



## November 2009 - INTERSTATE CAPITOL COMMENTS

### Community Bankers Association of Kansas

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

#### **RESPA examination procedures**

On November 17, 2008, HUD issued a final RESPA reform rule that included both technical and substantive changes to its RESPA examination procedures. Both the technical changes, which previously became effective on January 16, 2009, and the substantive changes, which will become effective on January 1, 2010, are addressed in the revised interagency examination procedures. The key substantive changes include a standardized and binding GFE form and revised HUD-1/1A Settlement Statement. HUD has issued [FAQs for the new rule](#). The Fed recently approved interagency RESPA examination procedures which address the changes.

**Comment:** *If your bank is not ready for the changes to RESPA, you are way behind the game. These changes are just a little over a month away, and they are substantial.*

#### **FINAL RULE: Overdraft services**

The [final rule](#) gives consumers a choice regarding their institution's payment of overdrafts for ATM and one-time debit card transactions. Consumers will also be provided a disclosure of the fees and terms associated with the institution's overdraft service. The final rule requires consumers to opt in, or affirmatively consent, to the institution's overdraft service for ATM and one-time debit card transactions, before overdraft fees may be assessed on the account. The rule also provides consumers an ongoing right to revoke consent. The opt-in right applies to all consumers, including existing account holders. Financial institutions are prohibited from tying the payment of overdrafts for checks and other transactions to the consumer opting into the overdraft service for ATM and one-time debit card transactions. Institutions are further required to provide consumers who do not opt in with the same account terms, conditions and features, including price, as provided to consumers who do opt in. The mandatory compliance date is July 1, 2010.

**Comment:** *The Fed has issued a [model opt-in form](#). The model form is a safe harbor—so use it. If you are interested, here is some information on the design and testing of the model form: [Design and Testing of Overdraft Disclosure: Phase Two](#).*

#### **FINAL RULE: FDIC prepaid assessments**

On November 12, 2009, the FDIC adopted the [final rule](#) amending the assessment regulations to require insured depository institutions to prepay their quarterly risk-based assessments for the fourth quarter of 2009, and for all of 2010, 2011, and 2012, on December 30, 2009, along with each institution's risk-based assessment for the third



### **EXECUTIVE BRIEFING**

#### **CBA PRESIDENT/CEO WORKS CAPITOL HILL**

CBA President & CEO Shawn Mitchell spent last week in Washington, D.C. attending an ICBA issues briefing for state community banking associations. He was among 19 state associations that had been asked to "fly-in" to the nation's capitol for the meetings.

Following the briefings Shawn met privately with members of the Kansas congressional delegation and discussed financial reform issues including too-big-to-fail and systemic risk, FDIC deposit insurance, overdraft programs, and interchange fee legislation. In all, the community bank agenda was well received by the Kansas delegation.

Shawn urged Kansas House members to cosponsor HR 2897, the Bank Accountability & Risk Assessment Act, and to support an amendment to HR 3996, the Financial Stability Improvement Act (to base FDIC assessments on total assets less tangible capital) whereby the giant banks will pay a greater proportion of each assessment and community banks will pay less. Both HR 2897 and the amendment to HR 3996 were sponsored by Rep. Gutierrez (D-Illinois). All but four banks operating in Kansas would see a decrease in FDIC premium payments as a result of the change in assessment base.

Last Thursday, despite stiff opposition from other national banking trade groups, the House Financial Services Committee passed three amendments that would bring greater fairness to the deposit insurance assessment formula; prefund a systemic-risk fund so that community banks never again are punished for the sins of the mega firms that were reckless or overtaken by greed; and set up a procedure to actually dismantle systemically dangerous financial firms. These three amendments are at the heart of ICBA's "too-big-to-fail" agenda and advocacy efforts.

ICBA expects HR 3996 to be passed by the House Financial Services Committee on Tuesday, December 1st. The ICBA-advocated FDIC assessment formula is in the base text of the financial reform package introduced last week by Senate Banking Committee Chairman Christopher Dodd (D-Conn.). Therefore, the FDIC assets-based formula is now included in both the House and Senate reform bills.

quarter of 2009. For most institutions, the amount paid on December 30 will be substantially higher than typical quarterly deposit insurance assessments. Institutions should plan to have adequate funds available.

