



Community Bankers of Michigan Regulatory Dispatch

July 17, 2024

Timely news and resources community bankers can use

to better stay on top of a rapidly changing world.

Spring 2024 [Unified Agenda](#) of Regulatory and Deregulatory Actions

The Biden Administration's Unified Agenda of Regulatory and Deregulatory Actions (Agenda) reports on the actions administrative agencies plan to issue in the near and long term. Released by the Office of Information and Regulatory Affairs, the Agenda provides important public notice and transparency about proposed regulatory and deregulatory actions within the Executive Branch.

The Regulatory Information Service Center (RISC) was created in June 1981. The Center undertakes projects to facilitate the development of and access to information about Federal regulatory and deregulatory activities. The Center's principal publication is the Unified Agenda, which is in coordination with the Office of Information and Regulatory Affairs. Since 1978, Federal agencies have been required by Executive orders to publish agendas of regulatory and deregulatory activities. RegInfo.gov displays editions of the Unified Agenda of Federal Regulatory and Deregulatory Actions beginning with fall 1995.

Consumer Financial Protection Bureau

Agency	Agenda Stage of Rulemaking	Title	RIN
CFPB	Long-Term Actions	Regulation DD	3170-AB21

CFPB	Long-Term Actions	Fair Credit Reporting Act Rulemaking (Disputes)	3170-AB24
CFPB	Long-Term Actions	Personal Financial Data Rights Supplemental Rulemaking	3170-AB25
CFPB	Long-Term Actions	Credit Card Penalty Fees	3170-AB26

Federal Deposit Insurance Corporation

<u>Agency</u>	<u>Agenda Stage of Rulemaking</u>	<u>Title</u>	<u>RIN</u>
FDIC	Long-Term Actions	Source of Strength	3064-AE61
FDIC	Long-Term Actions	Appraisal Independence	3064-AE95
FDIC	Long-Term Actions	Permissible Activities of Insured State Banks and Insured Savings Associations	3064-AF58
FDIC	Long-Term Actions	Tax Allocation Agreements	3064-AF62
FDIC	Long-Term Actions	Limits on Extensions of Credit to Executive Officer, Directors, and Principal Shareholders of Insured Nonmember Banks	3064-AF74

Federal Reserve System

<u>Agency</u>	<u>Agenda Stage of Rulemaking</u>	<u>Title</u>	<u>RIN</u>
FRS	Long-Term Actions	Regulation D--Reserve Requirements of Depository Institutions (Docket No: R-1652)	7100-AF40
FRS	Long-Term Actions	Regulations Q and Y--Risk-Based Capital and Other Regulatory Requirements for Activities of Financial Holding Companies Related to Physical Commodities (Docket No: R-1547)	7100-AE58
FRS	Long-Term Actions	Regulation Q and Y--Small Bank Holding Company and Savings and Loan Holding Company Policy Statement and Related Regulations; Changes to Reporting Requirements (Docket No: R-1619)	7100-AF13
FRS	Long-Term Actions	Regulation H, Q, and YY--Regulatory Capital Rules: Regulatory Capital, Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies (Docket No: R-1604)	7100-AF03
FRS	Long-Term Actions	Regulation S--Proposed Rulemaking BSA Recordkeeping (Docket No: R-1726)	7100-AF97
FRS	Long-Term Actions	Amendment to the Capital Rule to Facilitate the Emergency Capital Investment Program (Docket No: R-1741)	7100-AG11
FRS	Long-Term Actions	Incentive-Based Compensation Arrangements (Docket No: R-1536)	7100-AE50
FRS	Long-Term Actions	Long-term Debt Requirements for Large Bank Holding Companies, Certain Intermediate Holding Companies of Foreign Banking Organizations, and Large Insured Depository Institutions (Docket No: R-1815)	7100-AG66
FRS	Long-Term Actions	Regulatory Capital Rule: Amendments Applicable to Large Banking Organizations and to Banking Organizations with Significant Trading Activity (Docket No: R-1813)	7100-AG64

