



Compliance Journal

Special Focus

Wisconsin's Industrial Hemp Pilot Research Program

Wisconsin has implemented an Industrial Hemp Pilot Research Program (Program) through 2017 Wisconsin Act 100 (Act). The Act allows Wisconsin farmers to obtain a permit to grow and sell industrial hemp. The Program is administered by Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP). Participants that obtain a license, and follow DATCP's requirements, are exempt from criminal prosecution, and products made from industrial hemp, including CBD, are lawful under Wisconsin law. While the Act provides protections under Wisconsin law, Federal law is another matter that will be discussed later in this article.

WBA expects that Wisconsin financial institutions will begin receiving requests from Program participants for deposit and loan products. While the Act does not place any specific requirements upon financial institutions, it is still prudent to ensure customers are operating within the law, and such accounts should be treated as a greater compliance risk. The following article presents the Act for financial institutions to better understand the requirements placed upon Program participants.

2017 Wisconsin Act 100

The Act was enacted November 30, 2017 and permits participants to plant, grow, cultivate, harvest, sample, test, process, transport, transfer, take possession of, sell, import, and export industrial hemp in this state to the greatest extent allowed under federal law. It directs DATCP to direct promulgate rules regulating

such activities. Thus, industrial in hemp in Wisconsin will depend on DATCP regulation. However, it is still important to understand the provisions of The Act.

The Act defines industrial hemp as:

- The plant *Cannabis sativa*, or any part of the plant including the seeds, having a delta-9-tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis or the maximum concentration allowed under federal law up to 1 percent, whichever is greater. "Industrial hemp" includes a substance, material, or product only if it is designated as a controlled substance under the federal Controlled Substances Act under 21 USC 801 to 971 or the Uniform Controlled Substances Act under ch. 961 or both.

The definition, and scope of The Act, refers to the Federal Controlled Substances Act, which will be discussed later in this article.

To that extent, the scope of the Program is primarily one of research, but is broad in its applicability. Its purpose is to study the growth, cultivation, and marketing of industrial hemp. DATCP is to issue licenses and registrations to Program participants. Licensed participants, acting in accordance with the rules, receive safe harbor protections from prosecution when:

- Growing hemp within 0.7% THC of the 0.3% allowable amount.
- Buying and selling industrial hemp.
- Buying, selling, and processing hemp from certified seed.

- Processing hemp from certified seed.
- Sampling hemp.

Controlled Substances Act

While the possession, production, and sale of hemp and CBD oil is not illegal in Wisconsin when certain requirements are met, there is still a lack of clarity as to how industrial hemp is regulated on a Federal level. The concern is whether the activities permitted by The Act would conflict with the Federal Controlled Substances Act (CSA). The CSA regulates the manufacture, importation, possession, use, and distribution of certain substances. Certain substances are exempt, but the status of hemp is still unclear. Specifically excluded from the CSA are the:

- Mature stalks, fiber, oil or cake from seeds, any other compound, manufacture, salt, derivative, mixture, or preparation of mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed.

How this specifically applies to the industrial hemp industry in Wisconsin remains unclear. The Agricultural Act of 2014 (Farm Bill) was enacted in February of 2014 and authorizes certain agricultural programs for the period of 2014-2018. Contained within the Farm Bill are provisions relating to State Industrial Hemp Pilot Programs. In August of 2016, the Federal Government released a Statement of Principles on Industrial Hemp (Statement of Principles) in accordance with the Farm Bill.



Pursuant to the Farm Bill and the Statement of Principles the term “industrial hemp:”

- Includes the plant *Cannabis sativa* L. and any part or derivative of such plant, including seeds of such plant, whether growing or not, that is used exclusively for industrial purposes (fiber and seed) with a tetrahydrocannabinols concentration of not more than 0.3 percent on a dry weight basis. The term “tetrahydrocannabinols” includes all isomers, acids, salts, and salts of isomers of tetrahydrocannabinols.

The Statement of Principles discusses how the Farm Bill legalized the growing and cultivating of industrial hemp for research purposes in States where such growth and cultivation is legal under State law, notwithstanding existing Federal statutes that would otherwise criminalize such conduct. The statutorily sanctioned conduct, however, was limited to growth and cultivation by an institution of higher education or State department of agriculture for purposes of agricultural or other academic research or under the auspices of a State agricultural pilot program for the growth, cultivation, or marketing of industrial hemp.