*Comment: See the October issue of Capitol Comments for an in-depth analysis of the rule and links to resources. If you think your bank will have trouble paying this, contact the FDIC about an exemption.*

### **Fed Consumer Affairs Letter: Higher Priced Mortgage Loans (Reg. Z) and short-term balloon loans**

The new Higher Priced Mortgage Loan (HPML) rule requires that a lender making a HPML verify at consummation that the borrower has sufficient income and assets to pay the highest payment scheduled in the first seven years. The Fed issued a Consumer Affairs letter ([CA 09-12](#)) stating that a lender making balloon notes of seven years or less is not required to confirm that a borrower has sufficient income and assets at consummation to pay the balloon payment due within the first seven years (12 CFR 226.35). Rather, a creditor must engage in prudent underwriting considering factors such as LTV and borrower's debt-to-income ratio or residual income at the time of consummation.

*Comment: Although a lender doesn't have to consider the balloon payment when considering repayment ability, the lender should confirm that, at the time of consummation, the borrower would qualify for refinancing as if the loan were being refinanced at that time. Meetings between the Federal Reserve and community bank associations were instrumental in getting this clarification.*

### **INTERIM FINAL RULE: Notifying consumers of the sale or transfer of mortgage loan**

The Board is publishing for public comment an interim final rule amending Reg. Z. The interim rule implements Section 131(g) of the Truth in Lending Act, which was enacted on May 20, 2009, as Section 404(a) of the Helping Families Save Their Homes Act. Section 131(g) became effective immediately upon enactment and established a new requirement for notifying consumers of the sale or transfer of their mortgage loans. The purchaser or assignee that acquires the loan must provide the required disclosures in writing no later than 30 days after the date on which the loan is sold or otherwise transferred or assigned. This interim rule is effective immediately upon publication so that parties subject to the statutory requirement have guidance on how to comply. However, to allow time for any necessary operational changes, compliance with the interim final rule is optional for 60 days from the date of publication; during this period, covered persons would continue to be subject to the statute's requirements. The Board seeks comment on all aspects of the interim rule.

*Comment: As stated above, the rule is now final, but optional for 60 days after publication in the Federal Register. The interim final rule should be published any day.*

### **FINAL RULE: The S.A.F.E. Act**

The federal banking agencies adopted [final rules](#) to implement the S.A.F.E. Act. The S.A.F.E. Act requires an employee of a bank, savings association, credit union or Farm Credit System institution and certain of their subsidiaries that are regulated by a Federal banking agency or the FCA (collectively, Agency-regulated institutions) who acts as a residential mortgage loan originator to register with the Nationwide Mortgage Licensing System and Registry (NMLSR), obtain a unique identifier, and maintain this registration. The final rule further provides that Agency-regulated institutions must: (1) require their employees who act as residential mortgage loan originators to comply with the S.A.F.E. Act's requirements to register and obtain a unique identifier, and (2) adopt and follow written policies and procedures designed to assure compliance with these requirements.

## CONSUMER FINANCIAL PROTECTION AGENCY OPPOSED BY ICBA & CBA

Key to the lobbying efforts this week by ICBA and CBA, Shawn and other state associations that attended the "fly-in" presented the community bank position regarding the proposed "Consumer Financial Protection Agency".

ICBA has been successful in passage of an amendment to exempt community banks with assets less than \$10 billion from primary CFPB enforcement and examination authority. Examinations would remain with the prudential regulator and the CFPB would not be allowed to assess fees against these community banks to fund the agency. The hoped-for result would be that bank regulators, not the CFPB, would have primary authority to enforce consumer protection laws.

While the amendment is an important concession for community banks, ICBA and CBA are far from satisfied with the current bill and will continue pushing for changes. One such change is that the CFPB rule writing authority should be narrowed to include specific statutes and provide for joint rule-making authority with bank regulators. ICBA is also calling for enhancing the position of the prudential regulators on the CFPB board.