FRS	Long-Term Actions	Regulatory Capital Rule Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies (Docket No: R-1814)	7100-AG65
FRS	Long-Term Actions	Resolution-Related Resource Requirements for Large Banking Organizations (Docket No: R-1786)	7100-AG44
FRS	Long-Term Actions	Source of Strength	7100-AE73
FRS	Long-Term Actions	R-1834 Joint Rulemaking Financial Data Transparency Act	7100-AG77

Comment: A few takeaways - for the CFPB, it looks like Personal Financial Data Rights Supplemental Rulemaking (1033) will happen this Fall, and the bureau has included credit card late fees on its long-term agenda; the FRB agenda lists January 2025 as the target date for finalizing the amendments to Regulation II proposed last year.

Items of Interest

Bank Management

	<p>FDIC Financial Institution Letter: Consolidated Reports of Condition and Income for Second Quarter 2024 (07/11/2024) – The attached materials pertain to the Consolidated Reports of Condition and Income (Call Report) for the June 30, 2024, report date and provide guidance on certain reporting issues. This Financial Institution Letter and the attached Supplemental Instructions should be shared with the individual(s) responsible for preparing the Call Report at your institution. Please plan to complete as early as possible the preparation, editing, and review of your institution’s Call Report data and the submission of these data to the agencies’ Central Data Repository (CDR). Starting your preparation early will help you identify and resolve any edit exceptions before the submission deadline. If you later find that certain information needs to be revised, please make the appropriate changes to your Call Report data and promptly submit the revised data file to the CDR.</p> <p>STATEMENT OF APPLICABILITY:</p> <p>The contents of, and material referenced in, this FIL apply to all FDIC-insured financial institutions.</p> <p>DISTRIBUTION:</p> <p>FDIC-Insured Financial Institutions</p> <p><i>Comment: Share with staff responsible for completing the Call Report.</i></p>
	<p>OCC Acting Comptroller Discusses Importance of Addressing Financial Fraud (07/10/2024) – Acting Comptroller of the Currency Michael J. Hsu discussed ways banks can assist their</p>

customers in avoiding fraud and scams in remarks during the Financial Literacy and Education Commission’s Public Meeting.

In his written remarks, Mr. Hsu acknowledged the range of frauds and scams that result in significant annual losses to consumers and businesses. He further discussed efforts banks can take to inform their customers about scams and to implement strong controls to build and maintain consumer trust.

Related Link

- [Acting Comptroller Michael J. Hsu remarks](#) (PDF)

Comment: “Often the fraudster poses as a trusted business, government agency or even a bank employee, who asks the victim to wire money to a fake account right away,” Hsu said. “In most cases, once the wire transfer is complete, the funds cannot be retrieved.” Banks can educate their customers about trending scams and how to avoid them. Hsu highlighted text messaging and bank impostor scams, noting that banks could inform consumers about the strengths and weaknesses of authentication methods.

[OCC Renews Minority Depository Institutions Advisory Committee, Seeks Nominations](#)

(07/09/2024) – The Office of the Comptroller of the Currency (OCC) has renewed the charter of its Minority Depository Institutions Advisory Committee (MDIAC) and is seeking nominations for its members.

The MDIAC provides advice to the Comptroller of the Currency about minority depository institutions, their current condition, potential regulatory changes that may promote their health and viability, and other issues affecting these institutions. The committee includes officers and directors of minority depository institutions of all types, sizes, operating strategies, and geographic areas, as well as from other depository institutions committed to supporting minority depository institutions.

The OCC is seeking nominations of individuals who are officers and/or directors of OCC-regulated minority depository institutions or other OCC-regulated depository institutions with a commitment to supporting minority depository institutions, to be considered for selection as MDIAC members. Nominations must be received on or before August 26, 2024.

