Overview of Selected Regulations and Supervisory Guidance

This section provides an overview of recently released regulations and supervisory guidance, arranged in reverse chronological order. Press Release (PR) and Financial Institution Letter (FIL) designations are included so the reader can obtain more information.

ACRONYMS and DEFINITIONS	
CFPB	Consumer Financial Protection Bureau
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
FRB	Federal Reserve Board
NCUA	National Credit Union Administration
OCC	Office of the Comptroller of the Currency
Federal bank regulatory agencies	FDIC, FRB, and OCC
Federal financial institution regulatory agencies	CFPB, FDIC, FRB, NCUA, and OCC

Subject	Summary
FDIC Issues Rule Implementing Revisions to Annual Stress Test Requirements (*Federal Register*, Vol. 79, No. 225, p. 69365, November 21, 2014)	The FDIC issued a final rule that implements proposed revisions to its Annual Stress Test rule for state nonmember banks and state savings associations with total consolidated assets of more than $10 billion. The regulations, which implement Section 165(i)(2) of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Dodd-Frank Act), require covered banks to conduct annual stress tests, report the results to the FDIC and FRB, and publicly disclose a summary of the results. The final rule revises stress test cycles for 2016 and thereafter to begin on January 1, rather than October 1; modifies dates for financial data, reporting, and public disclosure; and is consistent with rules issued by the OCC and FRB. The final rule is effective January 1, 2015. See http://www.gpo.gov/fdsys/pkg/FR-2014-11-21/pdf/2014-27610.pdf.
FDIC Issues Guidance Related to *FDIC Statement of Policy on Applications for Deposit Insurance* (FIL-56-2014, November 20, 2014)	The FDIC issued Questions and Answers (Q&As) related to the *FDIC Statement of Policy on Applications for Deposit Insurance*, issued in 1998, to aid applicants in developing deposit insurance proposals and provide transparency to the application process. The Q&As cover pre-filing meetings, processing timelines, initial capitalization, and initial business plans of de novo institutions. See hhttps://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14056.html.

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Subject	Summary
Agencies Issue Final Risk Retention Rule (FIL-55-2014, November 19, 2014; PR-86-2014, October 22, 2014)	The federal bank regulatory agencies, the Department of Housing and Urban Development, the Federal Housing Finance Agency (FHFA), and the U.S. Securities and Exchange Commission (SEC) approved a final rule requiring sponsors of securitization transactions to retain risk in those transactions. The final rule implements the risk retention requirements in the Dodd-Frank Act. The rule generally requires sponsors of asset-backed securities (ABS) to retain not less than five percent of the credit risk of the assets collateralizing the ABS issuance and sets forth prohibitions on transferring or hedging the retained risk. Securitizations of “qualified residential mortgages,” as defined in the rule, as well as commercial loans, commercial mortgages, and automobile loans meeting specific high-quality underwriting standards are exempt. The final rule will be effective one year after publication in the *Federal Register* for residential mortgage-backed securitizations and two years after publication for all other ABS types. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14055.html.
FDIC Releases Technical Assistance Video on CFPB Mortgage Rules (PR-100-2014, November 19, 2014)	The FDIC announced the release of the first in a series of three technical assistance videos developed to assist bank employees in meeting regulatory requirements. These videos will address compliance with certain mortgage rules issued by the CFPB. The first covers the Ability-to-Repay and Qualified Mortgage Rule. Two additional videos in this series will focus on the rules concerning mortgage servicing and loan originator compensation. See https://www.fdic.gov/news/news/press/2014/pr14100.html.
FDIC Announces Advisory Committee on Community Banking Meeting (PR-99-2014, November 19, 2014)	The FDIC held a meeting of the Advisory Committee on Community Banking on November 20, 2014. Topics included an update on the FDIC’s community bank initiatives with new research on branch banking in the United States and discussions about the review of banking regulations under the *Economic Growth and Regulatory Paperwork Reduction Act of 1996* (EGRPRA), bank regulatory reporting, cyber security, and recent supervisory guidance. See https://www.fdic.gov/news/news/press/2014/pr14099.html.