## CBA & ICBA LOBBY AGAINST OVERDRAFT RESTRICTIONS

While on the hill, Shawn expressed opposition to proposed restrictions on overdraft protection programs. ICBA had submitted a written statement to Congress stating that the restrictions will cause community banks to abandon discretionary and automated overdraft programs, resulting in a dramatic increase in returned checks and debit-card transactions. Shawn conveyed Kansas community bank

*Comment: The system is not expected to be available to accept Federal registrations until sometime in 2010. There is a 180-day implementation period that will begin when the agencies provide public notice that the Registry is accepting initial registrations. The federal banking agencies have not yet provided that public notice. We will let you know when registration is required.*

### Technical amendment to Credit CARD Act limits 21-day notice to credit cards

On November 9<sup>th</sup>, the President signed [H.R. 3606](#), otherwise known as the Credit CARD Act Technical Corrections Act. The Credit CARD Act required creditors to send a notice to customers 21 days prior to the due date for open-end loans, including HELOCs. The correction limits this notice to credit cards.

*Comment: The Fed will need to address this in the rules implementing the portions of the Credit CARD Act that go into effect on February 22, 2010.*

### PROPOSED: Reg. Z amendments to implement the Credit CARD Act

The Board proposed to amend Regulation Z, which implements the Truth in Lending Act, and the staff commentary to the regulation in order to implement provisions of the Credit Card Accountability Responsibility and Disclosure Act of 2009 that are effective on February 22, 2010. This proposal would establish a number of new substantive and disclosure requirements pertaining to credit card accounts. In particular, the proposed rule would limit the application of increased rates to existing credit card balances, require credit card issuers to consider a consumer's ability to make the required payments, establish special requirements for extensions of credit to consumers who are under the age of 21, and limit the assessment of fees for exceeding the credit limit on a credit card account. Comments must be received on or before November 20, 2009. [74 FR 54124](#).

### HUD: New RESPA Rule FAQs

HUD has revised the [RESPA FAQs](#) to reflect the new RESPA rule.

*Comment: These FAQs are provided in PDF format. You can view them online, but why not go ahead and save the PDF file to your computer so that you don't have to figure out where to find it next time.*

### PROPOSED: Guidance on sound incentive compensation policies

The Federal Reserve Board requested comment on proposed guidance designed to help ensure that incentive compensation policies at banking organizations do not encourage excessive risk-taking and are consistent with the safety and soundness of the organization. The Federal Reserve also is commencing two supervisory initiatives to spur progress by the banking industry in the development and implementation of incentive compensation arrangements, identify emerging best practices, and advance the state of practice more generally in the banking industry. The Federal Reserve expects all banking organizations to evaluate their incentive compensation arrangements and related risk management, control, and corporate governance processes and immediately address deficiencies in these arrangements or processes that are inconsistent with safety and soundness. Comments must be submitted on or before November 27, 2009. [74 FR 55227](#). [Questions and Answers](#).

*Comment: This is more of a "gotcha" than a guide. All banks are expected to evaluate and address deficiencies that don't jibe with safety and soundness, but the Fed isn't giving many clues as to what that means. As far as I can tell, you need to get it right or get clubbed. The problem will be determining the definition of "getting it right." I guess you'll find out when you get clubbed (...or don't).*

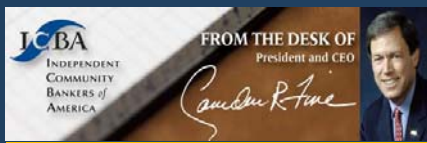
### FINAL: GLB Act model privacy form is safe harbor

The federal banking and thrift agencies are publishing [final amendments to their rules](#)

concerns regarding the imposition of price controls and numerical limits on overdrafts to both House and Senate members and their staffs.

Meanwhile, the Federal Reserve last week announced final rules that prohibit banks from charging overdraft fees on ATM and one-time debit card transactions unless the consumer consents to the overdraft service.

We here at the Community Bankers Association of Kansas are working diligently to promote and protect community banking. Please take time to contact your Senators and Congressman/woman to express your concerns and views.



## Fine Points

By Camden R. Fine  
President and CEO of ICBA

### BUILDING ON TIERED REGULATION

Despite what some big banks claimed in slick marketing and advertising campaigns during our industry's merger-frenzy a decade ago, they are not and never have been community banks. From our lending practices to the way we treat our customers and serve our communities, Wall Street megabanks and Main Street community banks are different in real and substantial ways. It's not even a close call.