Practical Considerations

While The Act authorizes the possession, production, and sale of hemp and CBD oil in Wisconsin, and the Farm Bill authorized State departments of agriculture to promulgate regulations to carry out these pilot programs, the status and treatment of industrial hemp under these programs is still in its infancy and financial institutions will want to stay abreast of developments as they

occur. DATCP’s current licensure includes limited activities. The Program creates a framework, enough to get growing and processing started, but does not cover everything that’s possible under the Act. For example, while DATCP issues licenses to growers and processors, there is no “sale license” yet. So while The Act appears to authorize the sale of, for example, CBD oil, DATCP has yet to implement rulemaking regulating such activities.

Financial institutions working with customers participating the Wisconsin Program will want to fully understand the scope of those activities, and ensure the customer is in compliance with DATCP’s requirements and remains in compliance. WBA expects that inevitably, growers and processors will seek loan products, which will carry additional considerations. In addition to all of the above considerations, financial institutions will need to make risk assessments based on the activity of the potential borrower. For example, as discussed above there are certified seed requirements, and THC level requirements. If DATCP finds a grower to be in violation of such requirements, it may require the entire crop to be destroyed.

Conclusion

Financial institutions in Wisconsin will want to consider their policies and procedures related to customers engaged in the growing, processing, and selling of industrial hemp and related products. While such activities are permissible in Wisconsin, financial institutions will want to work carefully with their legal counsel to develop appropriate policies and procedures, and likewise work carefully with

their customers, and treat such accounts as a greater compliance risk. WBA will continue to monitor and report the developments in the hemp industry to its members.

For additional resources consider:

2017 Wisconsin Act 100: <https://docs.legis.wisconsin.gov/2017/related/acts/100.pdf>

The Wisconsin Department of Justice notice on industrial hemp: <https://www.doj.state.wi.us/news-releases/ag-schimmel-and-stakeholders-resolve-questions-surrounding-datcp-industrial-hemp>

The Federal Statement of Principles: <https://www.gpo.gov/fdsys/pkg/FR-2016-08-12/pdf/2016-19146.pdf> ■

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Agencies Finalize Rule on Short-Term Limited Duration Insurance.

The Department of the Treasury (Treasury), the Department of Labor (DOL), and the Department of Health and Human Services (HHS) finalized a rule amending the definition of short-term, limited-duration insurance for purposes of its exclusion from the definition of individual health insurance coverage. This action is being taken to lengthen the maximum duration of short-term, limited-duration insurance, which will provide more affordable consumer choices for health coverage. The rule is effective **10/02/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-03/pdf/2018-16568.pdf>. *Federal Register*, Vol. 83, No. 150, 08/03/2018, 38212-38243.

Agencies Propose Resolution Planning Guidance for Eight Large, Complex U.S. Banking Organizations.

The Board of Governors of the Federal Reserve System (FRB), and the Federal Deposit Insurance Corporation (FDIC) proposed guidance for the 2019 and subsequent resolution plan submissions by the eight largest, complex U.S. banking organizations. The proposed guidance is meant to assist these firms in developing their resolution plans, which are required to be submitted pursuant to Section 165(d) of the Dodd-Frank Act. The proposed guidance, which is largely based on prior guidance issued to these firms, describes the Agencies' expectations regarding a number of key vulnerabilities in plans for an orderly resolution under the U.S. Bankruptcy Code (i.e., capital; liquidity; governance mechanisms; operational; legal entity rationalization and separability; and derivatives and trading activities). The proposed guidance also updates certain aspects of prior guidance based on the Agencies' review of these firms' recent resolution plan submissions. Comments are due **09/14/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/>

[pkg/FR-2018-07-16/pdf/2018-15066.pdf](https://www.gpo.gov/fdsys/pkg/FR-2018-07-16/pdf/2018-15066.pdf). *Federal Register*, Vol. 83, No. 136, 07/16/2018, 32856-32871.

Agencies Propose Amendments to the Bank Holding Company Act.

The Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), the Commodity Futures Trading Commission (CFTC), and the Securities and Exchange Commission (SEC) proposed amendments to the regulations implementing section 13 of the Bank Holding Company Act. Section 13 contains certain restrictions on the ability of a banking entity and nonbank financial company supervised by FRB to engage in proprietary trading and have certain interests in, or relationships with, a hedge fund or private equity fund. The proposed amendments are intended to provide banking entities with clarity about what activities are prohibited and to improve supervision and implementation of section 13. Comments are due **09/17/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-17/pdf/2018-13502.pdf>. *Federal Register*, Vol. 83, No. 137, 07/17/2018, 33432-33605.

Agencies Propose Amendments to Enterprise Capital Requirements.

The Department of Housing and Urban Development (HUD) and the Federal Housing Finance Agency (FHFA) proposed a new regulatory capital framework for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Enterprises), which includes a new framework for risk-based capital requirements and two alternatives for an updated minimum leverage capital requirement. The risk-based framework would provide a granular assessment of credit risk specific to different mortgage loan categories, as well as market risk, operational risk, and going-concern buffer

components. The proposed rule would maintain the statutory definitions of core capital and total capital. Comments are due **09/17/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-17/pdf/2018-14255.pdf>. *Federal Register*, Vol. 83, No. 137, 07/17/2018, 33312-33430.

Agencies Extend Comment Period for Proposed Amendments to Enterprise Capital Requirements.

The Department of Housing and Urban Development (HUD) and the Federal Housing Finance Agency (FHFA) proposed a new regulatory capital framework for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) in the *Federal Register* on **07/17/2018**. The Agencies are extending the comment period for the proposal from **09/17/2018** to **11/16/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-03/pdf/2018-16654.pdf>. *Federal Register*, Vol. 83, No. 150, 08/03/2018, 38085-38086.

CFPB Finalizes Amendments to Annual Privacy Notice Requirements Under Regulation P.

The Bureau of Consumer Financial Protection (CFPB) finalized amendments to Regulation P, which requires, among other things, that financial institutions provide an annual notice describing their privacy policies and practices to their customers. The amendment implements a December 2015 statutory amendment to the Gramm-Leach-Bliley Act providing an exception to this annual notice requirement for financial institutions that meet certain conditions. The amendments will be effective 30 days after the notice is published in the *Federal Register*. The notice may be viewed at: https://files.consumerfinance.gov/f/documents/bcfp_glba-privacy-notices_final-rule_amendment_2018-08.pdf



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CFPB Requests Comment on Information Collection.

CFPB announced it seeks comment on the information collection titled Consumer and College Credit Card Agreements. CFPB also gave notice that it sent the collection to OMB for review. Comments are due **08/20/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-20/pdf/2018-15581.pdf>. *Federal Register*, Vol. 83, No. 140, 07/20/2018, 34555.

FRB Issues Final Rule on Single-Counterparty Credit Limits for Bank Holding Companies and Foreign Banking Organizations.

The Board of Governors of the Federal Reserve System (FRB) finalized a rule to establish single-counterparty credit limits for bank holding companies and foreign banking organizations with \$250 billion or more in total consolidated assets, including any U.S. intermediate holding company of such a foreign banking organization with \$50 billion or more in total consolidated assets, and any bank holding company identified as a global systemically important bank holding company under FRB's capital rules. The final rule implements section 165(e) of the Dodd-Frank Act, which requires FRB to impose limits on the amount of credit exposure that such a bank holding company or foreign banking organization can have to an unaffiliated company in order to reduce the risks arising from the company's failure. The final rule is effective **10/05/2018**. The final rule may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-06/pdf/2018-16133.pdf>. *Federal Register*, Vol. 83, No. 151, 08/06/2018, 38460-38511.

FRB Extends Information Collections.

- FRB is adopting a proposal to extend for three years, with revision, the following information collections: Financial Statements of U.S. Nonbank

Subsidiaries of U.S. Holding Companies, and the Abbreviated Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies; the Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations and the Abbreviated Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations; and the Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations, Abbreviated Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations, and the Capital and Asset Report of Foreign Banking Organizations. The revisions are effective for reports reflecting the **06/30/2018**, report date. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-08/pdf/2018-16916.pdf>. *Federal Register*, Vol. 83, No. 153, 08/08/2018, 39091-39093.