FDIC Issues Filing and Documentation Procedures for State Banks Engaging in Activities Permissible for National Banks (FIL-54-2014, November 19, 2014)	The FDIC issued filing and documentation procedures for state banks engaging, directly or indirectly, in activities or investments (activities) that are permissible for national banks. A state bank (or its subsidiary) engaging in such activities should establish and maintain files documenting that those activities are permissible for a national bank (or its subsidiary). A state bank is not required to file an application or notice pursuant to Part 362 of the FDIC Rules and Regulations to engage in such activities if it maintains certain documentation. See https://www.fdic.gov/news/news/financial/2014/fil14054.html.
Federal Bank Regulatory Agencies Propose Technical Corrections and Clarifications to Capital Rule Applicable to Advanced Approaches Banking Organizations (PR-98-2014, November 18, 2014)	The federal bank regulatory agencies issued a joint Notice of Proposed Rulemaking (NPR) that would make technical corrections and clarify certain aspects of the agencies’ regulatory capital rule applicable to banking organizations subject to the advanced approaches risk-based capital rule. The proposed changes involve quantification criteria and calculation requirements for risk-weighted assets and only apply to large internationally active banking organizations (generally those with at least $250 billion in total consolidated assets or at least $10 billion in total on-balance sheet foreign exposures). Comments are due within 60 days of publication in the *Federal Register*. See https://www.fdic.gov/news/news/press/2014/pr14098.html.

Subject	Summary
Federal Bank Regulatory Agencies Release Shared National Credit Review Results and Issue Leveraged Lending Frequently Asked Questions (PR-96-2014, November 7, 2014; FIL-53-2014, November 13, 2014)	The federal bank regulatory agencies released results of the 2014 Shared National Credit (SNC) review. The 2014 SNC review found the volume of criticized SNC assets remained elevated, with leveraged loans accounting for the majority. The agencies also highlighted specific leveraged lending findings, including serious deficiencies in underwriting standards and risk management of leveraged loans, and identified areas where institutions need to strengthen compliance with the March 2013 *Interagency Guidance on Leveraged Lending*. In response to questions, the agencies released *Interagency Guidance on Leveraged Lending: Frequently Asked Questions*. See https://www.fdic.gov/news/news/press/2014/pr14096.html and https://www.fdic.gov/news/news/financial/2014/fil14053.html.
FDIC Releases National Survey of Unbanked and Underbanked (PR-91-2014, October 29, 2014)	The FDIC released results of the *2013 FDIC National Survey of Unbanked and Underbanked Households*. The survey indicates the proportion of unbanked households declined, while the share of underbanked households remained essentially unchanged. The unbanked decrease can be explained by improving economic conditions and the changing demographic composition of households. The survey, conducted every two years by the FDIC in partnership with the U.S. Bureau of the Census, provides the banking industry and policy makers with insights and guidance on the demographics and needs of the unbanked and underbanked. See https://www.fdic.gov/news/news/press/2014/pr14091.html.
FDIC Advisory Committee on Economic Inclusion Discusses Unbanked/Underbanked Survey, Safe Banking Products, and "Bank On 2.0" (PR-90-2014, October 27, 2014; *Federal Register*, Vol. 79, No. 198, p. 61641, October 14, 2014)	The FDIC Advisory Committee on Economic Inclusion met on October 29, 2014, to discuss results from the *2013 National Survey of Unbanked and Underbanked Households*, low-cost transaction accounts and affordable small-dollar loans, and related "Bank On 2.0" initiatives to expand access to the banking sector by non-profit and public sector organizations. See https://www.fdic.gov/news/news/press/2014/pr14090.html.
Agencies Request Comment on Proposed Flood Insurance Rule (PR-88-2014, October 24, 2014; *Federal Register,* Vol. 79, No. 210, p. 64518, October 30, 2014)	The federal bank regulatory agencies, Farm Credit Administration (FCA), and NCUA approved a joint NPR to implement provisions of the *Homeowner Flood Insurance Affordability Act of 2014* (HFIAA). The proposed rule amends the escrow provisions of the *Biggert-Waters Flood Insurance Reform Act of 2012* by requiring regulated lending institutions to escrow flood insurance premiums and fees for loans secured by residential improved real estate or mobile homes made, increased, extended or renewed on or after January 1, 2016, unless the institution or loan qualifies for a statutory exception. The proposal would also require institutions to provide borrowers of residential loans outstanding on January 1, 2016, the option to escrow flood insurance premiums and fees and includes new and revised sample notice forms and clauses. The proposal eliminates flood insurance requirements for a structure detached from the primary residential structure that does not also serve as a residence. Comments are due by December 29, 2014. See https://www.fdic.gov/news/news/press/2014/pr14088.html.

