



90 Day Regulatory Outlook

August 2021

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

Color Key:

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

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.

August 31, 2021 | EFFECTIVE DATE **CFPB Issues Rules to Facilitate Smooth Transition as Federal Foreclosure Protections Expire**

The Consumer Financial Protection Bureau (CFPB) today finalized amendments to the federal mortgage servicing regulations to reinforce the ongoing economic recovery as the federal foreclosure moratoria are phased out and which will help protect mortgage borrowers from unwelcome surprises as they exit forbearance. The amendments will support the housing market's smooth and orderly transition to post-pandemic operation. The rules issued today will establish temporary special safeguards to help ensure that borrowers have time before foreclosure to explore their options, including loan modifications and selling their homes. The rules cover loans on principal residences, generally exclude small servicers, and will take effect on August 31, 2021.



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September 17, 2021 | COMMENTS DUE

Agencies Request Comment on Proposed Risk Management Guidance for Third-Party Relationships

The federal bank regulatory agencies today requested public comment on proposed guidance designed to help banking organizations manage risks associated with third-party relationships, including relationships with financial technology-focused entities. The proposed guidance is intended to assist banking organizations in identifying and addressing the risks associated with third-party relationships and responds to industry feedback requesting alignment among the agencies with respect to third-party risk management guidance.

September 25, 2021 | COMMENTS DUE

FDIC Issues Proposed Rule Regarding Deposit Insurance Simplification

First, the proposed rule would simplify 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 for all trust accounts. Currently, the FDIC receives more inquiries related to deposit insurance coverage for trust deposits than all other types of deposits combined. The proposal would make the trust rules consistent and easier to understand for bankers and depositors, and also would facilitate prompt payment of deposit insurance by the FDIC in the event of an insured depository institution's failure. Additionally, the proposal would amend the rule that governs coverage for mortgage servicing accounts to allow principal and interest funds advanced by a mortgage servicer to be included in the deposit insurance calculation.

Course Updates: (Release Date TBD)

BAI will release updated courses upon finalization of the rule.

September 25, 2021 | COMMENTS DUE

NCUA Board Proposes Complex Credit Union Leverage Ratio

The proposed rule would modify the NCUA's capital adequacy regulation and provide a simplified measure of capital adequacy that federally insured credit unions classified as complex can opt into. The new Complex Credit Union Leverage Ratio (CCULR) gives complex credit unions that maintain a minimum net worth level and meet other qualifying criteria a streamlined framework to manage capital in their institutions. As long as a credit union in the CCULR framework maintains the minimum net worth ratio, it would be considered well capitalized.



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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

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



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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

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