



## Regulatory Updates – 2<sup>nd</sup> Quarter 2022

AGENCY	DATE ISSUED	SUMMARY	BUSINESS UNITS AFFECTED	EFFECTIVE DATE
FDIC	1/21/2022 5/18/2022	<p><b><u>Final Rulemaking on Simplification of Deposit Insurance Rules for Trust and Mortgage Servicing Accounts</u></b></p> <p>The Federal Deposit Insurance Corporation (FDIC) has published a <a href="#">final rule</a> to amend the deposit insurance regulations for trust accounts and mortgage servicing accounts. The changes are intended to make the deposit insurance rules easier to understand for depositors and bankers, facilitate more timely insurance determinations for trust accounts in the event of a bank failure, and enhance consistency of insurance coverage for mortgage servicing account deposits. The final rule will take effect on April 1, 2024, providing depositors and insured depository institutions more than two years to prepare for the changes in coverage. On 5/18/2022, the FDIC released a <a href="#">Small Entity Compliance Guide</a> on the rule.</p>	Retail	4/1/2024
CFPB	1/28/2022	<p><b><u>CFPB Updates the Rural and Underserved Areas and Counties List and Tool for 2022</u></b></p> <p>The Bureau has updated the Rural and Underserved Areas and Counties lists published on its website to include the lists for areas determined to be “rural or underserved” and counties determined to be “rural” in 2021 for purposes of applying certain regulatory provisions in 2022. The Bureau has also updated the rural or underserved areas website tool with areas determined to be “rural” or “underserved” in 2021 for purposes of applying certain regulatory provisions in 2022.</p>	Lending	1/1/2022
Joint Guidance	2/22/2022	<p><b><u>Interagency Statement on Special Purpose Credit Programs Under the Equal Credit Opportunity Act and Regulation B</u></b></p> <p>The Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), the Consumer Financial Protection Bureau (CFPB or Bureau), the Department of Housing and Urban Development (HUD), the Department of Justice (DOJ), and the Federal Housing Finance Agency (hereafter, the agencies) are issuing an <a href="#">interagency statement</a> to remind creditors of the ability under the Equal Credit Opportunity Act (ECOA) and Regulation B to establish special purpose credit programs to meet the credit needs of specified classes of persons. Many financial institutions have publicly committed billions of dollars to better meet the needs of underserved communities, and the statement calls attention to the special purpose credit options under ECOA and Regulation B.</p>	Lending	2/22/2022

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OCC	2/22/2022	<p><b><u>Community Reinvestment Act: Frequently Asked Questions Regarding the Final Rule to Rescind the OCC's June 2020 CRA Rule</u></b></p> <p>The Office of the Comptroller of the Currency (OCC) today <a href="#">issued responses to frequently asked questions</a> (FAQ) about the December 2021 final rule<sup>1</sup> to rescind the OCC's Community Reinvestment Act (CRA) rule issued on June 5, 2020 (June 2020 CRA rule).<sup>2</sup> The December 2021 CRA final rule, effective January 1, 2022, replaced the June 2020 CRA rule with provisions largely based on the rules adopted jointly by the OCC, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation in 1995, as revised. This bulletin rescinds OCC Bulletin 2021-50, "Community Reinvestment Act: Frequently Asked Questions Regarding Notice of Proposed Rulemaking to Rescind the OCC's June 2020 CRA Rule."</p>	Lending	1/01/2022
CFPB	2/23/2022	<p><b><u>Factsheet for calculating prepaid interest under the price-based General QM APR calculation rule for certain ARMs and step-rate loans</u></b></p> <p>On February 23, 2022, the Bureau released a factsheet on the interest rate that is used for calculating prepaid interest under the price-based General QM APR calculation rule for certain ARMs and step-rate loans.</p>	Lending	2/23/2022
CFPB	3/16/2022	<p><b><u>CFPB Targets Unfair Discrimination in Consumer Finance</u></b></p> <p>Today the Consumer Financial Protection Bureau (CFPB) <a href="#">announced changes to its supervisory operations</a> to better protect families and communities from illegal discrimination, including in situations where fair lending laws may not apply. In the course of examining banks and other companies' compliance with consumer protection rules, the CFPB will scrutinize discriminatory conduct that violates the federal prohibition against unfair practices. The CFPB will closely examine financial institutions' decision-making in advertising, pricing, and other areas to ensure that companies are appropriately testing for and eliminating illegal discrimination.</p>	Lending	3/16/2022
CFPB	3/22/2022	<p><b><u>Bulletin 2022-05: Unfair and Deceptive Acts or Practices That Impede Consumer Reviews</u></b></p> <p>Reviews of products and services help to promote fair, transparent, and competitive markets. When firms frustrate the ability of consumers to post honest reviews of products and services that they use, they may be engaged in conduct prohibited by the Consumer Financial Protection Act (CFPA). The Consumer Financial Protection Bureau (Bureau) is issuing <a href="#">this bulletin</a> to remind regulated entities of the CFPA's requirements and explain how the Bureau intends to exercise its enforcement and supervisory authorities on this issue.</p>	Lending Retail	3/22/2022
CFPB	5/09/2022	<p><b><u>Revocations or Unfavorable Changes to the Terms of Existing Credit Arrangements</u></b></p> <p>The Consumer Financial Protection Bureau (CFPB) is issuing <a href="#">this advisory opinion</a> to affirm that the Equal Credit Opportunity Act and Regulation B protect not only those actively seeking credit but also those who sought and have received credit.</p>	Lending	5/09/2022

