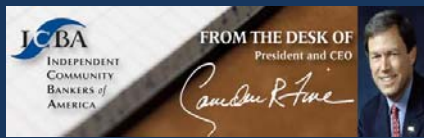


June 2011 – INTERSTATE CAPITOL COMMENTS

Community Bankers Association of Kansas
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FINE POINTS

By Camden R. Fine
President and CEO of ICBA

ANNIVERSARY NOTES

Unless you've been marooned on a Pacific island for over a year without your smartphone, you know this month marks the first anniversary of the Dodd-Frank Wall Street Reform and Consumer Protection Act. No one associated with the financial services world (including regulatory agencies) is baking birthday cakes—we are all just way too busy.

That's because the financial regulatory agencies are still busy drafting more than 240 new and complex rules. Fortunately, the vast majority of those rules—such as new capital and “living wills” rules for institutions \$50 billion or higher—are aimed at the largest banks and nonbank financial firms.

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

OCC proposes automated overdraft program guidance

On June 8, 2011, the OCC proposed guidance on safe and sound banking practices in connection with deposit related consumer credit products. Such products include automated overdraft protection and direct deposit advance programs. Comments must be submitted on or before July 8, 2011.

Comment: *This is just a proposal. See instructions below on filing comments with the OCC. The guidance does not apply to ad hoc overdraft protection programs, but does apply to any deposit-related consumer credit product. Disclosures about alternative products should be given. Customers shouldn't be automatically enrolled. Eligibility standards must be met by depositors. After account review and appropriate changes to the account, if the accountholder continues to overdraft excessively, “the overdraft privilege should be terminated and, if appropriate, the account should be closed.” The guidance suggests banks postpone imposing a fee for one day to give the customer a chance to return to a positive balance. High to low check processing is not prohibited, but processing orders that are solely to increase revenue are prohibited. The guidance provides examples of processing orders that the OCC says are not designed solely to increase revenue.*

Retailers prevail on interchange vote

On June 8, 2011, the United States Senate voted on the much publicized Tester/Corker amendment to the jobs bill. The amendment would have delayed the implementation of a final Fed rule on debit card fees (known as the Durbin Amendment) for up to one year to study the implications of the rule on small community banks and credit unions and would have mandated that the Fed consider both fixed and incremental costs of debit swipe transactions. The retailers prevailed garnering the necessary 41 votes (54-45 final vote).

The Federal Reserve, which encouraged a delay in the final rule to further consider the costs associated with the transactions, is expected to issue a final rule prior to July 21, which was mandated in the Dodd/Frank legislation passed in 2011.

Comment: *You can check here to see how your Senators voted. If they voted “yea”, you might drop a line to thank them. If they voted “nay,” you might want to contact them to further educate them on this issue. Federal and state community banking associations continue to work on a solution to this problem.*

2011 list of distress or underserved nonmetropolitan geographies

The federal bank and thrift regulatory agencies announced the availability of the 2011 list of distressed or underserved nonmetropolitan middle-income geographies where revitalization or stabilization activities will receive CRA consideration as “community development.” The 2011 list and lists from previous years can be found on the FFIEC website.

Comment: *As with past releases, the 2011 list will incorporate a one-year lag period for geographies designated as distressed or underserved in 2010, but not designated as such*

Of course, a handful of Wall Street Reform regulations were quickly adopted; for example the FDIC's asset- and risk-based deposit insurance assessments that ICBA promoted are already saving community banks billions in premiums. Other regulations have been steadily moving forward, such as the Financial Stability Oversight Council's steps to define a framework of systemic-risk rules to fix the flawed "too big to fail" problem. Within the process, ICBA is working to ensure those regulations cover as many of the largest banks and nonbank financial firms as possible.

As the Senate's hard-fought and valiant vote that narrowly failed last month to delay and study the damaging interchange pricing fixing measures showed, lawmakers are increasingly second-guessing some provisions of the financial reform law and are asking regulators to slow down, reconsider and even backtrack. In most cases ICBA agrees that regulators need to stop, consider and take a measured approach.

Another example is the proposed credit risk retention requirement—the Qualified Residential Mortgage proposal—that would impose 20 percent minimum down payments and strict debit-to-income requirements on mortgages for all but the most well-qualified borrowers. In a twisted reversal, even lawmakers and consumer groups that rooted for stricter mortgage underwriting standards have joined ICBA in opposing this proposal because it would cut credit mostly to the least affluent.

Community banks and their customers have a huge stake in the outcome of the proposal, public comments for which are due Aug. 1. So follow ICBA's comments and ideas, including measures to exempt rural lenders and lenders that hold loans in portfolio.

Anything involving the Consumer Financial Protection Bureau, set to open its doors July 21, will continue

in the 2011 release. Geographies subject to this one-year lag period are eligible to receive consideration for community development activities for 12 months after publication of the 2011 list.

