



90 Day Regulatory Outlook

February 2023

The following 90-day outlook is designed to provide you with a single view of recent announcements and key regulatory dates through April 2023. Relevant BAI course updates are listed.

Color Key:

ENACTED/ANNOUNCED DATE | **EFFECTIVE DATE** | **COMMENTS DUE/ISSUED DATE** | **MANDATORY DATE**

February 10, 2023 | COMMENTS DUE

Federal Reserve Invites Comment on Proposed Principles for High-level Framework for the Safe and Sound Management of Exposures to Climate-Related Financial Risks for Large Banking Organizations

The proposed principles would apply to banking organizations with more than \$100 billion in total assets and address both the physical risks and transition risks associated with climate change. The proposed principles would cover six areas: governance; policies, procedures, and limits; strategic planning; risk management; data, risk measurement and reporting; and scenario analysis.

Action Item: Banks with more than \$100 billion in assets should review the proposed framework and submit comment to the Federal Reserve.

February 17, 2023 | COMMENTS DUE

CFPB Proposes Registry to Detect Repeat Offenders

Today, the Consumer Financial Protection Bureau (CFPB) proposed requiring certain nonbank financial firms to register with the CFPB when they become subject to certain local, state, or federal consumer financial protection agency or court orders. The CFPB has further proposed to publish the orders and company information via an online registry. Larger companies subject to the CFPB's supervisory authority would be required to designate an individual to attest whether the firm is adhering to registered law enforcement orders. The CFPB's proposed rule would help the agency identify and mitigate risks to American households and ensure that supervised companies perform their obligations to consumers.

Action Item: Nonbank financial firms should submit their comments to the CFPB.



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February 17, 2023 | COMMENTS DUE **NCUA Issues Proposed Rule on Financial Innovation**

The NCUA Board unanimously approved a financial innovation proposed rule (opens new window) that would amend the NCUA's regulations on loan participations, eligible obligations, and notes of liquidating credit unions. The changes would primarily affect federal credit unions by removing current limits on purchases of eligible obligations and by removing qualifying criteria for federal credit unions to purchase non-member loans from federally insured credit unions.

Action Item: Credit unions should submit their comments to the NCUA.

March 20, 2023 | COMMENTS DUE **CFPB Proposes Rule to Establish Public Registry of Terms and Conditions in Form Contracts That Claim to Waive or Limit Consumer Rights and Protections**

Today, the Consumer Financial Protection Bureau (CFPB) proposed a rule to establish a public registry of supervised nonbanks' terms and conditions in "take it or leave it" form contracts that claim to waive or limit consumer rights and protections, like bankruptcy rights, liability amounts, or complaint rights. In some cases, terms and conditions in non-negotiable form contracts mislead consumers into believing the terms or conditions are legally enforceable. Under the proposed rule, nonbanks subject to the CFPB's supervisory jurisdiction would need to submit information on terms and conditions in form contracts they use that seek to waive or limit individuals' rights and other legal protections. That information would be posted in a registry that will be open to the public, including to other consumer financial protection enforcers.

Action Item: Nonbanks should submit their comments to the CFPB.

March 24, 2023 | COMMENTS DUE **HUD Announces New Proposed "Affirmatively Furthering Fair Housing" Rule**

This proposed rule implements the Fair Housing Act's affirmatively furthering fair housing mandate, which directs the government to promote fair housing choice, eliminate disparities in housing, and foster inclusive communities. While building avenues for greater accountability, this proposed rule streamlines the required fair housing analysis for local communities, states, and public housing agencies and requires them to set ambitious goals to address fair housing issues facing their communities, among other landmark changes.

Action Item: Institutions that originate mortgage loans should submit their comments to HUD.



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April 24, 2023 | COMMENTS DUE

CFPB Seeks Public Input on Consumer Credit Card Market

The Consumer Financial Protection Bureau (CFPB) issued a request for information today seeking public feedback on how the consumer credit market is functioning as part of a biennial review of the industry. The CFPB is seeking more and current information on various aspects of the consumer experience with credit cards. Congress enacted the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act) to establish fair and transparent practices related to the extension of credit in the credit card market. The CARD Act mandates the CFPB to conduct a review of the credit card industry every two years and report to Congress.