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Subject	Summary
FDIC Adopts Final Rules to Rescind and Remove Certain Transferred Office of Thrift Supervision Regulations (*Federal Register,* Vol. 79, No. 206, p. 63498, October 24, 2014; *Federal Register,* Vol. 79, No. 139, p. 42181 & 42183, July 21, 2014)	The FDIC adopted final rules to rescind and remove regulations regarding securities of State savings associations, post-employment activities of senior examiners, and disclosure and reporting of CRA-related agreements transferred to the FDIC following dissolution of the Office of Thrift Supervision (OTS). The transferred OTS regulations were substantively similar to existing FDIC regulations, which were also amended in these final rules. See http://www.gpo.gov/fdsys/pkg/FR-2014-10-24/pdf/2014-25336.pdf, http://www.gpo.gov/fdsys/pkg/FR-2014-07-21/pdf/2014-16974.pdf, and http://www.gpo.gov/fdsys/pkg/FR-2014-07-21/pdf/2014-16973.pdf.
FDIC Requests Comment on Proposed Records Retention Requirements (*Federal Register,* Vol. 79, No. 206, p. 63585, October 24, 2014)	The FDIC issued a NPR to implement Section 210(a)(16)(D) of the Dodd-Frank Act, which requires establishment of schedules for the retention by the FDIC of records of a covered financial company (i.e., a financial company for which the FDIC has been appointed receiver pursuant to Title II of the Dodd-Frank Act) and the records generated by the FDIC in the exercise of its Title II orderly liquidation authority with respect to such covered financial company. Comments are due by December 23, 2014. See http://www.gpo.gov/fdsys/pkg/FR-2014-10-24/pdf/2014-25338.pdf.
FDIC Requests Comment on Proposed Amendment to Regulations Regarding Restrictions on Sale of Assets by the Agency (*Federal Register,* Vol. 79, No. 206, p. 63580, October 24, 2014)	The FDIC issued a NPR to amend Part 340 of the FDIC Rules and Regulations, under which individuals or entities whose acts have, or may have, contributed to the failure of an insured depository institution (IDI) cannot buy assets of that failed IDI from the FDIC. The proposed revisions will help clarify the purpose, scope, and applicability of the regulation and make it more consistent with the provision of the FDIC's Orderly Liquidation Authority regulation that implements Section 210(r) of the Dodd-Frank Act. Comments are due by December 23, 2014. See http://www.gpo.gov/fdsys/pkg/FR-2014-10-24/pdf/2014-25337.pdf.
FDIC Releases Economic Scenarios for 2015 Stress Testing (PR-87-2014, October 23, 2014)	The FDIC released economic scenarios that will be used by certain financial institutions with total consolidated assets of more than $10 billion for stress tests required under the Dodd-Frank Act. The baseline, adverse, and severely adverse scenarios include key variables that reflect economic activity, including unemployment, exchange rates, prices, income, interest rates, and other salient aspects of the economy and financial markets. The FDIC coordinated with the FRB and OCC in developing and distributing these scenarios. See https://www.fdic.gov/news/news/press/2014/pr14087.html.
U.S. and U.K. Officials Discuss Resolution of Global Systemically Important Banks (PR-84-2014, October 13, 2014)	The heads of the Treasuries and leading financial regulatory bodies in the U.S. and United Kingdom (U.K.) participated in an exercise to further the understanding, communication, and cooperation between authorities in those countries in the event of the failure and resolution of a global systemically important bank (G-SIB). See https://www.fdic.gov/news/news/press/2014/pr14084.html.

Subject	Summary
Agencies Welcome ISDA Resolution Stay Protocol Announcement (PR-83-2014, October 11, 2014)	The FRB and FDIC welcomed the announcement by the International Swaps and Derivatives Association (ISDA) of the agreement of a new resolution stay protocol. The protocol provides for temporary stays on certain default and early termination rights within standard ISDA derivatives contracts in the event one of the large banking organizations is subject to an insolvency or resolution proceeding in its home jurisdiction. The resolution stay amendments of the protocol are intended to facilitate an orderly resolution of a major global banking firm and reduce the potential negative impact on financial stability. See https://www.fdic.gov/news/news/press/2014/pr14083.html.
