FINAL REGULATIONS/RULES

Effective Date	Rule (Agency)	Citation	Summary
01/01/2023	Appraisals for Higher-Priced Mortgage Loans Exemption Threshold (CFPB, OCC, FRS)	87 FR 63663	The appraisal requirements for higher-priced mortgage loans (HPMLs) threshold amount for 2023 is $31,000, up from $28,500 in 2022.
01/01/2023	Truth in Lending (CFPB)	87 FR 63671	The TILA threshold amount for exempt consumer credit transactions increased to $66,400 from $61,000 in 2022.
01/01/2023	Assessments, Revised Deposit Insurance Assessment Rates (FDIC)	87 FR 64314	The FDIC is adopting a final rule to increase initial base deposit insurance assessment rate schedules by 2 basis points, beginning the first quarterly assessment period of 2023. The increase in the assessment rate schedules will increase the likelihood that the reserve ratio will reach the statutory minimum of 1.35 percent by the statutory deadline of September 30, 2028, consistent with the FDIC's Amended Restoration Plan, and is intended to support growth in the Deposit Insurance Fund (DIF or fund) in progressing toward the FDIC's long-term goal of a 2 percent Designated Reserve Ratio (DRR).
01/01/2023	Assessments, Amendments to Incorporate Troubled Debt Restructuring Accounting Standards Update (FDIC)	87 FR 64348	The Federal Deposit Insurance Corporation is adopting a final rule that incorporates updated accounting standards in the risk-based deposit insurance assessment system applicable to all large insured depository institutions (IDIs), including highly complex IDIs. The FDIC calculates deposit insurance assessment rates for large and highly complex IDIs based on supervisory ratings and financial measures, including the underperforming assets ratio and the higher-risk assets ratio, both of which are determined, in part, using restructured loans or troubled debt restructurings (TDRs). The final rule includes modifications to borrowers experiencing financial difficulty, an accounting term recently introduced by the Financial Accounting Standards Board (FASB) to replace TDRs, in the underperforming assets ratio and higher-risk assets ratio for purposes of deposit insurance assessments.
07/01/2023	Debit Card Interchange Fees and Routing (FRS)	87 FR 61217	The Board of Governors is adopting a final rule that amends Regulation II to specify that the requirement that each debit card transaction must be able to be processed on at least two unaffiliated payment card networks applies to card-not-present transactions, clarify the requirement that debit card issuers ensure that at least two unaffiliated networks have been enabled to process a debit card transaction, and standardize and clarify the use of certain terminology.

PROPOSED REGULATIONS

Comments Due	Rule (Agency)	Citation	Summary
12/05/2022	Subordinated Debt (NCUA)	87 FR 60326	The NCUA is proposing to amend the Subordinated Debt rule, which the NCUA finalized in December 2020 with an effective date of January 1, 2022. This proposal would make two changes related to the maturity of Subordinated Debt Notes (Notes) and Grandfathered Secondary Capital (GSC). Specifically, this proposal would replace the maximum maturity of Notes with a requirement that any credit union seeking to issue Notes with maturities longer than 20 years to demonstrate how such instruments would continue to be considered "debt." This proposed rule would also extend the Regulatory Capital treatment of GSC to the later of 30 years from the date of issuance or January 1, 2052.
12/02/2022	Federal Credit Union Bylaws (NCUA)	87 FR 59740	The NCUA is proposing to amend the standard FCU bylaws to include when a member may be expelled for cause by a two-thirds vote of a quorum of the FCU's board of directors.
12/23/2022	Resolution-Related Resource Requirements for Large Banking Organizations (FRS & FDIC)	87 FR 64170	The Federal Reserve System and the FDIC are publishing for public comment this advance notice of proposed rulemaking to solicit public input regarding whether an extra layer of loss-absorbing capacity could improve optionality in resolving a large banking organization or its insured depository institution, and the costs and benefits of such a requirement. This may, among other things, address financial stability by limiting contagion risk through the reduction in the likelihood of uninsured depositors suffering loss, and keep various resolution options open for the FDIC to resolve a firm in a way that minimizes the long term risk to financial stability and preserves optionality.

RESOURCES/GUIDANCE

Guidance	Summary
Junk Fees (CFPB)	The CFPB published two documents relating to junk fees on deposit accounts. The first, Consumer Financial Protection Circular 2022-06 Unanticipated overdraft fee assessment practice, addresses charging unanticipated overdraft fees that consumers would not reasonably anticipate when the transaction incurs a fee even though the account had a sufficient available balance at the time the financial institution authorized the payment (sometimes referred to as "authorize positive, settle negative (APSN)"). The second, Compliance Bulletin 2022-06: Unfair Returned Deposited Item Fee Assessment Practices, states that having a blanket policy of charging for returned deposited items may violate the Consumer Financial Protection Act.
FIL-50-2022 (FDIC)	As part of Cybersecurity Awareness Month, the FDIC is reminding institutions that the FFIEC updated its Cybersecurity Resource Guide for Financial Institutions. The updated guide now includes ransomware-specific resources.