ICBA has worked long and hard to educate policymakers, the media and the public about those important differences. Thanks to the daily barrage of headlines on the financial crisis and its causes, almost everyone now recognizes that two banking systems exist in this

that implement the privacy provisions of Subtitle A of Title V of the Gramm-Leach-Bliley Act. These rules require financial institutions to provide initial and annual privacy notices to their customers. Pursuant to Section 728 of the Financial Services Regulatory Relief Act of 2006, the federal thrift and banking agencies are adopting a model privacy form that financial institutions may rely on as a safe harbor to provide disclosures under the privacy rules. The agencies are eliminating the safe harbor permitted for notices based on the sample clauses currently contained in the privacy rules if the notice is provided after December 31, 2010. The rule is effective 30 days after publication. It should be published shortly.

***Comment: To obtain a compliance safe harbor after the sample clauses are removed, financial institutions may use the new model privacy notice form. Financial institutions will not be able to rely on the safe harbor for the sample clauses incorporated into notices that are delivered to consumers on or after January 1, 2011. The sample clauses will be removed entirely from Part 332 on January 1, 2012.***

### **PROPOSED: Amendment to Reg. E to implement gift card provisions of Credit CARD Act**

The [proposal](#) would amend Regulation E to implement the gift card provisions of the Credit CARD Act. The proposal would set forth new protections for consumers that purchase or use certain prepaid products, primarily gift cards. The proposal applies to gift certificates, store gift cards, and general use prepaid cards. Covered products include retail gift cards, which can be used to buy goods or services at a single merchant or affiliated group of merchants, and network-branded gift cards, which are redeemable at any merchant that accepts the card brand. The proposed rule prohibits a person from imposing a dormancy, inactivity, or service fee with respect to a gift certificate, store gift card, or general-use prepaid cards. Dormancy, inactivity, and service fees may only be assessed for a certificate or card if: (1) there has been at least one year of inactivity on the certificate or card; (2) no more than one such fee is charged per month; and (3) the consumer is given clear and conspicuous disclosures about the fees. Fees subject to the proposed restrictions would include monthly maintenance or service fees, balance inquiry fees, and transaction-based fees, such as reload fees and point-of-sale fees. The proposed rule prohibits the sale or issuance of a gift certificate, store gift card, or general-use prepaid card that has an expiration date of less than five years after the date a certificate or card is issued or the date funds are last loaded. The expiration date restrictions would apply to a consumer's funds, and not to the certificate or card itself. The proposal includes provisions to ensure consumers have at least five years to use a certificate or card from the date of purchase. The proposed rule prohibits the imposition of any fees for replacement of an expired card or certificate if the underlying funds remain valid

### **FINAL RULE: Board amends routing number guide**

The Fed is amending the routing number guide to next-day availability checks and local checks in Regulation CC to delete the reference to the head office of the Federal Reserve Bank of Philadelphia and to reassign the Federal Reserve routing symbols currently listed under that office to the head office of the Federal Reserve Bank of Cleveland. These amendments reflect the restructuring of check-processing operations within the Federal Reserve System. The final rule will become effective on December 12, 2009. [74 FR 58537](#)

### **Fraudulent email purports to be from FDIC**

The FDIC has received numerous reports of a fraudulent e-mail that has the appearance of being sent from the FDIC. The subject line of the e-mail states: "check your Bank Deposit Insurance Coverage." The e-mail tells recipients that, "You have received this message because you are a holder of a FDIC-insured bank account. Recently FDIC has officially named the bank you have opened your account with as a failed bank, thus, taking control of its assets." The e-mail then asks recipients to "visit the official FDIC

nation—Main Street community banks and Wall Street Mega firms.

In the 1990s, ICBA recognized the growing chasm between the community bank model and the Wall Street model of banking. As a result, in early 1992 ICBA established a steering committee of leadership bankers to address the increasingly serious problem of regulatory overkill for community banks. During that process, the association conceived of a dynamic new policy solution—tiered regulation.

Tiered regulation, a concept now commonly understood and supported by many policymakers, allows the banking agencies to develop flexible rules and enforcement procedures that can be appropriately scaled to the size, complexity and activities of financial institutions without compromising regulatory objectives. From the beginning, tiered regulation ran counter to the rigid, one-size-fits-all regulatory approach in place at the time—an approach that clearly advantages the largest financial institutions while smothering community banks.