FDIC Hosts Teleconference on Ability-to-Repay/Qualified Mortgage and Loan Originator Compensation (FIL-52-2014, October 8, 2014)	The FDIC hosted a teleconference on October 22, 2014, focusing on questions and answers pertaining to implementation of the Ability-to-Repay/Qualified Mortgage and Loan Originator Compensation Final Rules issued by the CFPB. See https://www.fdic.gov/news/news/financial/2014/fil14052.html.
Agencies Launch Spanish-Language Version of *Money Smart for Older Adults* (PR-82-2014, October 7, 2014)	The FDIC and CFPB launched a Spanish-language version of *Money Smart for Older Adults*. This free financial resource tool is designed to help older adults (age 62 and older) and their caregivers prevent, identify, and respond to elder financial exploitation. The Spanish-language version is available on the FDIC website at https://www.fdic.gov/resources/consumers/money-smart/teach-money-smart/money-smart-for-older-adults.html. Hard copies can be ordered through the CFPB website at http://promotions.usa.gov/cfpbpubs.html. See https://www.fdic.gov/news/news/press/2014/pr14082.html.
Federal Bank Regulatory Agencies Issue Guidance on Consolidated Reports of Condition and Income (FIL-50-2014, October 2, 2014; FIL-51-2014, October 6, 2014)	The federal bank regulatory agencies informed financial institutions that no new or revised data items were effective with the September 2014 Call Report. Additional guidance was provided within the September 2014 Supplemental Instructions on certain reporting issues, including permissible use of the private company accounting alternative for goodwill for Call Report purposes and circumstances in which a subsequent restructuring of a loan that is a troubled debt restructuring (TDR) need no longer be treated as a TDR. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14051.html.
FDIC Issues Technology Alert: GNU Bourne-Again Shell (Bash) Vulnerability (FIL-49-2014, September 29, 2014)	The FDIC issued an alert advising financial institutions of a material security vulnerability with Linux and Unix operating systems that could allow an attacker to gain control of a bank's servers remotely. The vulnerability is known as the GNU Bourne-Again Shell (Bash) or "Shellshock" vulnerability. Exploiting this vulnerability may allow attackers to potentially eavesdrop on encrypted communication, steal login credentials or other sensitive data, impersonate financial institution services or users, access sensitive email, or gain access to internal networks. The FDIC expects financial institutions to assess whether this software is used within their institutions, implement patches and upgrades following appropriate patch management practices, and monitor risk mitigation efforts by third-party service providers and vendors. See https://www.fdic.gov/news/news/financial/2014/fil14049.html.

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Subject	Summary
Agencies Issue Proposed Rule on Margin and Capital Requirements for Covered Swap Entities (FIL-47-2014, September 9, 2014; PR-75-2014, September 3, 2014; *Federal Register*, Vol. 79, No. 185, p. 57348, September 24, 2014)	The federal bank regulatory agencies, FCA, and FHFA issued a NPR to implement Sections 731 and 764 of the Dodd-Frank Act. These sections require the agencies to adopt rules jointly to establish capital requirements, and initial and variation margin requirements for all non-cleared swaps and non-cleared security-based swaps of dealers and major participants. The proposed rule applies to the largest and most active participants in the over-the-counter derivatives market that have been designated by the U.S. Commodity Futures Trading Commission or the SEC as covered swap entities. Most community bank swaps activities are in amounts too small to be affected by the proposed rule. Only new trades entered into after the proposed effective dates would be subject to the proposed requirements. Comments were due by November 24, 2014. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14047.html.
Federal Bank Regulatory Agencies Adopt Final Rule Implementing Liquidity Coverage Ratio (FIL-46-2014, September 9, 2014; PR-74-2014, September 3, 2014; *Federal Register*, Vol. 79, No. 197, p. 61440, October 10, 2014)	The federal bank regulatory agencies adopted a final rule implementing a quantitative liquidity requirement consistent with the liquidity coverage ratio (LCR) standard established by the Basel Committee on Banking Supervision. The rule is designed to create a standardized minimum liquidity requirement for large and internationally active banking organizations. The final rule establishes a liquidity buffer that covered companies must hold to meet a defined level of liquidity stress; provides a method to measure liquidity stress; requires at least 60 percent of the liquidity buffer to consist of the most liquid assets (Level 1 liquid assets); provides enhanced information about liquidity risk to managers and supervisors; requires notification of the primary federal regulator when the LCR drops below 100 percent and a remediation plan if the shortfall persists; and establishes a phase-in period for the minimum LCR with full compliance by January 1, 2017. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14046.html.