Nominations of MDIAC members should be sent to mdiac.nominations@occ.treas.gov or mailed to: André King, Assistant Deputy Comptroller, 2001 Butterfield Road, Suite 400, Downers Grove, Illinois, 60515.

Related Links

- [Federal Register notice for Charter Renewal](#) (PDF)
- [Federal Register notice for MDIAC Nominations](#) (PDF)
- [Minority Depository Institutions Advisory Committee](#)

BSA / AML

	<p>FinCEN Updates Frequently Asked Questions on Beneficial Ownership Information (07/08/2024) – The Financial Crimes Enforcement Network (FinCEN) has updated its Beneficial Ownership Information Frequently Asked Questions to include responses to questions about entities that have ceased to exist.</p> <p>To find out more about the reporting process, visit https://www.fincen.gov/boi.</p> <p>Frequently Asked Questions: https://www.fincen.gov/boi-faqs.</p> <p><i>Comment: Principal among these updates was FinCEN’s clarifying requirement that business entities terminated in the year 2024 (whether existing prior to 2024 or formed in 2024) are required to file beneficial ownership information reports under the CTA.</i></p>
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Deposit / Retail Operations

	<p>FDIC Consumer News - Is Your Bank Branch Relocating or Closing? (07/08/2024) – Know Your Options</p> <p>Is your bank branch closing, perhaps relocating, or maybe your bank is merging with another bank? You may need to decide whether the upcoming change will still meet your banking needs. Read “Thinking About Moving to Another Bank?” for helpful tips on making this decision. Here are options to consider.</p> <p>Branch Closings:</p> <p>The closing of a bank branch can be significant for consumers who have difficulties traveling to the next nearest branch or Automated Teller Machine (ATM) or prefer not to bank online. If that describes you, what should you do? If you are thinking about trying online banking to avoid trips to the bank for services, like paying bills, or using direct deposit for receiving your salary and other payments, read “Is Digital Banking for Me?” and ensure you understand how it works before signing up.</p> <p>Also explore with your bank whether it provides a mobile check deposit service. If the bank does not have an ATM convenient to where you live or work, find out if it will waive fees for using other ATMs. If you still have concerns, research whether another bank may better meet your needs. Any unresolved concerns about access to banking services may be communicated to the appropriate bank regulator.</p> <p>Branch Closing Notices</p> <p>At least 90 days before the proposed closing date, the bank must mail a notice to customers of the branch. And, at least 30 days before the closing, the bank must post a visible notice at the branch. (Note: If a bank is relocating a branch elsewhere in the same neighborhood, the rules may be different but generally, the bank must post a notice in the branch for at least 15 days.) These notices will help you understand the bank’s plan for your accounts. For example, if the notice directs you to a nearby branch, determine if its location and hours are convenient for you and what other banking options are available to you in your area. If you have a safe deposit box at the branch and haven’t received a notice</p>
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regarding it, find out from the bank whether you need to remove the contents before the closing date or whether they will be transferred to another location.

Customers may also experience changes to their banking services during mergers

Each depositor is generally insured to at least \$250,000, per account ownership category at each FDIC-insured bank. So, if you have money in two banks that merge into one, as long as your combined total (including accrued interest) is \$250,000 or less, all your money is fully protected. If a merger results in you having more than \$250,000 in your combined bank accounts, you may still be fully insured. First, remember that deposits you hold at a bank in different account ownership categories such as joint, single and retirement accounts are separately insured to at least \$250,000. Read "[The Importance of Deposit Insurance and Understanding Your Coverage](#)" for more information.