Not long after promoting the concept, ICBA and community bankers won our first success on tiered regulation when Congress extended well-managed community bank exam cycles to 18 months. Just as important, streamlined Community Reinvestment Act exams were instituted for community banks with less than \$250 million in assets, a threshold we were instrumental in raising to \$500 million. Those victories were practical, constructive steps that eased the regulatory burden on community banks. They were also important watershed precedents that recognized, indeed codified into law, the real-world differences between megabanks and community banks.

Since then, ICBA has continually pressed lawmakers and regulators to expand on and establish tiered regulation—including outright

website and perform the following steps to check your Deposit Insurance Coverage” (a fraudulent link is provided). It then instructs recipients to “download and open your personal FDIC Insurance File to check your Deposit Insurance Coverage.” Recipients should consider the intent of this e-mail as an attempt to collect personal or confidential information, some of which may be used to gain unauthorized access to on-line banking services or to conduct identity theft.

***Comment: The FDIC does not issue unsolicited e-mails to consumers. Financial institutions and consumers should NOT follow the link in the fraudulent e-mail. Get this information to your customers to help them avoid being duped.***

### **False Representations of FDIC-Owned Real Estate Properties for Sale**

The FDIC is warning the general public and interested investors of false claims claiming to represent the FDIC in the sales of FDIC-owned properties. They claim to have “inside access” and, they attempt to charge fees or collect money up front from potential buyers of FDIC Owned Real Estate (ORE) properties with promises of steep discounts off appraised values. Information on ORE assets in the FDIC’s inventory is free to the general public. Any person approached by an individual or business entity with an offer requiring upfront fees and/or the disclosure of personal bank information should exercise extreme caution.

The FDIC has contracted with and authorized a number of asset management companies to market, sell, and maintain FDIC ORE properties. In representing the FDIC, they are not brokers or brokerage services firms. Rather, they are asset managers who contract with licensed real estate brokers and other vendors in the disposition FDIC-owned properties.

***Comment: FDIC-owned properties currently being marketed for sale are available for FREE public viewing and access on the [FDIC Web site](#). The listing for each asset includes the assigned asset management company, local brokers, and contact information.***

### **Regulators provide guidance on CRE workouts**

The FFIEC released a [policy statement](#) supporting prudent CRE loan workouts. This policy statement, adopted by each of the financial regulators, provides guidance for examiners, and for financial institutions that are working with CRE borrowers who are experiencing diminished operating cash flows, depreciated collateral values, or prolonged delays in selling or renting commercial properties. This policy statement details risk-management practices for loan workouts. The policy statement includes examples of CRE loan workouts. The policy statement reiterates existing guidance that examiners are expected to take a balanced approach in assessing institutions’ risk-management practices for loan workout activities.

### **OTS Revised Exam Handbook on TILA (Reg. Z)**

The OTS revised its Examination Handbook Section 1305, Truth in Lending Act. The revisions incorporate changes to the examination procedures as a result of amendments to Regulation Z. The revised handbook section replaces the existing Examination Handbook Section 1305. [Regulatory Bulletin RB 37-48](#).

### **FINAL RULE: Mortgage loans modified under the Home Affordable Mortgage Program**

On November 13<sup>th</sup>, the federal agencies issued a [final rule](#) providing that mortgage loans modified under the U.S. Department of the Treasury’s Home Affordable Mortgage Program will generally retain the risk weight appropriate to the mortgage loan prior to modification. The agencies adopted as final their interim final rule issued on June 30, 2009, with one modification. The final rule clarifies that mortgage loans whose HAMP modifications are in the trial period, and not yet permanent, qualify for the risk-based

regulatory exemptions for community banks when appropriate—as a standard, fundamental policy principle. Several of today’s too-big-to-fail measures in House and Senate financial-reform legislative packages that ICBA is vigorously advocating are outgrowths of our work in promoting tiered regulation. Creating new systemic-risk supervision for the largest, most complex banks and nonbanks amounts to tiered regulation. So does imposing higher capital and liquidity standards for the largest banks and establishing a systemic-risk resolution fund. Maintaining the dual federal and state banking system, reducing the 10-percent nationwide deposit-concentration cap and opposing a single federal regulator all build on a tiered framework.