Federal Bank Regulatory Agencies Issue Final Rule Revising Denominator of Supplementary Leverage Ratio (FIL-45-2014, September 9, 2014; PR-76-2014, September 3, 2014; *Federal Register*, Vol. 79, No. 187, p. 57725, September 26, 2014)	The federal bank regulatory agencies issued a joint final rule that revises the denominator of the supplementary leverage ratio (SLR) (total leverage exposure) under the revised regulatory capital rule adopted by the agencies in July 2013. The final rule aligns the agencies' rules on the calculation of the denominator with international leverage ratio standards; incorporates in total leverage exposure the effective notional amount of credit derivatives and other similar instruments under which credit protection is provided, modifies the calculation of total leverage exposure for derivatives and repo-style transactions, and revises the credit conversion factors applied to certain off-balance sheet exposures; changes the methodology for calculating the SLR and public disclosure requirements; and establishes public disclosure requirements that are effective in March 2015. The rule applies to banking organizations subject to the agencies' advanced approaches risk-based capital rules. SLR capital requirements incorporating the revised denominator are effective January 1, 2018. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14045.html.

Subject	Summary
Federal Bank Regulatory Agencies Request Comment on Proposed Revisions to the *Interagency Questions and Answers Regarding Community Reinvestment* (PR-78-2014, September 8, 2014; *Federal Register,* Vol. 79, No. 175, p. 53838, September 10, 2014)	The federal bank regulatory agencies requested comment on proposed revisions to the *Interagency Questions and Answers Regarding Community Reinvestment*. The Questions and Answers document provides additional guidance to financial institutions and the public on the agencies' Community Reinvestment Act (CRA) regulations. The proposed revisions address alternative systems for delivering retail banking services, add examples of innovative or flexible lending practices, address community development-related issues, and offer guidance on how examiners evaluate the responsiveness and innovativeness of an institution's loans, qualified investments, and community development services. Comments were due by November 10, 2014. See https://www.fdic.gov/news/news/press/2014/pr14078.html.
Agencies Issue Guidance Regarding Unfair or Deceptive Credit Practices (FIL-44-2014, August 22, 2014)	The federal financial institution regulatory agencies issued guidance to clarify that the repeal of credit practices rules applicable to banks, savings associations, and federal credit unions, as a consequence of the Dodd-Frank Act, should not be construed as a determination by the agencies that the credit practices described in these former regulations are permissible. The agencies believe that, depending on the facts and circumstances, if banks, savings associations, and federal credit unions engage in the unfair or deceptive practices described in these former credit practices rules, such conduct may violate the prohibition against unfair or deceptive practices in Section 5 of the Financial Trade Commission Act and Sections 1031 and 1036 of the Dodd-Frank Act. The agencies may determine that statutory violations exist even in the absence of a specific regulation governing the conduct. See https://www.fdic.gov/news/news/financial/2014/fil14044.html.
Agencies Provide Feedback on Resolution Plans (PR-67-2014, August 5, 2014; PR-68-2014, August 15, 2014)	The FRB and FDIC announced completion of reviews of the second round of resolution plans submitted by 11 large, complex banking organizations in 2013. Letters to each of these firms detail specific shortcomings and expectations for the 2015 submission. The agencies also provided guidance to the 117 firms that filed initial resolution plans in December 2013. Second plans for these firms are due by year-end 2014. The Dodd-Frank Act requires that certain banking organizations with total consolidated assets of $50 billion or more and nonbank financial companies designated by the Financial Stability Oversight Council as systemically important periodically submit "living wills" for rapid and orderly resolution in the event of a material financial distress or failure. See https://www.fdic.gov/news/news/press/2014/pr14067.html and https://www.fdic.gov/news/news/press/2014/pr14068.html.
FDIC Announces Youth Savings Pilot Program (FIL-43-2014, August 4, 2014; PR-66-2014, August 4, 2014)	The FDIC announced its Youth Savings Pilot Program, which seeks to identify and highlight approaches to offering financial education tied to the opening of safe, low-cost savings accounts for school-age children. Upon completion of the pilot, the FDIC intends to publish a report to provide best practices on how financial institutions can work with schools or other organizations in this regard. Information on this pilot program can be found at http://www.fdic.gov/youthsavingspilot. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14043.html.