Geographic Targeting Orders (FinCEN)	The Financial Crimes Enforcement Network announced the renewal and expansion of its Geographic Targeting Orders (GTOs) that require U.S. title insurance companies to identify the natural persons behind shell companies used in non-financed purchases of residential real estate. The terms of the GTOs are effective beginning October 27 and ending on April 24, 2023. The GTOs include Seattle along with several other major metropolitan areas.
Advisory Opinion FCRA (CFPB)	The CFPB issued an Advisory Opinion on consumer reporting agencies' obligation to prevent inclusion of facially false data in consumer reports under the FCRA. The Advisory Opinion discusses when a consumer reporting agency that does not implement reasonable internal controls to prevent the inclusion of facially false data, including logically inconsistent information, in consumer reports it prepares is not using reasonable procedures to assure maximum possible accuracy under section 607(b) of the Fair Credit Reporting Act.
Overdraft Fees & Older Adults (CFPB)	The CFPB published an Issue Brief that examines how overdraft fees affect economically insecure older adults. Although older adults as a whole incur overdraft fees less frequently than other age groups, economically insecure older adults are particularly impacted by overdraft fees because they are often unable to adjust their carefully managed budgets to pay unexpected fees. The report states that older adults may be more susceptible to overdraft fees for a variety of reasons, including reliance on Social Security benefits, caregiving responsibilities, the loss of a partner, limited access to financial technology, or cognitive impairment.
Updated ACET (NCUA)	The NCUA released an update of its Automated Cybersecurity Evaluation Toolbox (ACET). The ACET is a resource designed to help credit unions — especially for small credit unions or credit unions with limited resources — understand cybersecurity preparedness levels. This latest version of the ACET includes security updates and performance improvements.
Financial Institution Letters (FDIC)	The FDIC released three Financial Institution Letters. FIL-46-2022 follows up on the Board's action to restore the Supervision Appeals Review Committee (SARC) and request for comment, the FDIC is soliciting further comment on proposed amendments to its Guidelines for Appeals of Material Supervisory Determinations (Guidelines). FIL-47-2022 addresses the issuance of a final rule to incorporate updated accounting standards in the risk-based deposit insurance assessment system applicable to all large and highly complex insured depository institutions. The final rule amends the assessment regulations to include a new term, "modifications to borrowers experiencing financial difficulty," in two financial measures—the underperforming assets ratio and the higher-risk assets ratio—used to determine deposit insurance assessments for large and highly complex insured depository institutions. FIL-48-2022 addresses the final rule, applicable to all insured depository institutions, to increase initial base deposit insurance assessment rate schedules uniformly by 2 basis points, beginning in the first quarterly assessment period of 2023. The FDIC also concurrently maintained the Designated Reserve Ratio (DRR) for the DIF at 2 percent for 2023. The increase in assessment rate schedules is intended to increase the likelihood that the reserve ratio of the Deposit Insurance Fund (DIF) reaches the statutory minimum of 1.35 percent by the statutory deadline of September 30, 2028. The new assessment rate schedules will remain in effect unless and until the reserve ratio meets or exceeds 2 percent in order to support growth in the DIF in progressing toward the FDIC's long-term goal of a 2 percent DRR. Progressively lower

	assessment rate schedules will take effect when the reserve ratio reaches 2 percent, and again when it reaches 2.5 percent.
Updated RMS Manual (FDIC)	The FDIC updated Section 22.1-Examination Documentation Modules to the Risk Management Manual of Examination Policies. Updates to the section include revisions to the Risk Scoping Activities and Credit Card Related Merchant Activities modules.
College Banking and Credit Card Agreements (CFPB)	The CFPB published a report on terms and fees associated with banking products marketed in partnership with colleges to students. The report raises questions about whether some marketing deals between colleges and financial institutions comply with Department of Education rules. The report also highlights a lack of transparency in the arrangements schools have made with financial institutions. In conjunction with the release of this report, the Department of Education issued guidance to schools on requirements for college-sponsored banking arrangements and committed to additional oversight on this issue. One of the reports key findings is that financial services providers and their partner schools appear to offer and promote more costly products to students than are otherwise available in the market.
Reconsideration of Value (CFPB)	A recent CFPB blog reminds lenders of the need to offer a reconsideration of a home valuation that the consumer believes to be inaccurate. A lender's reconsideration of value process must ensure that all borrowers have an opportunity to explain why they believe that a valuation is inaccurate and the benefit of a reconsideration to determine whether an adjustment is appropriate. While an individual lender's reconsideration of valuation process may vary, lenders must make sure that their reconsideration of value process is nondiscriminatory and available and accessible to all.
Updated Cybersecurity Resource Guide (FFIEC)	The FFIEC updated its Guide for financial Institutions. The FFIEC states that the purpose of the guide is to help financial institutions meet their security control objectives and prepare to respond to cyber incidents. The updates include ransomware-specific resources to address the recent ransomware incidents.
Sanctions Compliance Guidance for Instant Payment Systems (OFAC)	OFAC published the Sanctions Compliance Guidance for Instant Payment Systems, which emphasizes the importance of taking a risk-based approach to managing sanctions risks in the context of new payment technologies such as instant payment systems and to highlight considerations relevant to managing those risks. The guidance also encourages developers of instant payment systems to incorporate sanctions compliance considerations and features as they develop these systems.