



CFPB Final Rule on Credit Card Late Fees

On March 5th, the [Consumer Financial Protection Bureau \(CFPB\) released a final rule](#), which is part of a continued effort in its efforts to combat junk fees. The rule will cut excessive credit card late fees by closing a loophole located within the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act). It applies to the largest credit card issuers, those with more than 1 million open accounts. The CFPB felt compelled to target larger issuers because smaller issuers tend to charge lower rates and fees to their borrowers. There are three main components to the final rule. It reduces the typical late fee, which is usually around \$32 occurrence, to only \$8.

The CFPB also included a provision which puts an end to automatic inflationary adjustments, which will not allow late fee charges to get out of control again in the future. The third major provision allows large issuers to charge fees above the \$8 threshold, but they will be required to prove the higher fee is necessary to cover actual collection costs. The final rule did not change other provisions large servicers may use to deter consumers from paying late, such as raising interest rates, reducing credit lines, and taking other actions to deter consumers from paying late. However, the CFPB is working to help consumers find lower interest rates with future rule-making initiatives. Financial services organizations who offer credit card products should adjust their late fee policies to ensure they conform to the new requirements in the final rule before the effective date.

The Impact the NIST Cybersecurity Framework 2.0 Changes Will Have on Financial Institutions

Before institutions can understand the impact [NIST Cybersecurity Framework 2.0](#) will have on the industry, they need to understand what changed from the previous version. The Framework was originally released in 2014, with another release in 2018, called version 1.1. Version 2.0, released on February 26, 2024, was updated to provide guidance to any industry sector and organization type in the world, regardless of the level of cybersecurity expertise or environment, not just industry sectors located in the U.S. It addresses emerging cybersecurity issues, such as supply chain risks and ransomware, and provides the ability to integrate this framework with other cybersecurity frameworks. It introduced the new function "govern," which focuses on oversight of cybersecurity risks into an organization's overall business strategy, policy development and internal control implementation processes. It is more in-depth with respect to prioritizing, communication, and measuring cyber outcomes. It emphasizes integrating cybersecurity risk into enterprise risk management, and provides an extensive list of implementation examples, allowing more flexibility in achievement of a desired cybersecurity environment.



The FFIEC IT Examination Handbooks are a set of booklets which provide guidance to regulators when examining IT systems security and controls, including enforcement of Gramm-Leach-Bliley Act (GLBA). By following the guidelines in the handbooks, financial institutions can use them to comply with GLBA. Other notable and highly recognizable standards and frameworks referenced throughout the handbooks include NIST, ISO, PCI, and COBIT. In the future, the IT examination handbooks will be updated with framework guidance and will change the focus used by regulators to assess the institution's compliance with GLBA. A notable revision of the framework includes promoting governance and incorporating cyber risks into an organization's enterprise risk management program. Institutions should use the guidance to strengthen their information security program to better protect IT assets, sensitive consumer information, and reduce the potential likelihood and impact of potential cyber events to a greater degree.

Regulators Care About More Than Just Policy Acknowledgments

An increasing amount of regulations are being passed which is requiring financial services organizations to rapidly create and update new policies and procedures. The businesses try to ensure that these policies and procedures are acknowledged in a timely manner, but regulators care about more than that.



BAI created an article to help financial services organizations understand how the BAI Policy Manager can help them create and manage policies that meet all regulatory expectations. To learn more about meeting regulatory expectations and creating a culture of compliance, download BAI's article: [Regulators Care About More Than Just Policy Acknowledgements](#) today!

April Webinars

Align policies and procedures to support responsible innovation and deposit growth

April 4, 2024 | 1:00 p.m. - 2:00 p.m. CST

Procedures help your financial institution align business objectives, risk programs, corporate policies, and growth strategies. As the pace of change in banking accelerates, the review and updating of procedures can lag behind. This can leave staff with inadequate guidance on how to complete transactions or manage key processes and could result in costly errors, regulatory consequences, and financial losses. When proactively managed, aligning bank policies and procedures can boost efficiency, accountability, and competitive position.

In this webinar we'll focus on practical advice and resources to put banking policies into practice. We'll explore recent enforcement actions as they relate to unsafe practices. The conversation will also include the role of policies and procedures in supporting innovation and growth strategies.

Presenter: Steven Ramirez, CEO, Beyond the Arc

[Sign Up Now](#)

Quarterly Regulatory Update

April 25, 2024 | 1:30 p.m. - 3:00 p.m. CST

Join us for this complimentary BAI webinar to learn what you need to know about recent changes and any related issues, including BSA, lending and deposit concerns, and more.