Under FDIC rules, for at least six months after the merger, your transferred deposits will be separately insured from any accounts you may already have had at the assuming bank (the bank taking over or acquiring your former bank). This grace period gives a depositor the opportunity to restructure accounts, if necessary. This is useful when a depositor holds funds at each of the two banks prior to the merger, each in the same ownership category, and now the combination of funds after the merger exceeds \$250,000. If you have a certificate of deposit (CD) from the former bank that has a maturity date within the six-month grace period, the CD can be extended once and still maintain the deposit insurance coverage as part of the former bank provided the CD is extended under the same terms and conditions. CDs that have maturity dates that extend beyond the six-month period are still insured as former bank deposits until they mature. For more information, please refer to the FDIC's website review the "Financial Institutions Employee's Guide to Deposit Insurance" section on [Merger of IDIs](#).

Loans and bank transactions moved to the new bank

A loan is a contract between a borrower and a lender. If your loan is acquired by another bank, you are still under contract to make payments according to the loan agreement. The terms on a mortgage or car loan will remain the same with the new bank.

If you have automatic payments set up, such as for your electric bill or car insurance, be sure to check whether you need to revise your automatic payment information to reflect the new bank. Updating your automatic payments information will help ensure you don't miss payments.

Additionally, banks can generally change the interest rate or certain other terms for deposit accounts and credit cards, if they provide advance notice to customers and the account contract permits the change. You should always promptly review all correspondence from your new bank. This is particularly important when you become a customer of a different bank after a merger or a bank failure. For example, you would not want to miss a notice from the new bank that it was reducing the interest rate on a CD or that it shows has a different address for you to send loan payments.

Different rules for bank accounts apply when a bank fails. In this instance, if the acquiring bank assumes the failed bank's deposit accounts, the original contract with the failed bank no longer exists. So, the new bank will create a new deposit contract, perhaps with a

different interest rate. Rates on CDs may also be changed. In this case, the failed bank’s customers can withdraw their money without an early withdrawal penalty. If you have, or are considering, purchasing a CD, read “[Shopping for a Certificate of Deposit?](#)” for helpful tips.

Knowing your options during a bank branch closing or relocation or bank merger will help ensure your financial needs continue to be met.

Comment: While this information targets accountholders, it’s worth knowing what the FDIC is communicating.

Human Resources

No news to report this week.

Lending

FFIEC [2024 Distressed or Underserved Nonmetropolitan Middle-income Geographies list](#) (07/12/2024) – The [FFIEC CRA website](#) has recently been updated.

The 2024 Distressed or Underserved Nonmetropolitan Middle-income Geographies [list](#) is now available on the [FFIEC CRA website](#).

Comment: The list released by the FFIEC includes distressed or underserved nonmetropolitan middle-income geographies where revitalization or stabilization activities are eligible to receive CRA consideration. The designations reflect local economic conditions, including unemployment, poverty, and population changes. Previous years’ lists and criteria for designating these areas are available here.

FFIEC [Publishes 2023 Data on Mortgage Lending](#) (07/11/2024) – The Federal Financial Institutions Examination Council (FFIEC) published data on 2023 mortgage lending transactions reported under the Home Mortgage Disclosure Act (HMDA) by 5,113 U.S. financial institutions, including banks, savings associations, credit unions, and mortgage companies.

The HMDA data are the most comprehensive source of publicly available information on mortgage market activity. The data are used by industry, consumer groups, regulators, and others to assess potential fair lending risks and for other regulatory and informational purposes. The data also help the public assess how financial institutions are serving the housing needs of their local communities and facilitate federal financial regulators’ fair lending, consumer compliance, and Community Reinvestment Act examinations.