In the aftermath of the financial crisis, tiered regulatory banking policies have widespread support in Washington. But we must again translate that awareness and support into concrete public policy. Financial reform legislation can be the start to ensuring tiered regulation becomes a standard, permanent part of our nation’s financial regulatory future.

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## From the Top

By R. Michael S. Menzies Sr.

### The Year’s Accomplishments

How can I fit all of this year’s accomplishments into one page? The number of legislative and regulatory issues alone that ICBA has worked on is astonishing. Just the survival of the very vast majority of community banks in this economic climate is laudable. My hat’s off to community bankers who are serving Main Street America well and honorably no matter what.

capital treatment contained in the rule. The final rule will take effect 30 days after publication in the Federal Register, which is expected shortly.

## PUBLICATIONS, REPORTS, STUDIES, TESTIMONY & SPEECHES

- **Fall 2009 issue of FDIC Consumer News**

The Fall 2009 issue of FDIC Consumer News gives facts and figures explaining the agency’s financial resources run deep and that insured deposits are fully protected. The newsletter gives a number of reasons why consumers can trust the ironclad protection of FDIC insurance. A related article reminds consumers that the basic maximum insurance amount under current law is \$250,000 through year-end 2013, but that, as always, customers may qualify for much more protection at the same bank depending on the types and ownership of their accounts. The same article highlights FDIC resources that can help answer consumers’ questions about deposit insurance coverage. Also in this issue are tips for paying with plastic. One article helps consumers understand the potential benefits and concerns when choosing and using debit cards versus credit cards. Another article examines prepaid cards, which have evolved from gift cards sold by individual retailers to multi-purpose, "reloadable" cards that can be used to pay for purchases and access cash at ATMs around the world. An article offers five things to know about safe deposit boxes and home safes.

- **Fed publishes FedFocus**

[FedFocus](#) contains the latest Federal Reserve Financial Services news. Each edition keeps you informed about hot topics in the industry, as well as provides insight into the value of Federal Reserve Financial Services.

- **Fed publishes FedFlash**

[FedFlash](#) contains the latest Federal Reserve Financial Services operational news. Topics this month include new Federal Reserve Financial Services fees, fraudulent ACH transfers connected to malware and work-at-home scams, year-end freeze for Check Services, and the new [Zachary Taylor](#) coin (see below).



New Zachary Taylor \$1 coin.

### Important upcoming compliance dates:

With all the regulatory changes coming up in the next few months, each month we are publishing an updated compliance calendar at the end of each of Capitol Comments.

- |            |  |
|------------|--|
| 12.01.2009 | <a href="#">Reg. GG (Unlawful Internet Gambling Act)</a> – Must send required notice to existing customers. Must perform due diligence at account opening and have procedures for dealing with violations. |
| 12.30.09   | Prepay quarterly risk-based FDIC assessments for the fourth quarter of 2009, and for all of 2010, 2011, and 2012, on December 30, 2009, along with risk-based assessment for the third quarter of 2009.    |

Top of the list, though, is our winning hearts and minds throughout the nation. Community bankers and ICBA have succeeded in communicating to Congress, the public, our customers and regulators that community banks didn't cause this financial crisis and shouldn't pay for its consequences.

Isn't being recognized as the "good guys" we are among the best things we've achieved lately? Never before have ordinary Americans—teachers and salespeople, entrepreneurs and restaurateurs—used the terms "too big to fail" and "systemic risk" in everyday conversation. The public sees the difference between the greedy Wall Street megabanks and their own local, friendly community banks. They know who created the worst economic implosion since the Great Depression. They know it wasn't us.

They also know that community banks are well run and well capitalized. Congress does, too. Rep. Debbie Halvorson (D-III.) said in October, "Everywhere I travel in my district, I say the community bankers did not get us into this mess; we love our community bankers." I hear that a lot from members of Congress. Because of your hard work and that of the ICBA staff, we are big on policy decision-makers' radar—in the best way.

From Washington state to Washington, D.C., citizens see that we're not just *against* things—we're *for* fairness, for reason, for small-business loans and strong deposit insurance rather than massive taxpayer bailouts and ripoffs. This positive image is reflected in every area of ICBA's work.