Action Item: Credit card issuers should submit their comments on the credit card market to the CFPB.

June 9, 2023 | EFFECTIVE DATE

FTC Extends Deadline by Six Months for Compliance with Some Changes to Financial Data Security Rule

The Federal Trade Commission today announced it is extending by six months the deadline for companies to comply with some of the changes the agency implemented to strengthen the data security safeguards financial institutions must put in place to protect their customers' personal information. The deadline for complying with some of the updated requirements of the Safeguards Rule is now June 9, 2023.

Action Item: Financial institutions that offer consumer products should continue to implement data security policies for complying with the Safeguards Rule.

June 30, 2023 | EFFECTIVE DATE

Federal Reserve Adopts Rule Implementing Adjustable Interest Rate (LIBOR) Act

The Federal Reserve Board on Friday adopted a final rule that implements the Adjustable Interest Rate (LIBOR) Act by identifying benchmark rates based on SOFR (Secured Overnight Financing Rate) that will replace LIBOR in certain financial contracts after June 30, 2023. The final rule is substantially similar to the proposal with certain clarifying changes made in response to comments.

Action Item: Institutions that utilize LIBOR in financial contracts should identify financial contracts that utilize LIBOR and modify them to reflect the new SOFR benchmark.



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July 1, 2023 | EFFECTIVE DATE

Federal Reserve Board finalizes updates to the Board's rule concerning debit card transactions

The Federal Reserve Board on Monday finalized updates to the Board's rule concerning debit card transactions. Pursuant to statute, the updates specify that debit card issuers should enable at least two payment card networks to process all debit card transactions, including "card-not-present" transactions, such as online payments. The final rule is substantially similar to the proposal issued last year.

Course Updates: (Release Date November 22, 2022)

30212B / 30212C / 30212N - Reg II: How Interchange Fees Affect Your Institution

July 1, 2023 | EFFECTIVE DATE

Attorney General Becerra Announces Approval of Additional Regulations That Empower Data Privacy Under the California Consumer Privacy Act

California Attorney General Xavier Becerra today announced additional regulations approved by the Office of Administrative Law that advance protections for Californians seeking to control the sale of their personal information. The California Consumer Privacy Act (CCPA) gives consumers new tools and rights for protecting their data privacy. These newly-approved rules strengthen the language of the CCPA regulations approved by OAL in August 2020, including protecting consumers from unlawful business practices that may be deceptive or misleading.

Course Updates: (Release Date TBD)

BAI will release new courseware closer to the effective date of the rule.



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July 1, 2023 | EFFECTIVE DATE

SEC Adopts Rules to Enhance Proxy Voting Disclosure by Registered Investment Funds and Require Disclosure of "Say-on-Pay" Votes for Institutional Investment Managers

The Securities and Exchange Commission today adopted amendments to Form N-PX to enhance the information mutual funds, exchange-traded funds, and certain other registered funds report about their proxy votes. The amendments will make these funds' proxy voting records more usable and easier to analyze, improving investors' ability to monitor how their funds vote and compare different funds' voting records. The rulemaking will also newly require institutional investment managers to disclose how they voted on executive compensation, or so-called "say-on-pay" matters, which fulfills one of the remaining rulemaking mandates under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Action Item: Institutional investment managers that offer Institutional Investment Manager-mutual funds, exchange-traded funds, and certain other registered funds should implement the new voter proxy records.

April 1, 2024 | EFFECTIVE DATE

FDIC Approves Final Rule Regarding Deposit Insurance Simplification

The final rule simplifies deposit insurance coverage for deposits held in connection with revocable and irrevocable trusts by merging these two deposit insurance categories and applying a simpler, common calculation to determine coverage. Currently, the FDIC receives more inquiries related to deposit insurance coverage for trust deposits than all other types of deposits combined. The final rule will make the trust rules consistent and easier to understand for bankers and depositors and will facilitate prompt payment of deposit insurance by the FDIC in the event of an insured depository institution's failure. Meanwhile, the FDIC expects that the vast majority of trust depositors will experience no change in the coverage for their deposits when the final rule takes effect.

Course Updates: (Release Date TBD)

30328B / 30328C – Federally Insured Accounts