



90 Day Regulatory Outlook

July 2021

The following 90-day outlook is designed to provide you with a single view of recent announcements and key regulatory dates through September 2021. Relevant BAI course updates are listed.

Color Key:

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

July 1, 2021 | COMMENTS DUE

Agencies Seek Wide Range of Views on Financial Institutions' Use of Artificial Intelligence

The Federal Reserve System, the Consumer Financial Protection Bureau (CFPB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA) and the Office of the Comptroller of the Currency (OCC) announced the request for information (RFI) to gain input from financial institutions, trade associations, consumer groups, and other stakeholders on the growing use of AI by financial institutions. More specifically, the RFI seeks comments to better understand the use of AI, including machine learning, by financial institutions; appropriate governance, risk management, and controls over AI; challenges in developing, adopting, and managing AI; and whether any clarification would be helpful.

Course Updates: (Release Date TBD)

BAI will release new and updated courses upon finalization of the rule.

July 9, 2021 | COMMENTS DUE

Federal Reserve Seeks Comment on Proposed Guidelines to Evaluate Requests for Accounts and Payment Services at Federal Reserve Banks

Recent years have seen the introduction of new financial products and delivery mechanisms for traditional banking services, notably leveraging emerging technologies, including from institutions with novel types of banking charters designed to support such innovation. To facilitate these activities, some such institutions have requested access to the payments system offered by Federal Reserve Banks. To help achieve the goal of applying a transparent and consistent process for all access requests, as well as considering the ramifications for the broader financial system, the Board is proposing Account Access Guidelines for the Reserve Banks to evaluate such requests. These guidelines take into account the Board's legal authority and reflect an analysis of its policy goals.



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July 16, 2021 | COMMENTS DUE **FDIC Issues Request for Information on Digital Assets**

The FDIC recognizes that there are novel and unique considerations related to digital assets. Given that banks are increasingly exploring the emerging digital asset ecosystem, the FDIC is issuing this request for information (RFI) to help inform its understanding of the industry's and consumers' interests in this area.

July 29, 2021 | EFFECTIVE DATE **Federal Reserve Board Issues Rule Amending Regulation D**

The Federal Reserve Board announced on Tuesday the approval of a final rule amending Regulation D to eliminate references to an interest on required reserves (IORR) rate and to an interest on excess reserves (IOER) rate and replace them with a single interest on reserve balances (IORB) rate. The final rule also simplifies the formula used to calculate the amount of interest to be paid on such balances and makes other minor conforming amendments. The final rule adopts the rule proposed by the Board on January 8, 2021 without change, and takes effect on Thursday, July 29, 2021.

July 30, 2021 | ANNOUNCED DATE **Federal Reserve Announces Final Extension of Paycheck Protection Program Liquidity Facility**

The Federal Reserve Board on Friday announced it will extend for a final time its Paycheck Protection Program Liquidity Facility, or PPPLF, by an additional month to July 30, 2021. The extension is being made as an operational accommodation to allow additional processing time for banks, community development financial institutions, and other financial institutions to pledge to the facility any Paycheck Protection Program, or PPP, loans approved by the Small Business Administration through the June 30 expiration of the PPP program.

July 30, 2021 | EFFECTIVE DATE **NCUA Finalizes Capitalization of Interest Rule to Assist Financially Distressed Borrowers**

The Board is finalizing the rule largely as proposed during its November 2020 meeting. The rule removes the prohibition on credit unions from capitalizing interest on loan modifications while maintaining the important prohibition on a credit union capitalizing credit union fees and commissions. It also establishes consumer financial protection guardrails like ability to repay requirements to ensure that the addition of unpaid interest to the principal balance of a mortgage loan will not hinder the borrower's ability to make payments or become current on the loan. These measures would apply to workouts of all types of member loans, including commercial and business loans.



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July 31, 2021 | ANNOUNCED DATE

FHA Introduces Measures to Help Homeowners Struggling Due to COVID-19

In conjunction with the Biden-Harris Administration and other federal agencies, FHA is extending its foreclosure and eviction moratoria for all FHA-insured single family mortgages, except vacant or abandoned properties, through July 31, 2021. This automatic extension is a one-month additional safeguard for those who are struggling to remain in their homes as the nation transitions from relief to recovery.

August 3, 2021 | COMMENTS DUE

Federal Reserve Invites Comment on Proposed Changes To Its Policy on Payment System Risk

The proposal would modify the PSR policy to (1) expand access to collateralized capacity and (2) clarify the terms for accessing and retaining uncollateralized capacity. The proposal targets expanding options for higher levels of intraday credit capacity and does not propose any reductions of the current terms for providing uncollateralized access. Additionally, the Board proposes to modify the PSR policy and the Policy on Overnight Overdrafts to align them with the deployment of the FedNowSM Service and its 24x7x365 payment environment.

August 6, 2021 | COMMENTS DUE

Federal Reserve Seeks Public Comment on Proposed Rule Regarding FedNow Service

The Federal Reserve Board on Tuesday invited comment on a proposed rule to govern funds transfers over the Federal Reserve Banks' FedNowSM Service. The FedNow Service is a new 24x7x365 service that will support instant payments in the United States and is expected to be available in 2023.

August 11, 2021 | COMMENTS DUE

Federal Reserve Seeks Comment on Proposed Changes to Regulation II

The Federal Reserve Board on Friday invited public comment on proposed changes to Regulation II (Debit Card Interchange Fees and Routing) to clarify that debit card issuers should enable, and allow merchants to choose from, at least two unaffiliated networks for card-not-present debit card transactions, such as online purchases. The Board views these clarifications of Regulation II's existing requirements as necessary in light of information indicating that often only one network is enabled for such transactions.