- FRB is adopting a proposal to extend for three years, without revision, the Senior Financial Officer Survey. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-08/pdf/2018-16918.pdf>. *Federal Register*, Vol. 83, No. 153, 08/08/2018, 39093.

FRB Requests Comment on Information Collections.

- FRB announced it seeks comment on the information collection titled Country Exposure Report for U.S. Branches and Agencies of Foreign Banks. FRB also gave notice that it sent the collection to OMB for review. Comments are due **08/29/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-30/pdf/2018-16173.pdf>. *Federal Register*, Vol. 83, No. 146, 07/30/2018, 36592-36593.
- FRB announced it seeks comment on the information collection titled Capital Assessments and Stress Testing. FRB also gave notice that it sent the collection to OMB for review. Comments are due **10/09/2018**. The

notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-08/pdf/2018-16917.pdf>. *Federal Register*, Vol. 83, No. 153, 08/08/2018, 39093-39095.

FDIC Finalizes Statement of Policy Pursuant of Section 19 of the Federal Deposit Insurance Act.

The Federal Deposit Insurance Corporation (FDIC) is finalizing changes to its statement of policy (SOP) concerning participation in banking of a person convicted of a crime of dishonesty or breach of trust or money laundering or who has entered a pretrial diversion or similar program in connection with the prosecution for such offense pursuant to Section 19 of the Federal Deposit Insurance Act, 12 U.S.C. 1829. The policy is applicable **07/19/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-03/pdf/2018-16634.pdf>. *Federal Register*, Vol. 83, No. 150, 08/03/2018, 38143-38149.

FDIC Proposes Amendments to Rules of Practice and Procedure.

FDIC proposes to amend its rules of practice and procedure to remove duplicative, descriptive regulatory language related to civil money penalty (CMP) amounts that restates existing statutory language regarding such CMPs, codify Congress's recent change to CMP inflation adjustments in the FDIC's regulations, and direct readers to an annually published notice in the *Federal Register*—rather than the Code of Federal Regulations (CFR)—for information regarding the maximum CMP amounts that can be assessed after inflation adjustments. Comments are due **10/02/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-03/pdf/2018-16548.pdf>. *Federal Register*, Vol. 83, No. 150, 08/03/2018, 38080-38085.



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FDIC Requests Comment on Information Collections.

- FDIC announced it seeks comment on the information collection titled Notice of Branch Closure. FDIC also gave notice that it sent the collection to OMB for review. Comments are due **08/13/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-12/pdf/2018-14864.pdf>. *Federal Register*, Vol. 83, No. 134, 07/12/2018, 32290-32293.
- FDIC announced it seeks comment on the information collection titled Resolution Plans Required for Insured Depository Institutions With \$50 Billion or More in Total Assets. FDIC also gave notice that it sent the collection to OMB for review. Comments are due **09/28/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-30/pdf/2018-16186.pdf>. *Federal Register*, Vol. 83, No. 146, 07/30/2018, 36589-36590.
- FDIC announced it seeks comment on the information collection titled Notice Regarding Assessment Credits. FDIC also gave notice that it sent the collection to OMB for review. Comments are due **10/09/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-07/pdf/2018-16846.pdf>. *Federal Register*, Vol. 83, No. 152, 08/07/2018, 38692-38693.

FDIC Issues Terminations of Receiverships.

- FDIC as Receiver for former depository institutions, intends to terminate its receivership for the institutions listed in the notices. The liquidation of the assets for each receivership has been completed. To the extent permitted by available funds and in accordance with law, the Receiver will be making a final dividend payment to proven creditors. Based upon the foregoing, the Receiver has determined that the continued exist-

tence of the receiverships will serve no useful purpose. Consequently, notice is given that the receiverships shall be terminated, to be effective no sooner than thirty days after the date of this notice. If any person wishes to comment concerning the termination of any of the receiverships, such comment must be made in writing, identify the receivership to which the comment pertains, and be sent within thirty days of the date of this notice to: Federal Deposit Insurance Corporation, Division of Resolutions and Receiverships, Attention: Receivership Oversight Department 34.6, 1601 Bryan Street, Dallas, TX 75201. No comments concerning the termination of the above-mentioned receiverships will be considered which are not sent within this time frame. The notices may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-30/pdf/2018-16185.pdf>. *Federal Register*, Vol. 83, No. 146, 07/30/2018, 36589. <https://www.gpo.gov/fdsys/pkg/FR-2018-08-07/pdf/2018-16832.pdf>. *Federal Register*, Vol. 83, No. 152, 08/07/2018, 38693.