Presenter: Melissa Blaser, CPA, CRCM, CAMS, CFSA, CFIRS, Partner, Wipfli

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eLearning Updates

New Cyber Scenarios Courses

Cybersecurity remains a top-of-mind concern in the financial services industry. BAI is excited to be launching new Cyber Scenarios that address these risks and help organizations and their employees prevent and mitigate attacks. In these 10 to 15-minute story-based, interactive courses, learners face a relevant cybersecurity threat scenario in a financial institution and decide how they would proceed at key decision points. Below is a list of courses that are currently released – for a full list of courses, please visit [BAI L&D Connect](#)[®].

- Cyber Scenario: Ransomware and Financial Institution Clients
- Cyber Scenario: A Distributed Denial of Service (DDoS) Attack
- Cyber Scenario: A Ransomware Attack on a Financial Institution
- Cyber Scenario: Insecure APIs
- Cyber Scenario: A DNS Tunneling Attack
- Cyber Scenario: Phishing Attacks on Financial Institution Employees
- Cyber Scenario: IT's Response to a Phishing Attack

New Overdue Banner

Beginning April 3, clients with any invoices that are over 30 days past due will see an overdue banner in the Administration tab within the Learning Manager. This banner will include the ability to view the invoice due date and amount

overdue and provides the ability to view overdue invoices from your browser. The banner will also provide instructions on whom to contact at BAI to arrange payment. Once payment is received for all overdue invoices, the banner will be removed. The overdue banner will only appear for administrators, never students.

Regulatory Resources

90 Day Regulatory Outlook



Published monthly, [BAI's 90-Day Regulatory Outlook](#) helps you plan for the compliance landscape in the upcoming fiscal quarter. Receive insights from BAI's compliance experts on which policies and training courses of yours will be impacted by the most recent and relevant regulatory changes.

Regulatory Alerts



Stay informed of all regulatory changes regardless of stage! Receive the [latest Financial Services industry compliance news](#) every week, including summaries of relevant announcements from more than 20 different regulatory bodies and overviews of personnel and products affected.

Risk Alerts



Risk Alerts provides the [latest risk guidance](#), best practices, upcoming webinars, resources, and information related to organizations in the financial services industry. Receive weekly updates, with a summary of only the most relevant announcements from almost 30 organizations, including regulators, standard-setting agencies, and third-party experts.

New Learning Manager Releases and Updates

Every month BAI adds new interactive courses and relevant documents, as well as making updates to existing courses. Follow the links below to see what has been added and updated for Compliance courseware, Professional Development courseware, and Documents & Resources:

1. [Compliance Courseware](#)
2. [Professional Development Courseware](#)
3. [Documents & Resources](#)

Visit [BAI L&D Connect](#)[®] to view the complete list of courseware and document updates.

New Updates for BAI Policy Manager

The BAI team is continuously working to provide clients with the best experience possible when using the BAI Policy Manager. As part of this process, we undergo bi-weekly releases to roll out new features and enhancements. The below list includes some of our recent favorites:

- To ensure you have the **Regulatory Resources** you need to make informed decisions within your policy and procedures management program, we recently added and updated the below content into the BAI Policy Manager.:
 - **New Policy Templates:** Investment Policy, Safe Deposit Box, Payday Alternative Loans, TILA-RESPA Integrated Disclosures, FDIC Insurance and Signage
 - **Updated Policy Templates:** Human Resources Whistleblower
 - **New Procedure Resources:** Branch Opening and Closing
 - **Updated Policy Considerations:** Appraisal, Internet Banking, Safety Program Policy
- **Bulk Edit Documents** – In addition to bulk importing documents, now you will be able to bulk edit document properties. Including the ability to seamlessly change workflows, document ownership, confidentiality, acknowledgement requirement, due date, expiration, and expiration notifications. Helping you manage large volumes of documents with consistency and accuracy.
- **Enhanced Document Versioning Process** – a new user interface will guide you through the process of publishing a new version of a document while deactivating the old. The inactivated version will then be saved in the system with the provided reason why for future reporting. The new version will be made available for all your users in the Document Catalog.

- **Track Changes Defaulted to On** – Now, when importing new documents or drafting a new version of a published document, tracked changes will be on by default. This update ensures that every change is captured in the audit trail, providing a clear record of edits over time.
- **Documents Homepage Enhancements** – A few updates have been made to the Administration-Documents Homepage in an effort to increase usability. Specifically, we have added an Action Menu, as well as increased focus on where you can find direct access to the BAI Template Library. We believe these improvements provide convenience and efficiency when using the BAI Policy Manager.

If you have any questions regarding the BAI Policy Manager, please [contact us](#).

BAI Banking Strategies: **Industry Thought Leadership**

The first CRA deadline kicks in next month – here are the key dates to track

It's time to start compliance preparations for the revised Community Reinvestment Act. [Read more »](#)

3 tips to secure buy-in for FedNow adoption in 2024

FedNow is still a new service, but it's poised to transform the payments landscape for businesses and consumers. [Read more »](#)

Bankers are challenged to safeguard against fraud from many directions

Fraud is hardly a banker's favorite topic, but it demands special attention this year. [Read more »](#)

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