The [Snapshot National Loan-Level Dataset](#) released today contains the national HMDA datasets as of May 1, 2024. Key observations from the Snapshot include:

- For 2023, the number of reporting institutions increased by about 14.6 percent from 4,460 in the previous year to 5,113.
- The 2023 data include information on 10 million home loan applications, a decrease from the 14.3 million reported in 2022. Among them, 7.7 million were closed-end (e.g., a home mortgage loan) and 2.1 million were open-end (e.g., a home equity line of credit). Another 266,000 records are from financial institutions making use of statutory partial exemptions and did not indicate whether they were closed-end or open-end.
- The share of mortgages originated by non-depository, independent mortgage companies accounted for 68.8 percent of first lien, one- to four-family, site-built, owner-occupied home-purchase loans in 2023, up from 60.2 percent in 2022.
- In terms of borrower race and ethnicity, the share of closed-end home purchase loans for first lien, one- to four-family, site-built, owner-occupied properties made to Black or African American borrowers rose slightly from 8.1 percent in 2022 to 8.2 percent in 2023. The share made to Hispanic-White borrowers increased from 9.1 percent to 9.9 percent, and the share made to Asian borrowers increased slightly from 7.6 percent to 7.7 percent.
- In 2023, Black or African American and Hispanic-White applicants experienced denial rates for first lien, one- to four-family, site-built, owner-occupied conventional, closed-end home purchase loans of 16.6 percent and 12.0 percent respectively. Denial rates for Asian and non-Hispanic-White applicants were 9.0 percent and 5.8 percent respectively.

The FFIEC also published today several other annual data products to serve a variety of data users. The HMDA [Dynamic National Loan-Level Dataset](#) is updated on a weekly basis to reflect late submissions and resubmissions. [Aggregate and Disclosure Reports](#) provide summary information on individual financial institutions and geographies. The [HMDA Data Browser](#) allows users to create custom tables, create interactive maps, and download datasets that can be further analyzed.

In addition, since mid-March 2024, the FFIEC has made available [Modified Loan/Application Registers](#) for 2023 data, which provide loan-level data for individual financial institutions, as modified to protect applicant and borrower privacy, as well as a combined file for all filers. Additional summary information regarding the 2023 data may be found [here](#).

Comment: The share of first lien, one- to four-family, site-built, owner-occupied, home-purchase loans originated by independent mortgage companies, which are not depository institutions, increased from 60.2% in 2022 to 68.8% in 2023. The 2023 percentage is also higher than the 63.9% independent mortgage company share for 2021.

	<p>CFPB Issues Proposed Rule to Amend the Mortgage Servicing Rules (07/10/2024) – The CFPB issued a Notice of Proposed Rulemaking (NPRM) related to the mortgage servicing rules in Regulation X.</p> <p>In general, the proposed rule would streamline existing loss mitigation requirements to provide borrowers with quicker loss mitigation solutions, add foreclosure procedural safeguards that begin as soon as a borrower requests loss mitigation assistance, revise certain early intervention requirements, and provide borrowers with access to certain mortgage servicing communication in languages other than English. The proposed rule also requests comment on various servicing issues, including comment on servicer furnishing practices for consumer reporting.</p> <p>You can read the NPRM and an unofficial redline of the proposed changes here: www.consumerfinance.gov/rules-policy/notice-opportunities-comment/open-notices/streamlining-mortgage-servicing-for-borrowers-experiencing-payment-difficulties-regulation-x/.</p> <p>You can also read a Fast Facts summary of the proposed rule here: https://www.consumerfinance.gov/compliance/compliance-resources/mortgage-resources/mortserv/.</p> <p><i>Comment: It does not seem the proposals would change the ‘Small Servicer Exemption.’ Among other things, the proposed rule would require servicers to provide borrowers with access to certain mortgage servicing communication in languages other than English. More specifically, certain notices – such as notices concerning the availability of loss mitigation programs – must be sent to borrowers in English and Spanish.</i></p>
	<p>FRB Consumer Credit - G.19 (07/08/2024) – May 2024</p> <p>In May, consumer credit increased at a seasonally adjusted annual rate of 2.7 percent. Revolving credit increased at an annual rate of 6.3 percent, while nonrevolving credit increased at an annual rate of 1.4 percent.</p>