- FDIC as Receiver was charged with the duty of winding up the affairs of former depository institutions and liquidating all related assets. The Receiver has fulfilled its obligations and made all dividend distributions required by law. The Receiver has further irrevocably authorized and appointed FDIC-Corporate as its attorney-in-fact to execute and file any and all documents that may be required to be executed by the Receiver which FDIC-Corporate, in its sole discretion, deems necessary, including but not limited to releases, discharges, satisfactions, endorsements, assignments, and deeds. Effective on the termination dates listed in the final column of the chart in the notice, the Receiverships have been terminated, the Receiver has been discharged, and the Receiverships have ceased to exist as legal entities. The notice may be viewed at: [https://www.gpo.gov/fdsys/pkg/FR-2018-08-07/pdf/2018-](https://www.gpo.gov/fdsys/pkg/FR-2018-08-07/pdf/2018-16833.pdf)

[16833.pdf](https://www.gpo.gov/fdsys/pkg/FR-2018-08-07/pdf/2018-16833.pdf). *Federal Register*, Vol. 83, No. 152, 08/07/2018, 38693-38694.

OCC Requests Comment on Information Collections.

- The Office of the Comptroller of the Currency (OCC) announced it seeks comment on the information collection titled Subordinated Debt Licensing Requirements. OCC also gave notice that it sent the collection to OMB for review. Comments are due **08/13/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-12/pdf/2018-14941.pdf>. *Federal Register*, Vol. 83, No. 134, 07/12/2018, 32335-32337.
- OCC announced it seeks comment on the information collection titled Appraisal Management Companies. OCC also gave notice that it sent the collection to OMB for review. Comments are due **09/04/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-03/pdf/2018-16639.pdf>. *Federal Register*, Vol. 83, No. 150, 08/03/2018, 38204-38206.
- OCC announced it seeks comment on the information collection titled Release of Non-Public Information. OCC also gave notice that it sent the collection to OMB for review. Comments are due **09/04/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-03/pdf/2018-16641.pdf>. *Federal Register*, Vol. 83, No. 150, 08/03/2018, 38206-38208.

HUD Issues Adjustments of Civil Monetary Penalty Amounts for 2018.

The Department of Housing and Urban Development (HUD) issued 2018 inflation adjustments of civil monetary penalty amounts required by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Im-



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provements Act of 2015. The adjustments are effective **08/15/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-16/pdf/2018-15116.pdf>. *Federal Register*, Vol. 83, No. 136, 07/16/2018, 32790-32794.

HUD Issues Debenture Interest Rates.

HUD announced changes in the interest rates to be paid on debentures issued with respect to a loan or mortgage insured by the Federal Housing Administration (FHA) under the provisions of the National Housing Act (the Act). The interest rate for debentures issued under Section 221(g) (4) of the Act during the 6-month period beginning **07/01/2018**, is 3 percent. The interest rate for debentures issued under any other provision of the Act is the rate in effect on the date that the commitment to insure the loan or mortgage was issued, or the date that the loan or mortgage was endorsed (or initially endorsed if there are two or more endorsements) for insurance, whichever rate is higher. The interest rate for debentures issued under these other provisions with respect to a loan or mortgage committed or endorsed during the 6-month period beginning **07/01/2018**, is 3.125 percent. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-30/pdf/2018-16255.pdf>. *Federal Register*, Vol. 83, No. 146, 07/30/2018, 36614-36616.

HUD Announces Multifamily and Healthcare Loan Sale.

HUD announced its intention to sell three unsubsidized multifamily and fifteen unsubsidized healthcare mortgage loans, without Federal Housing Administration (FHA) insurance, in a competitive, sealed bid sale on or about **08/15/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-23/pdf/2018-15630.pdf>. *Federal Register*, Vol. 83, No. 141, 07/23/2018, 34860-34861.

HUD Requests Comment on Information Collections.