At the national level, the FDIC voted to reduce its proposed emergency special assessment by three-quarters and expand the assessment base. That's the first time the FDIC has acknowledged the need to assess megabanks for their too-big-to-fail risks and lighten the burden on community banks that stuck to their knitting. The Senate

- 01.01.2010 [Reg. X \(RESPA\)](#) – GFE and HUD-1 both change. Fee variance between GFE and HUD-1 limited based on fee type. Except with change of circumstances and new disclosures (within 3 business days of change), lender is locked into the fees originally disclosed for 10 business days after such disclosure.
- 01.01.2010 [Reg. DD \(Truth-in-Savings\)](#) – Disclose overdraft fees for statement period and YTD on periodic statements. Balances on automated systems (e.g. ATMs) must not include overdraft protection amount.
- 01.01.2010 [Reg. S](#) – Update the fees to be charged for producing records and takes account of recent advances in electronic document productions.
- 01.01.2010 Effective date of TAG participant opt-out.
- 02.14.2010 [Reg. Z](#) – Amendments revising the disclosure requirements for private education loan become mandatory
- 03.31.2010 [TALF program expires.](#)
- 04.01.2010 [Reg. Z](#) – Escrow on higher priced loans (Specifically, [12 CFR 226.35\(b\)\(3\)](#) is effective April 1, 2010.)
- 07.01.2010 [Reg. Z](#) – Changes to open end credit early disclosures, periodic statements, more advance notice of change in terms, and increased advertising disclosures.
- 06.30.2010 TAG program expires.
- 07.01.2010 [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.
- 12.31.2013 [FDIC deposit insurance](#) temporary limit increase to \$250,000 expires.

**Compliance dates from the not-so-distant past:**

- 10.01.2009 [Reg. C \(HMDA\)](#) – Loans requiring a rate spread must use Reg. Z's new higher priced loan definition.
- 10.01.2009 [Reg. Z \(TIL\)](#) – Higher priced mortgage loan consumer protections; prohibits appraiser influence; prohibits unfair/deceptive servicing standards on dwelling secured closed end loans; advertising rules open & closed end loans; changes on HOEPA loan criteria.
- 09.18.2009 [New International ACH Transaction \(IAT\) rule](#) requiring all international ACH payments to be uniquely identified.
- 07.02.2009 [Reg. D \(Reserve Requirements of Depository Institutions\)](#) Authorizes Fed member banks of to enter into pass-through arrangements. Previously, member banks were statutorily prohibited from passing required reserve balances through a correspondent institution. Eliminates the provision in Regulation D's definition of "savings deposit" that limits certain kinds of transfers from savings deposits to not more than three per month. As a result, all transfers and withdrawals from a savings deposit that are subject to a monthly limit are subject to the same limit of not more than six per month.
- 07.02.2009 [Reg. D](#) – directs Federal Reserve Banks to pay interest on certain balances held at FR Banks by or on behalf of certain depository institutions. Authorizes the establishment of limited purpose accounts, called "excess balance accounts," at FR Banks for the maintenance of excess balances of eligible institutions. These excess balance accounts

defeated mortgage-cramdown legislation endorsed by Citigroup, and ICBA was credited with that victory on the Senate floor. The Financial Accounting Standards Board approved ICBA-backed proposals by changing an important requirement in mark-to-market accounting.

Closer to home, ICBA services programs have pumped up the income of member banks. One of my happiest duties as your chairman is to travel the country, handing out checks for \$10,000, \$20,000, even \$40,000 to our state associations—returning the support your use of ICBA services has made for our national and state associations as well as for your customers.

In education, nearly 3,000 bankers have taken part in audio conferences—and most ICBA institutes have seen record attendance. We also offer seminars, Webinars, forums, CDs, DVDs and conferences. The more we community bankers understand the intricacies of our business, the better we can help our customers and our country's economy.

I am proud of us and how much we've accomplished together this year. It bodes well for 2010 and beyond, individually and collectively. Thank you.

*R. Michael S. Menzies Sr. is ICBA chairman and the president / CEO of Easton Bank and Trust Co. in Easton, Md.*

are intended to permit eligible institutions to earn interest on their excess balances without significantly disrupting established business relationships with their correspondents.

***Comment: Distribute these calendars to your CEO, CFO, Compliance Officer, and Operations Officer.***

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