



# 90 Day Regulatory Outlook

January 2023

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

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## Color Key:

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

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### **January 1, 2023 | EFFECTIVE DATE**

#### **FinCEN Issues Final Rule for Beneficial Ownership**

Today, the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN) took a historic step in support of U.S. government efforts to crack down on illicit finance and enhance transparency by issuing a final rule establishing a beneficial ownership information reporting requirement, pursuant to the bipartisan Corporate Transparency Act (CTA). The rule will require most corporations, limited liability companies, and other entities created in or registered to do business in the United States to report information about their beneficial owners—the persons who ultimately own or control the company, to FinCEN. Designed to protect U.S. national security and strengthen the integrity and transparency of the U.S. financial system, the rule will help to stop criminal actors, including oligarchs, kleptocrats, drug traffickers, human traffickers, and those who would use anonymous shell companies to hide their illicit proceeds.

### **January 1, 2023 | EFFECTIVE DATE**

#### **FDIC Adopts Final Rule on Assessments, Revised Deposit Insurance Assessment Rates; Maintains the Designated Reserve Ratio for 2023**

The Federal Deposit Insurance Corporation (FDIC) adopted a final rule to increase initial base deposit insurance assessment rate schedules uniformly by 2 basis points beginning in the first quarterly assessment period of 2023. After careful consideration of comments received and updated analysis and projections, the FDIC adopted as final and without change, the increase in assessment rates as proposed on June 21, 2022.



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## **January 1, 2023 | EFFECTIVE DATE**

### **Agencies Release Annual Asset-Size Thresholds Under Community Reinvestment Act Regulations**

The Federal Reserve Board and the Federal Deposit Insurance Corporation today announced the 2023 updated asset-size thresholds used to define “small bank” and “intermediate small bank” under their Community Reinvestment Act (CRA) regulations.

**Action Item:** Banks should review the new thresholds and determine whether their institution categorization has changed.

**Course Updates:** (Release Date January 6, 2023)

30405B – Community Reinvestment Act (CRA): Essentials  
30406B – Community Reinvestment Act (CRA): Comprehensive  
31608B – Executive Leadership: Community Responsibility  
31708B – Compliance Officer: CRA Examination Management

## **January 1, 2023 | EFFECTIVE DATE**

### **Agencies Announce Dollar Thresholds in Regulation Z and Regulation M for Exempt Consumer Credit and Lease Transactions**

The Federal Reserve Board and the Consumer Financial Protection Bureau today announced the dollar thresholds used to determine whether certain consumer credit and lease transactions in 2023 are exempt from Regulation Z (Truth in Lending) and Regulation M (Consumer Leasing).

**Course Updates:** (Release Date October 21, 2022)

30416B / 30416C / 30416N – Regulation M: Covered Leases, Disclosures, and the Three-Payment Rule  
30420B / 30420C / 30420M / 20420N – Reg Z: Fundamentals for Real Estate Loans

## **January 2, 2023 | COMMENTS DUE**

### **SEC Proposes Enhancements to Open-End Fund Liquidity Framework**

The Securities and Exchange Commission proposed amendments to better prepare open-end management investment companies (“open-end funds”) for stressed conditions and mitigate dilution of shareholders’ interests. The rule and form amendments incorporate lessons learned from the market events of March 2020 and would improve on the existing framework.

**Action Item:** Investment management companies that offer investment advisory products should submit their comments to the SEC.

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## **January 13, 2023 | COMMENTS DUE**

### **Federal Reserve Seeks Comment on Proposal to Publish Periodic List of Depository Institutions with Access to Federal Reserve Accounts and Payment Services**

The Federal Reserve Board on Friday invited public comment on a proposal to publish a periodic list of depository institutions that have access to Federal Reserve accounts—often referred to as "master accounts"—and payment services. The proposal would result in a transparent and accessible source of this information for the public.

**Action Item:** Depository financial institutions that have access to Federal Reserve accounts and payment services should submit their comments to the Federal Reserve Board.

## **January 20, 2023 | COMMENTS DUE**

### **FTC Explores Changes, Possible Expansion of Its Business Opportunity Rule**

The FTC is inviting the public to comment not only on the potential expansion of the rule, but also on the effectiveness of the existing rule, including whether it should be retained or eliminated, as well as other changes that should be made to the rule.

**Action Item:** Financial institutions that offer commercial loans and deposit products should submit their comments to the FTC.

## **January 23, 2023 | COMMENTS DUE**

### **Agencies Extend Comment Period on Advance Notice of Proposed Rulemaking on Large Bank Resolvability**

The Federal Reserve Board and the Federal Deposit Insurance Corporation announced today that they will extend until January 23, 2023, the comment period on an advance notice of proposed rulemaking to enhance regulators' ability to resolve large banks in an orderly way should they fail.

**Action Item:** Large banks should submit their comments to their federal regulator.

## **January 25, 2023 | COMMENTS DUE**

### **CFPB Kicks Off Personal Financial Data Rights Rulemaking**

Today, the Consumer Financial Protection Bureau (CFPB) outlined options to strengthen consumers' access to, and control over, their financial data as a first step before issuing a proposed data rights rule that would implement section 1033 of the Dodd-Frank Act. Under the options the CFPB is considering, consumers would be able to more easily and safely walk away from companies offering bad products and poor service and move towards companies competing for their business with alternate or innovative products and services.



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## **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.

## **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.

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## **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.

## **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



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## **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.

## **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.

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**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