- HUD announced it seeks comment on the information collection titled Pre-Purchase Homeownership Counseling Demonstration and Impact Evaluation collection. HUD also gave notice that it sent the collection to OMB for review. Comments are due **08/15/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-16/pdf/2018-15130.pdf>. *Federal Register*, Vol. 83, No. 136, 07/16/2018, 32888-32889.
- HUD announced it seeks comment on the information collection titled Home Mortgage Disclosure Act (HMDA) Loan/Application Register. HUD also gave notice that it sent the collection to OMB for review. Comments are due **10/02/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-03/pdf/2018-16661.pdf>. *Federal Register*, Vol. 83, No. 150, 08/03/2018, 38161-38162.

FEMA Issues Final Rule on Suspensions of NFIP Community Eligibility.

The Federal Emergency Management Agency (FEMA) issued a final rule which identifies communities in the state of **Michigan**, where the sale of flood insurance has been authorized under the National Flood Insurance Program (NFIP) that are scheduled for suspension on the effective dates listed within the final rule because of noncompliance with the floodplain management requirements of the program. If FEMA receives documentation that the community has adopted the required floodplain management measures prior to the effective suspension date given in the final rule, the suspension will not occur and a notice of this will be provided by publication in the *Federal Register* on a subsequent date. The effective date of each community's scheduled suspension is the third date listed in the third column of the tables in the final rule. The final rule may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-25/pdf/2018-15838.pdf>. *Federal Register*, Vol. 83, 07/25/2018, 35147-35147.

[gov/fdsys/pkg/FR-2018-07-25/pdf/2018-15838.pdf](https://www.gpo.gov/fdsys/pkg/FR-2018-07-25/pdf/2018-15838.pdf). *Federal Register*, Vol. 83, 143, 07/25/2018, 35147-35147.

FEMA Issues Final Notices of Changes in Flood Hazard Determinations.

- FEMA issued new or modified Base (1% annual-chance) Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, and/or regulatory floodways (hereinafter referred to as flood hazard determinations) as shown on the indicated Letter of Map Revision (LOMR) for communities in the states of **Illinois, Indiana, Iowa, and Minnesota**. Each LOMR revises the Flood Insurance Rate Maps (FIRMs), and in some cases the Flood Insurance Study (FIS) reports, currently in effect for the listed communities. The flood hazard determinations modified by each LOMR will be used to calculate flood insurance premium rates for new buildings and their contents. The effective date for each LOMR is indicated in the table in the final notice. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-19/pdf/2018-15385.pdf>. *Federal Register*, Vol. 83, No. 139, 07/19/2018, 34150-34152.
- FEMA issued new or modified Base (1% annual-chance) Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, and/or regulatory floodways (hereinafter referred to as flood hazard determinations) as shown on the indicated Letter of Map Revision (LOMR) for communities in the state of **Illinois**. Each LOMR revises the Flood Insurance Rate Maps (FIRMs), and in some cases the Flood Insurance Study (FIS) reports, currently in effect for the listed communities. The flood hazard determinations modified by each LOMR will be used to calculate flood insurance premium rates for new buildings and their contents. The effective date for



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each LOMR is indicated in the table in the final notice. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-25/pdf/2018-15839.pdf>. *Federal Register*, Vol. 83, No. 143, 07/25/2018, 35282-35284.

- FEMA issued new or modified Base (1% annual-chance) Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, and/or regulatory floodways (hereinafter referred to as flood hazard determinations) as shown on the indicated Letter of Map Revision (LOMR) for communities in the states of **Illinois**, **Minnesota**, and **Wisconsin**. Each LOMR revises the Flood Insurance Rate Maps (FIRMs), and in some cases the Flood Insurance Study (FIS) reports, currently in effect for the listed communities. The flood hazard determinations modified by each LOMR will be used to calculate flood insurance premium rates for new buildings and their contents. The effective date for each LOMR is indicated in the table in the final notice. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-08/pdf/2018-16902.pdf>. *Federal Register*, Vol. 83, No. 153, 08/08/2018, 39111-39113.

FEMA Issues Proposed Flood Hazard Determinations.