Technology / Security

	<p>CISA AT&T Discloses Breach of Customer Data (07/12/2024) – On July 12, AT&T released a public statement on unauthorized access of customer data from a third-party cloud platform. AT&T also provided recommendations and resources for affected customers.</p> <p>CISA encourages customers to review the following AT&T article for additional information and follow necessary guidance to help protect personal information.</p> <ul style="list-style-type: none"> • AT&T: Unlawful access of customer data <p><i>Comment: It is being reported that AT&T paid a hacker \$370,000 to delete the stolen phone records. A security researcher who assisted with the deal says he believes the only</i></p>
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	<p><i>copy of the complete dataset of call and text records of “nearly all” AT&T customers has been wiped.</i></p>
	<p>CISA Microsoft Releases July 2024 Security Updates (07/09/2024) – Microsoft released security updates to address vulnerabilities in multiple products. A cyber threat actor could exploit some of these vulnerabilities to take control of an affected system. CISA encourages users and administrators to review the following and apply necessary updates:</p> <ul style="list-style-type: none"> • Microsoft Security Update Guide for July
	<p>CISA Citrix Releases Security Updates for Multiple Products (07/09/2024) – Citrix released security updates to address vulnerabilities in multiple Citrix products. A cyber threat actor could exploit some of these vulnerabilities to take control of an affected system. CISA encourages users and administrators to review the following and apply necessary updates:</p> <ul style="list-style-type: none"> • NetScaler ADC and NetScaler Gateway Security Update for CVE-2024-5491 and CVE-2024-5492 • NetScaler Console, Agent and SVM Security Update for CVE-2024-6235 and CVE-2024-6236 • Citrix Workspace app for HTML5 Security Bulletin CVE-2024-6148 and CVE-2024-6149 • Citrix Provisioning Security Bulletin CVE-2024-6150 • Windows Virtual Delivery Agent for CVAD and Citrix DaaS Security Bulletin CVE-2024-6151 • Citrix Workspace app for Windows Security Bulletin CVE-2024-6286
	<p>CISA Adobe Releases Security Updates for Multiple Products (07/09/2024) – Adobe released security updates to address multiple vulnerabilities in Adobe software. A cyber threat actor could exploit some of these vulnerabilities to take control of an affected system.</p> <p>CISA encourages users and administrators to review the following Adobe Security Bulletins and apply necessary updates:</p> <ul style="list-style-type: none"> • Security Updates Available for Adobe Premiere Pro APSB24-46 • Security Update Available for Adobe InDesign APSB24-48 • Security Updates Available for Adobe Bridge APSB24-51

Selected federal rules – proposed

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

06.11.2024 **CFPB [Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information \(Regulation V\)](#)** Summary: The Consumer Financial Protection Bureau (CFPB) is seeking public comment on a proposed rule amending Regulation V, which implements the Fair Credit Reporting Act (FCRA), concerning medical information. The CFPB is proposing to remove a regulatory exception in Regulation V from the limitation in the FCRA on creditors obtaining or using information on medical debts for credit eligibility determinations. The proposed rule would also provide that a consumer reporting agency generally may not furnish to a creditor a consumer report containing information on medical debt that the creditor is prohibited from using. **DATES: Comments must be received on or before August 12, 2024.**

07.10.2024 **CFPB [Streamlining Mortgage Servicing for Borrowers Experiencing Payment Difficulties \(Regulation X\)](#)** SUMMARY: The Consumer Financial Protection Bureau (Bureau or CFPB) is proposing a rule that would amend regulations originally issued in 2013 regarding the responsibilities of mortgage servicers. The proposed amendments would streamline existing requirements when borrowers seek payment assistance in times of distress, add safeguards when borrowers seek help, and revise existing requirements with respect to borrower assistance. The proposed rule would also require servicers to provide certain communications in languages other than English, such as when a borrower is seeking payment assistance with their mortgage. The proposed rule, if finalized, would increase the likelihood that investors and borrowers can avert the costs of avoidable foreclosure. **DATES: Comments must be received on or before September 9, 2024**