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Subject	Summary
FDIC Clarifies Supervisory Approach to Institutions Establishing Account Relationships with Third-Party Payment Processors (FIL-41-2014, July 28, 2014)	The FDIC clarified its supervisory approach to institutions establishing account relationships with third-party payment processors. FDIC guidance and an informational article contained lists of examples of merchant categories that had been associated by the payments industry with higher-risk activity. The lists created the misperception that the listed merchant categories were prohibited or discouraged, although it is the FDIC's policy that insured institutions that properly manage customer relationships are neither prohibited nor discouraged from providing services to any customer operating in compliance with applicable federal and state law. Accordingly, the FDIC clarified its guidance to reinforce this approach and, as part of this clarification, removed the lists of examples of merchant categories from its official guidance and informational article. See https://www.fdic.gov/news/news/financial/2014/fil14041a.html.
FDIC Issues Guidance to S-Corporation Banks Regarding Basel III Capital Conservation Buffer (FIL-40-2014, July 21, 2014; PR-60-2014, July 21, 2014)	The FDIC issued guidance describing how it will consider requests from S-corporation banks or savings associations to pay dividends to shareholders to cover taxes on their pass-through share of the bank's earnings, when these dividends would otherwise not be permitted under the capital conservation buffer requirements in the Basel III rule. Absent significant safety-and-soundness concerns, the FDIC generally expects to approve exception requests by well-rated S-corporation banks that are limited to the payment of dividends to cover shareholders' taxes on their portion of the S-corporation's earnings. The FDIC will consider all requests on a case-by-case basis. See https://www.fdic.gov/news/news/financial/2014/fil14040.html.
FDIC Issues Notices of Proposed Rulemaking to Rescind and Remove Certain Transferred OTS Regulations (*Federal Register,* Vol. 79, No. 139, p. 42225 & 42231, July 21, 2014; *Federal Register,* Vol. 79, No. 150, p. 45380, August 5, 2014)	The FDIC issued notices of proposed rulemaking that would rescind and remove transferred OTS regulations regarding management official interlocks, electronic operations, and possession by conservators and receivers for federal and state savings associations. The transferred regulations were considered substantively similar to FDIC regulations or otherwise no longer considered necessary. Revisions to certain existing FDIC regulations were also included as part of these proposed changes. Comments were due by September 19, 2014, and October 6, 2014. See http://www.gpo.gov/fdsys/pkg/FR-2014-07-21/pdf/2014-16976.pdf; http://www.gpo.gov/fdsys/pkg/FR-2014-07-21/pdf/2014-16975.pdf; and http://www.gpo.gov/fdsys/pkg/FR-2014-08-05/pdf/2014-18262.pdf.
FDIC Releases Study on Minority Deposit Institutions (PR-59-2014, July 21, 2014)	The FDIC released a study on the structure, performance and social impact of Minority Depository Institutions (MDIs). Although the report notes that MDIs underperform non-MDI institutions in terms of standard industry measures of financial performance, it concludes that these organizations often promote the economic viability of minority and underserved communities, that is, populations that are underserved by mainstream financial institutions. The study was published in the Second Quarter 2014 edition of the *FDIC Quarterly*. See https://www.fdic.gov/news/news/press/2014/pr14059.html.

Subject	Summary
FDIC Updates Guidance on Prudent Management of Agricultural Credits Through Economic Cycles (FIL-39-2014, July 16, 2014)	The FDIC issued guidance on agricultural lending, noting the U.S. Department of Agriculture projects a slowdown in the growth of various financial indicators for U.S. farming and livestock sectors, and the sector remains susceptible to shocks, such as weather-related events, market volatility, and declining land values. Financial institutions engaged in agricultural lending are reminded to remain diligent in enforcing sound underwriting principles and establishing effective risk management procedures to help mitigate risks. Where agricultural borrowers are struggling to make payments, the FDIC recognizes that constructively working with borrowers often benefits the financial institution and the borrower. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14039.html.
Agencies Finalize Technical Correction of Eligible Guarantee Definition in Risk-Based Capital Rules (PR-57-2014, July 16, 2014; *Federal Register*, Vol. 79, No. 146, p. 44120, July 30, 2014)	The federal bank regulatory agencies announced the finalization of a technical correction of the definition of "eligible guarantee" in the agencies' risk-based capital rules. In April, the agencies proposed a rule to correct the definition of eligible guarantee by clarifying the types of guarantees that can be recognized for purposes of calculating a banking organization's regulatory capital. The correction impacts banking organizations that determine their regulatory capital ratios under the advanced approaches framework, which applies to large internationally active banking organizations. The final rule is substantially similar to the proposed rule and adopts the definition of eligible guarantee without change. To ensure consistent public disclosure of capital ratios, the agencies allowed advanced approaches banking organizations to adopt the final rule before the effective date of October 1, 2014. See https://www.fdic.gov/news/news/press/2014/pr14057.html.
