibition on payment of interest on commercial checking accounts. A rule has been [proposed](#) to implement this.
- 10.01.2011 [Final rule](#) establishing standards (Regulation II) for debit card interchange fees and prohibiting network exclusivity arrangements and routing restrictions.
- 10.01.2011 [Interim final rule](#) that allows for an upward adjustment of no more than 1 cent to an issuer's debit card interchange fee if the issuer develops and implements policies and procedures reasonably designed to achieve the fraud-prevention standards..
- 10.01.2011 Clarification of [Reg Z](#) Credit Card Act and official staff commentary. Creditors may voluntarily comply sooner.
- 03.15.2012 ATMs must comply with the communication requirements of the [ADA and ABA Accessibility Guidelines for Buildings and Facilities](#).

Comment: Distribute this calendar to your CEO, CFO, Compliance Officer, and Operations Officer.

Selected federal compliance dates from the not-so-distant past:

Our list of past final rule effective dates is limited to 12 months.

- 07.01.2011 [FDIC Overdraft Payment Supervisory Guidance](#). The FDIC expects that any additional efforts to mitigate risk would be in place by July 1, 2011.
- 05.01.2011 [Interim final rule](#) to implement statutory restrictions on the garnishment of Federal benefit payments and establish procedures that financial institutions must follow when they receive a garnishment order against an account holder who receives certain types of Federal benefit payments by direct deposit.
- 04.01.2011 [Final rule](#) amending Reg. Z increases from 1.5 to 2.5 percentage points the APR threshold for determining whether a jumbo mortgage secured by a first lien on a consumer's principal dwelling is a HPML for which an escrow account must be established.
- 04.01.2011 [Reg. Z](#) – Amendment to protect consumers in the mortgage market from unfair or abusive lending practices that can arise from certain loan originator compensation practices.
- 04.01.2011 Fed's [final rule](#) to implement the conformance period during which banking entities and nonbank financial companies supervised by the Board must bring their activities and investments into compliance with the prohibitions and restrictions on proprietary trading and relationships with hedge funds and private equity funds imposed by the "Volcker Rule.
- 04.01.2011 FDIC [final rule](#) on Assessments, Dividends, Assessment Base, and Large Bank Pricing. This new large bank pricing system will result in higher assessment rates for banks with high-risk concentrations, less stable balance sheet liquidity, or potentially higher loss severity in the event of failure.

	Except as specifically provided, the final rule will take effect for the quarter beginning April 1, 2011, and will be reflected in the June 30, 2011 fund balance and the invoices for assessments due September 30, 2011.
03.28.2011	FinCEN final rule to amend BSA regulations regarding reports of foreign financial accounts.
03.15.2011	Nondiscrimination on the Basis of Disability Final Rules – Effective dates of new ADA requirements for ATMs .
01.31.2011	Reg. E – This is the delayed effective date pursuant to H.R. 5502 . The final rules prohibit dormancy, inactivity, and service fees on gift cards unless: (1) the consumer has not used the certificate or card for at least one year; (2) no more than one such fee is charged per month; and (3) the consumer is given clear and conspicuous disclosures about the fees. Expiration dates for funds underlying gift cards must be at least five years after the date of issuance, or five years after the date when funds were last loaded.
01.30.2011	Reg. Z –The interim rule revising the disclosure requirements for closed-end mortgage loans is effective for all applications received on or after January 30, 2011.
01.03.2011	Official FDIC sign – New FDIC signs must be posted showing the \$250,000 minimum insurance amount.
01.01.2011	FACT Act – Generally require a creditor to provide a consumer with a notice when, based on the consumer’s credit report, the creditor provides credit to the consumer on less favorable terms than it provides to other consumers. Alternatively, a creditor may provide such a consumer with a free credit score and information about their score.
01.01.2011	Reg. Z – Final rule requiring purchaser or assignee that acquires loan to provide written disclosures within 30 days of sell, transfer or assignment.
12.31.2010	Unlimited Coverage for Noninterest-Bearing Transaction Accounts – This is the expiration date for the TAG program. However, the Dodd Frank Act extends this program for 2 calendar years and it applies to everyone as part of the standard FDIC coverage. For those who opted in, the original program does expire on this date. NOW and IOLTA customers must receive notice of expiration of TAG program. (On December 29, 2010, the President signed a law giving IOLTAs full coverage also.)
12.31.2010	The federal banking agencies published amendments to their rules that implement the privacy provisions of the Gramm-Leach-Bliley Act. The rules require financial institutions to provide initial and annual privacy notices to their customers. The Agencies adopted a model privacy form that financial institutions may rely on as a safe harbor to provide disclosures under the privacy rules.
12.10.2010	Final Interagency Appraisal and Evaluation Guidelines effective.
10.01.2010	Reg. Z – Escrow required on higher priced mortgage loans on manufactured homes .
10.01.2010	Reg. DD – Reg. DD and the official staff commentary amended to address the application of the rule to retail sweep programs and the terminology for overdraft fee disclosures, and to make amendments that conform to the Board’s final Regulation E amendments addressing overdraft services, adopted in November 2009.
08.22.2010	Reg. Eⁱ – The final rules prohibit dormancy, inactivity, and service fees on gift cards unless: (1) the consumer has not used the certificate or card for at least one year; (2) no more than one such fee is charged per month; and (3) the consumer is given clear and conspicuous disclosures about the fees. Expiration dates for funds underlying gift cards must be at least five years after the date of issuance, or five years after the date when funds were last loaded. —EFFECTIVE DATE DELAYED TO JANUARY 31, 2011.
08.22.2010	Reg. Z – Federal Reserve Board final rule to protect credit card users from unreasonable late payment and other penalty fees and to require credit card

	issuers to reconsider interest rate increases imposed since the beginning of 2009.
08.02.2010	Daylight Overdraft Posting Rules . The Federal Reserve Banks will be offering an opt-in, same-day settlement service for certain ACH debit payments through the FedACH service effective August 2, 2010.
07.01.2010	Implementing FACT Act Accuracy & Integrity Rules: Deadline July 1, 2010
07.01.2010	Reg. Z – This is the mandatory compliance date for all provisions of the final rule on <u>open end credit</u> that were not mandatory on February 22, 2010. Generally, the Fed retained a July 1, 2010 mandatory compliance date for those provisions originally adopted in the January 2009 Regulation Z Rule that are not requirements of the Credit Card Act.
07.01.2010	Reg. Z and Reg. AA (Unfair or Deceptive Practices) – A lender may not consider a credit card payment late unless statement is provided 21 days prior to due date. Requirements on how credit cards payments above minimum are allocated. Restriction on when credit card rates may change. Finance charges on previous billing cycles limited. Security deposits and fees limited.
07.01.2010	Reg. E – The final rule limits the ability of a financial institution to assess an <u>overdraft fee</u> for paying ATM and one-time debit card transactions that overdraw a consumer’s account, unless the consumer affirmatively consents, or opts in, to the institution’s payment of overdrafts for these transactions. (Further amendments to Reg. E and Reg. DD have been proposed to clarify the initial Reg. E amendments.)
07.01.2010	FACT Act (Fair and Accurate Credit Transactions Act) –Those furnishing consumer information to a consumer reporting agency must <u>establish reasonable policies and procedures</u> for implementing the guidelines in Appendix E.

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