Interest on checking becomes a reality on July 21, 2011

Under a provision of the Dodd-Frank Act, insured depository institutions (IDIs) may pay interest on demand deposit accounts (DDAs) starting July 21, 2011. Under another section of the Dodd-Frank Act, the FDIC provides unlimited deposit insurance for noninterest-bearing transaction accounts through December 31, 2012. The purpose of [FIL-38-2011](#) is to remind IDIs that if, on or after July 21, 2011, an IDI modifies the terms of a DDA so that the account may pay interest, the IDI must notify affected customers that the account no longer will be eligible for unlimited deposit insurance coverage as a noninterest-bearing transaction account.

Comment: This notice requirement does not apply to DDAs modified after December 31, 2012. As of January 1, 2013, noninterest bearing transaction accounts are insured subject to the standard maximum deposit insurance amount of \$250,000.

GAO issues report on need for regulatory oversight on foreclosures

The Government Accountability Office (GAO) issued a study (GAO-11-433) entitled [Mortgage Foreclosures, Documentation Problems Reveal Need for Ongoing Regulatory Oversight](#). The GAO's study determined that the OCC, the Federal Reserve, the OTS, FDIC, and the CFPB (the Agencies) should develop and coordinate plans to provide ongoing oversight and establish clear goals, roles, and timelines for overseeing mortgage servicers under their respective jurisdiction, and, if national servicing standards are created, include standards for foreclosure practices. To reduce the likelihood that problems with mortgage transfer documentation problems could pose a risk to the financial system, the study determined that the Agencies should assess the risks of potential litigation or repurchases due to improper mortgage loan transfer documentation or institutions under their jurisdiction and require that the institutions take action to mitigate the risks, if warranted. The GAO issued a [Quick View](#), a [Summary](#), and a [Highlights Page](#). The GAO also released [testimony](#) discussing their work on mortgage servicing issues.

Comment: The GOA concluded that oversight of mortgage servicers had been limited until the foreclosure documentation problems were discovered. Examinations show that servicers generally fail to prepare documentation properly and lacked supervision and controls over the foreclosure processes. The GOA additionally concluded that delayed foreclosures and increased exposure to litigation highlight how the failure to oversee whether sound practices are followed can heighten risks these entities pose to the financial system and create problems for communities. The GAO wants regulators to: (1) develop and coordinate ongoing oversight of servicers, (2) include foreclosure practices as part of any national servicing standards, and (3) assess the risks of improper documentation for mortgage transfers.

GAO issues report on regulation of CRE risks

The GAO issued a report (GAO-11-489) entitled [Banking Regulation: Enhanced Guidance on Commercial Real Estate Risks Needed](#) which examines, among other issues, (1) how the FDIC, Federal Reserve, and the OCC responded to trends in CRE markets and the controls they have for helping ensure consistent application of guidance and (2) the relationships between bank supervision practices and lending. GAO reviewed agency guidance, examination review procedures, reports of examination, and relevant literature and interviewed agency officials, examiners, bank officials, and academics. [Summary](#).

Comment: The GOA concluded that the federal banking regulators should enhance and either re-issue or supplement interagency CRE concentration guidance—based on agreed-upon standards by FDIC, the Federal Reserve, and OCC—to provide greater clarity and more examples to help banks comply with CRE concentration and risk-management requirements and help examiners ensure consistency in their application of the guidance, especially related to reductions in CRE concentrations and calculation of CRE concentrations.

to be the epicenter of political sound and fury between Republicans, Democrats, President Obama and financial trade groups.

Delay can be opportunity. Ensuring the Wall Street Reform Act is properly implemented can mean mitigating its harmful provisions but also shoring up, defending and possibly extending the gains we've made. Many of the law's exemptions and special accommodations for community banks—part of Congress' acceptance of ICBA's concept of tiered regulation—are mandatory. But in other cases regulators have discretion, but not the obligation, to make crucial accommodations for community banks.

There's no time to dwell on this anniversary. There's too much left to do, and too much at stake. The regulatory part of Wall Street reform, for the most part, is just revving up. It will be ICBA and community banks that determine how it plays out for Main Street in the immediate years ahead. Join ICBA to make sure Main Street is heard as the Wall Street reform law unfolds on this and on future anniversaries.



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

Consumer Financial Protection Bureau “Know Before You Owe”

The Consumer Financial Protection Bureau posted two draft designs for a single, simpler mortgage disclosure form on their [Know Before You Owe](#) page. They asked consumers and industry to tell them which one would do a better job of disclosing the necessary information. Purportedly, the final form will replace the Truth in Lending form and the Good Faith Estimate.

Comment: Unfortunately, the time for commenting on these draft forms has passed, but this is merely the first of many steps to get a final form.

Treasury: FAQs on garnishment of accounts containing federal benefits

The Department of Treasury issued [Frequently Asked Questions on the Interim Final Rules on Garnishment of Accounts Containing Federal Benefits](#) (31 CFR Part 212). The interim final rules were effective May 1, 2011.