FDIC Issues Notice of Proposed Rulemaking Revising the Deposit Insurance Assessment System to Reflect Regulatory Capital Rules Changes (FIL-37-2014, July 15, 2014; *Federal Register*, Vol. 79, No. 141, p. 42698, July 23, 2014)	The FDIC issued a NPR that would revise its risk-based deposit insurance assessment system to reflect changes in the regulatory capital rules that go into effect in 2015 and 2018. For deposit insurance assessment purposes, the NPR would (1) revise the ratios and ratio thresholds relating to capital evaluations, (2) revise the assessment base calculation for custodial banks, and (3) require that all highly complex institutions measure counterparty exposure for assessment purposes using the standardized approach in the regulatory capital rules. Comments on the proposed rule were due by September 22, 2014. See https://www.fdic.gov/news/news/financial/2014/fil14037.html.
Federal Bank Regulatory Agencies Issue Guidance on Consolidated Reports of Condition and Income (FIL-36-2014, July 14, 2014; FIL-38-2014, July 16, 2014)	The federal bank regulatory agencies reminded financial institutions that the amount of information to be reported on international remittance transfer activity and the reporting frequency for these data have been reduced beginning with the June 2014 Call Report as planned. Data on international remittance transfer activity, which were collected initially in Schedule RC-M, Memoranda, in the March 2014 Call Report, will now be reported semiannually in June and December, beginning this quarter (see FIL-3-2014, dated January 22, 2014). Questions in the March 2014 Call Report about international remittance transfer activity during 2012 have been deleted. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14036.html.

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Subject	Summary
FDIC Hosts Community Affairs Webinar: *Model Approaches to Community Bank/Community Development Financial Institution Partnerships* (FIL-35-2014, July 8, 2014)	The FDIC hosted a webinar on July 31, 2014, titled *Model Approaches to Community Bank/Community Development Financial Institution (CDFI) Partnerships.* The webinar informed community banks of strategies to meet community credit needs in low- and moderate-income communities and receive CRA consideration through collaborations with CDFIs. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14035.html.
FDIC Hosts Community Reinvestment Webinar (FIL-34-2014, July 7, 2014)	The FDIC hosted a webinar on July 17, 2014, focusing on the recently revised *Interagency Questions and Answers Regarding Community Reinvestment* and the updated *Interagency Large Institution Community Reinvestment Act Examination Procedures*. See https://www.fdic.gov/news/news/financial/2014/fil14034.html.
Agencies Issue Guidance on Home Equity Lines of Credit Nearing Their End-of-Draw Period (FIL-33-2014, July 1, 2014; PR-52-2014, June 30, 2014)	The federal bank regulatory agencies, together with the NCUA and Conference of State Bank Supervisors, issued interagency guidance recognizing that some institutions and borrowers may face challenges as home equity lines of credit (HELOCs) near their end-of-draw period. The guidance provides a framework for communicating and working with HELOC borrowers experiencing financial difficulties to avoid unnecessary defaults, describes components of an effective risk management approach, and addresses appropriate accounting and reporting. The guidance states that the level of monitoring and assessment should be commensurate with the size and risk characteristics of a financial institution's HELOC portfolio. See https://www.fdic.gov/news/news/financial/2014/fil14033.html.
Federal Bank Regulatory Agencies Release List of Distressed or Underserved Nonmetropolitan Middle-Income Geographies (PR-51-2014, June 30, 2014)	The federal bank regulatory agencies announced the availability of the 2014 list of distressed or underserved nonmetropolitan middle-income geographies, where revitalization or stabilization activities will receive CRA consideration as "community development." "Distressed nonmetropolitan middle-income geographies" and "underserved nonmetropolitan middle-income geographies" are designated by the agencies in accordance with their CRA regulations. See https://www.fdic.gov/news/news/press/2014/pr14051.html.