Course Updates: (Release Date TBD)

BAI will release updated courses upon finalization of the rule.



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August 17, 2021 | EFFECTIVE DATE **FHA Revises Standard Single Family Servicing Policies**

The Federal Housing Administration (FHA) today announced the publication of its update to the Servicing and Loss Mitigation section of the FHA Single Family Housing Policy Handbook 4000.1. This update streamlines many standard operational requirements for mortgage servicers, including revising FHA's loss mitigation home retention "waterfall" so that servicers can more quickly offer effective loss mitigation home retention options to borrowers in danger of losing their homes to foreclosure. Additional changes streamline and enhance many servicing requirements to provide more consistency with industry practices and reduce barriers to servicing FHA-insured single family mortgages.

August 29, 2021 | COMMENTS DUE **HUD Proposes Restoring Discriminatory Effects Rule**

HUD's 2013 discriminatory effects rule codified long-standing caselaw for adjudication of Fair Housing Act cases under the discriminatory effects doctrine, for cases filed administratively with HUD and for federal court actions brought by private plaintiffs. Under the 2013 rule, the discriminatory effects framework was straightforward: a policy that had a discriminatory effect on a protected class was unlawful if it did not serve a substantial, legitimate, nondiscriminatory interest or if a less discriminatory alternative could also serve that interest. The 2020 rule complicated that analysis by adding new pleading requirements, new proof requirements, and new defenses, all of which made it harder to establish that a policy violates the Fair Housing Act. HUD now proposes to return to the 2013 rule's straightforward analysis.

November 30, 2021 | EFFECTIVE DATE **CFPB Issues Final Rule to Implement the Fair Debt Collection Practices Act**

The Consumer Financial Protection Bureau (Bureau) today issued a final rule to restate and clarify prohibitions on harassment and abuse, false or misleading representations, and unfair practices by debt collectors when collecting consumer debt. The rule focuses on debt collection communications and gives consumers more control over how often and through what means debt collectors can communicate with them regarding their debts. The rule also clarifies how the protections of the Fair Debt Collection Practices Act (FDCPA), which was passed in 1977, apply to newer communication technologies, such as email and text messages.

Course Updates: (Release Date TBD)

30123B / 30123C / 30123M / 30123N – Understanding the Fair Debt Collection Practices Act (FDCPA)

20117 / 20117C / 20117M / 20117N – Fair Debt Collection Practices Act



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November 30, 2021 | EFFECTIVE DATE

CFPB Issues Final Rule on Consumer Disclosures Related to Debt Collection

The Consumer Financial Protection Bureau (Bureau) issued today a final rule to implement Fair Debt Collection Practices Act (FDCPA) requirements regarding certain disclosures for consumers. The rule requires debt collectors to provide, at the outset of collection communications, detailed disclosures about the consumer's debt and rights in debt collection, along with information to help consumers respond. The rule requires debt collectors to take specific steps to disclose the existence of a debt to consumers, orally, in writing, or electronically, before reporting information about the debt to a consumer reporting agency (CRA). The rule prohibits debt collectors from making threats to sue, or from suing, consumers on time-barred debt.

Course Updates: (Release Date TBD)

30123B / 30123C / 30123M / 30123N – Understanding the Fair Debt Collection Practices Act (FDCPA)

20117 / 20117C / 20117M / 20117N – Fair Debt Collection Practices Act

December 31, 2021 | ANNOUNCED DATE

Federal Reserve Announces Extension of Temporary US Dollar Liquidity Swap Lines

The Federal Reserve on Wednesday announced the extension of its temporary U.S. dollar liquidity swap lines with nine central banks through December 31, 2021. These arrangements were first announced on March 19, 2020 to ease strains in global dollar funding markets resulting from the COVID-19 shock and to mitigate the effect of such strains on the supply of credit to households and businesses, both domestically and abroad. Extensions to the facility through March 2021 and later through September 2021 were announced on July 29, 2020 and December 16, 2020, respectively. A further extension of the temporary swap lines will help sustain improvements in global U.S. dollar funding markets by serving as an important liquidity backstop.

March 18, 2022 | EFFECTIVE DATE

Same Day ACH Payment Limit to Increase to \$1 Million

Nacha members approved a measure to increase the per-payment maximum from the current \$100,000 to \$1 million effective March 18, 2022. It will apply to all eligible Same Day ACH payments, including credits and debits for both businesses and consumers.

Course Updates: (Release Date TBD)

20600 / 20600C / 20600N – The Automated Clearing House Network

30332B / 30332C / 30332N – The ACH Network



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October 1, 2022 | MANDATORY DATE

CFPB Issues Two Final Rules to Promote Access to Responsible, Affordable Mortgage Credit

The Bureau has issued two rules related to QM loans. The first final rule, the General QM Final Rule, replaces the current requirement for General QM loans that the consumer's debt-to-income ratio (DTI) not exceed 43 percent with a limit based on the loan's pricing. In the second final rule issued today, the Bureau creates a new category for QMs, Seasoned QMs.

Course Updates: (Release Date February 1, 2021)

4026B / 4026C / 4026M / 4026N – Defining Ability-to-Repay and Qualified Mortgages
20506 / 20506C / 20506M / 20506N - Reg Z: Ability-to-Repay and Qualified Mortgages
20507 / 20507C / 20507M / 20507N - Reg Z: Appendix Q (Retiring 3/1/2021)
31432B / 31432C / 31432M / 31432N – Mortgage Origination: Examining Capacity and Capital