Dodd-Frank Act 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 final rules adopted:

Final rule: Coverage of consumer protection regulations on credit transactions and leases expanded

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 rules with open comment periods:

CFPB publishes list of rules and orders it will enforce

Section 1063(i) of the Consumer Financial Protection Act of 2010 requires the CFPB to publish in the Federal Register a list of the rules and orders that will be enforced by the CFPB. [This notice](#) sets forth a list for public comment. A final list will be published not later than the designated transfer date, July 21, 2011.

Comment: Comments are invited and must be received on or before June 30, 2011.

Fed proposes Reg E amendment on remittances to foreign countries

The Fed is proposing to amend Regulation E and the official staff commentary to the regulation, which interprets the requirements of Regulation E. The proposal contains new protections for consumers who send remittance transfers to consumers or entities in a foreign country, by providing consumers with disclosures and error resolution rights. The proposed amendments implement statutory requirements set forth in the Dodd-Frank Act.

Comment: Comments must be received on or before July 22, 2011. All comment letters will be transferred to the CFPB.

OCC rule proposal for transfer of OTS functions to OCC

The OCC [proposed amendments](#) to its regulations governing organization and functions, availability and release of information, and post-employment restrictions for senior examiners; and assessment of fees to incorporate the transfer of certain functions of the OTS to the OCC pursuant to Title III of the Dodd-Frank Act. The OCC also is proposing amendments to its rules pertaining to change in control of credit card banks and trust banks to implement section 603 of the Act; deposit-taking by uninsured Federal branches to implement section 335 of the Act; and its preemption and visitorial powers rules, subpart D,

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.

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

to implement various sections of the Act. [Press Release](#). Click [here](#) to see Federal Register publication.

Comment: Comments are invited and must be received on or before June 27, 2011

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

- **Federal Reserve's report on credit card profitability**

[Report to the Congress on the Profitability of Credit Card Operations of Depository Institutions](#). Submitted to the Congress pursuant to section 8 of the Fair Credit and Charge Card Disclosure Act of 1988

- **Agency guidance on operational risk**

The federal banking agencies issued [Interagency Guidance on the Advanced Measurement Approaches for Operational Risk](#) to address and provide clarity on implementation issues related to the advanced measurement approaches (AMA) in the agencies' advanced capital adequacy framework (advanced approaches rule).

- **The Fed's Beige Book**

Reports from the twelve Federal Reserve Districts indicated that economic activity generally continued to expand since the last report, though a few Districts indicated some deceleration. Some slowing in the pace of growth was noted in the New York, Philadelphia, Atlanta, and Chicago Districts. In contrast, Dallas characterized that region's economy as accelerating. Other Districts indicated that growth continued at a steady pace. Manufacturing activity continued to expand in most parts of the country, though a number of Districts noted some slowing in the pace of growth. Activity in the non-financial service sectors expanded at a steady pace, led by industries related to information technology and business and professional services. [Summary](#).

- **FedFocus**

[FedFocus](#) covers several topics including: FedComplete packages and meeting cross-border payment needs.

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.

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 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.

- 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:

- 07.01.2011 FDIC Overdraft Payment Supervisory Guidance. The FDIC expects that any additional efforts to mitigate risk would be in place by July 1, 2011.
- 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 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 are limited to 12 months.

- 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	<u>Nondiscrimination on the Basis of Disability Final Rules</u> – Effective dates of new <u>ADA requirements for ATMs</u> .
01.31.2011	<u>Reg. E</u> – This is the delayed effective date pursuant to <u>H.R. 5502</u> . The final rules prohibit dormancy, inactivity, and service fees on <u>gift cards</u> 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	<u>Reg Z</u> –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	<u>Official FDIC sign</u> – New FDIC signs must be posted showing the \$250,000 minimum insurance amount.
01.01.2011	<u>FACT Act</u> – 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	<u>Reg. Z</u> – Final rule requiring purchaser or assignee that acquires loan to provide written disclosures within 30 days of sell, transfer or assignment.
12.31.2010	<u>Unlimited Coverage for Noninterest-Bearing Transaction Accounts</u> – 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 <u>amendments</u> 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 <u>Interagency Appraisal and Evaluation Guidelines</u> effective.
10.01.2010	<u>Reg. Z</u> – Escrow required on higher priced mortgage loans on <u>manufactured homes</u> .
10.01.2010	<u>Reg. DD</u> – 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	<u>Reg. E</u> – The final rules prohibit dormancy, inactivity, and service fees on <u>gift cards</u> 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	<u>Reg. Z</u> – 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	<u>Daylight Overdraft Posting Rules</u> . 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 open end credit 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 overdraft fee 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 establish reasonable policies and procedures for implementing the guidelines in Appendix E.
- 06.21.2010 Post employee notices pursuant to Executive Order 13496
- 06.01.2010 Reg. GG (Prohibition on Funding of Unlawful Internet Gambling).–. Requires non-exempt participants in designated payment systems to establish and implement written policies and procedures that are reasonably designed to identify and block or otherwise prevent or prohibit unlawful Internet gambling transactions.
Reg GG (Extension of compliance date)

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