Federal Bank Regulatory Agencies Request Comment on Proposed Regulatory Capital Reporting Changes (FIL-31-2014, June 23, 2014; FIL-32-2014, June 25, 2014)	The federal bank regulatory agencies requested comment on proposed revisions to the risk-weighted assets portion of Schedule RC-R, Regulatory Capital, in the Call Report. The revisions would incorporate the standardized approach for calculating risk-weighted assets under the revised regulatory capital rules approved by the agencies in July 2013 (see FIL-41-2013, dated September 24, 2013, and FIL-3-2014, dated January 22, 2014). The agencies also proposed to revise the reporting of securities borrowed in Call Report Schedule RC-L, Derivatives and Off-Balance Sheet Items. These proposed changes would take effect as of the March 31, 2015, report date. The agencies conducted a teleconference to explain the proposed changes on June 27, 2014. Comments were due by August 22, 2014. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14031.html.

Subject	Summary
Agencies Issue Addendum to Interagency Policy Statement on Intercompany Income Tax Allocation Agreements (FIL-30-2014, June 19, 2014; PR-45-2014, June 13, 2014; *Federal Register*, Vol. 79, No. 118, p. 35228, June 19, 2014)	The federal bank regulatory agencies issued an addendum to the 1988 *Interagency Policy Statement on Income Tax Allocation in a Holding Company Structure.* The addendum was intended to reduce confusion regarding ownership of any tax refunds between holding companies and insured depository institutions. The guidance also clarified how Sections 23A and 23B of the Federal Reserve Act, which establish certain restrictions on and requirements for transactions between depository institutions and their affiliates, apply to tax allocation agreements. See https://www.fdic.gov/news/news/financial/2014/fil14030.html.
FDIC Announces Improvements to Deposit Insurance Education Materials (PR-44-2014, June 9, 2014)	The FDIC announced significant new improvements to the deposit insurance education materials available on the FDIC's website. The FDIC's new deposit insurance webpage can be found at www.fdic.gov/deposit/. See https://www.fdic.gov/news/news/press/2014/pr14044.html.
FDIC Releases Annual Summary of Deposits Survey Instructions (FIL-29-2014, June 5, 2014)	The FDIC released instructions for the Summary of Deposits, which is the annual survey of branch office deposits as of June 30 for all FDIC-insured institutions, including insured U.S. branches of foreign banks. All institutions with branch offices are required to submit the survey; institutions with only a main office are exempt. All survey responses were required by July 31, 2014. See https://www.fdic.gov/news/inactive-financial-institution-letters/2014/fil14029.html.
Federal Bank Regulatory Agencies Seek Comment on Interagency Effort to Reduce Regulatory Burden (PR-43-2014, June 4, 2014; *Federal Register,* Vol. 79, No. 107, p. 32172, June 4, 2014; PR-95-2014, November 5, 2014)	The federal bank regulatory agencies published the first of a series of requests for comment to identify outdated, unnecessary, or unduly burdensome regulations imposed on insured depository institutions. The EGRPRA requires the agencies to review at least every 10 years and publish for comment the regulations they have issued, report to Congress on any significant issues raised by the comments, and identify areas that are outdated, unnecessary, or unduly burdensome. At regular intervals during the next two years, the agencies will jointly publish three additional notices for public comment. The first notice sought comment on regulations from three categories: Applications and Reporting; Powers and Activities, and International Operations. Comments on this first set of categories were due by September 2, 2014. The agencies subsequently hosted the first of a series of outreach meetings on December 2, 2014, which featured presentations by industry participants and consumer and community groups and gave interested persons an opportunity to present their views on any of the 12 categories of regulations listed in the June *Federal Register* notice. See https://www.fdic.gov/news/news/press/2014/pr14043.html and https://www.fdic.gov/news/news/press/2014/pr14095.html.

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Subject	Summary
Agencies Issue Interagency Statement Regarding Increased Maximum Flood Insurance Coverage for "Other Residential Buildings" (FIL-28-2014, May 30, 2014)	The federal bank regulatory agencies, together with the NCUA and FCA, issued an interagency statement regarding the new National Flood Insurance Program (NFIP) maximum limit of flood insurance coverage for non-condominium residential buildings designed for use for five or more families (classified by the NFIP as "Other Residential Buildings"). The guidance discusses the agencies' expectations and a financial institution's responsibilities when, as a result of the increase in the maximum limit of building coverage for such properties, a financial institution determines that a building securing a designated loan is covered by flood insurance in an amount less than the amount required under federal flood insurance law. See https://www.fdic.gov/news/news/financial/2014/fil14028.html.