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Joint Guidance	5/11/2022	<p><b><u>Loans in Areas Having Special Flood Hazards; Interagency Questions and Answers Regarding Flood Insurance</u></b></p> <p>The OCC, Board, FDIC, FCA, and NCUA (collectively, the Agencies) are reorganizing, revising, and expanding the <a href="#">Interagency Questions and Answers Regarding Flood Insurance</a>. This revised guidance will assist lenders in meeting their responsibilities under Federal flood insurance law and increase public understanding of the Agencies' respective flood insurance regulations. Significant topics addressed by the revisions include guidance related to major amendments to the flood insurance laws with regard to the escrow of flood insurance premiums, the detached structure exemption, force placement procedures, and the acceptance of flood insurance policies issued by private insurers. With this issuance, the Agencies are consolidating the Questions and Answers proposed by the Agencies in July 2020 and the Questions and Answers proposed by the Agencies in March 2021 into one set of Interagency Questions and Answers Regarding Flood Insurance. Published in the <a href="#">Federal Register</a> on May 31, 2022.</p>	Lending	5/11/2022
FDIC	5/17/2022	<p><b><u>FDIC Issues Final Rule Relating to False Advertising, Misrepresentations About Insured Status, and Misuse of the FDIC's Name or Logo</u></b></p> <p>On May 17, 2022, the Board of Directors of the Federal Deposit Insurance Corporation (FDIC) approved a <a href="#">final rule</a> implementing section 18(a)(4) of the Federal Deposit Insurance Act (Section 18(a)(4)), which prohibits any person from: making false or misleading representations about deposit insurance, using the FDIC's name or logo in a manner that would imply that an uninsured financial product is insured or guaranteed by the FDIC, or knowingly misrepresenting the extent and manner of deposit insurance. The final rule describes the process the FDIC will use to exercise its authority to enforce Section 18(a)(4), as well as the standards that the FDIC will use to evaluate conduct that may violate the statute.</p> <p>Additionally, the CFPB issued <a href="#">Consumer Financial Protection Circular 2022-02</a> further explaining using the FDIC name or logo when not insured is considered a deceptive act or practice.</p>	Retail	5/17/2022

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CFPB	5/26/22	<p><b><u>Adverse action notification requirements in connection with credit decisions based on complex algorithms</u></b></p> <p>On May 26, 2022, the Consumer Financial Protection Bureau (CFPB) confirmed that federal anti-discrimination law requires companies to explain to applicants the specific reasons for denying an application for credit or taking other adverse actions, even if the creditor is relying on credit models using complex algorithms. The CFPB published a Consumer Financial Protection Circular to remind the public, including those responsible for enforcing federal consumer financial protection law, of creditors’ adverse action notice requirements under the Equal Credit Opportunity Act (ECOA). <a href="#">Consumer Financial Protection Circular 2022-03</a> states:</p> <ul style="list-style-type: none"> <li>• Federal consumer financial protection laws and adverse action requirements should be enforced regardless of the technology used by creditors. For example, ECOA does not permit creditors to use technology that prevents them from providing specific and accurate reasons for adverse actions. Creditors’ use of complex algorithms should not limit enforcement of ECOA or other federal consumer financial protection laws.</li> <li>• Creditors cannot justify noncompliance with ECOA based on the mere fact that the technology they use to evaluate credit applications is too complicated, too opaque in its decision-making, or too new. Creditors who use complex algorithms—including artificial intelligence or machine learning technologies—to engage in credit decisions must still provide a notice that discloses the specific, principal reasons for taking adverse actions. There is no exception for violating the law because a creditor is using technology that has not been adequately designed, tested, or understood.</li> </ul>	Lending	5/26/22