FEMA has requested comments on proposed flood hazard determinations, which may include additions or modifications of any Base Flood Elevation (BFE), base flood depth, Special Flood Hazard Area (SFHA) boundary or zone designation, or regulatory floodway on the Flood Insurance Rate Maps (FIRMs), and where applicable, in the supporting Flood Insurance Study (FIS) reports for communities in the states of **Iowa**, and **Minnesota**. The FIRM and FIS report are the basis of the floodplain management measures that the community is required either to adopt or to show evidence of having in effect in order to qualify or remain qualified for participation in the National Flood Insurance Program (NFIP). Comments are due

11/07/2018. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-09/pdf/2018-17077.pdf>. *Federal Register*, Vol. 83, No. 154, 08/09/2018, 39455-39457.

FEMA Proposes Amendments to NFIP.

FEMA proposed amendments to revise the National Flood Insurance Program (NFIP), implementing regulations to codify certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014 that FEMA has already implemented and to clarify certain existing NFIP rules relating to NFIP operations and the Standard Flood Insurance Policy. Comments are due **09/14/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-16/pdf/2018-13292.pdf>. *Federal Register*, Vol. 83, No. 136, 07/16/2018, 32956-33015.

FEMA Issues Correction to Proposed Amendments to NFIP.

On **07/16/2018**, FEMA published a proposed rule which would revise the National Flood Insurance Program's (NFIP's) regulations to codify certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014 that FEMA has already implemented and to clarify certain existing NFIP rules relating to NFIP operations and the Standard Flood Insurance Policy. In the preamble to the proposed rule, an incorrect web address appeared. This correction fixes that address. In proposed rule document 2018-13292 appearing on pages 32956 through 33015 in the issue of **07/16/2018**, make the following correction: On page 32957, in the third column, in the first full paragraph, correct the web address "www.nfipservice.com" to read "<https://www.nfipdirect.fema.gov>." The correction is effective **08/07/2018**. The closing of the comment period for the proposed rule published **07/16/2018**, at 83 FR 39256, remains **11/14/2018**. The correction may be viewed at: <https://>

www.gpo.gov/fdsys/pkg/FR-2018-08-07/pdf/2018-16718.pdf. *Federal Register*, Vol. 83, No. 152, 08/07/2018, 38676.

FinCEN Extends Limited Exception from Beneficial Ownership Requirements.

The Financial Crimes Enforcement Network (FinCEN) issued a 90-day limited exception to covered financial institutions from the obligations of the Beneficial Ownership Rule for Legal Entity Customers (Beneficial Ownership Rule) on 05/16/2018 for certain financial products and services (i.e., certificate of deposit or loan accounts) that were established before the Beneficial Ownership Rule's Applicability Date, **05/11/2018**. The exception originally expired on **08/09/2018**. FinCEN is extending the limited exception for an additional 30 days, up to and including **09/08/2018**, from the obligations of the Beneficial Ownership Rule for rollover or renewal of certain financial products and services (i.e., certificate of deposit or loan accounts) that were established before **05/11/2018** to further consider the issue. The notice may be viewed at: https://www.fincen.gov/sites/default/files/administrative_ruling/2018-08-08/Extension_Temp_Exceptive_Relief.pdf.

FinCEN Requests Comment on Information Collections.

- FinCEN announced it seeks comment on the information collection titled Anti-Money Laundering Programs for Insurance Companies, 31 CFR 1025.210 and Non-Bank Residential Mortgage Lenders and Originators, 31 CFR 1029.210. FinCEN also gave notice that it sent the collection to OMB for review. Comments are due **09/17/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-19/pdf/2018-15401.pdf>. *Federal Register*, Vol. 83, No. 139, 07/19/2018, 34298-34299.
- FinCEN announced it seeks comment on the information collection titled Suspicious Activity Report by Money



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Services Businesses. FinCEN also gave notice that it sent the collection to OMB for review. Comments are due **09/17/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-19/pdf/2018-15400.pdf>. *Federal Register*, Vol. 83, No. 139, 07/19/2018, 34298.

- FinCEN announced it seeks comment on the information collection titled Suspicious Activity Report by Non-Bank Residential Mortgage Lenders and Originators. FinCEN also gave notice that it sent the collection to OMB for review. Comments are due **09/17/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-19/pdf/2018-15402.pdf>. *Federal Register*, Vol. 83, No. 139, 07/19/2018, 34300-34301.
- FinCEN announced it seeks comment on the information collection titled Registration of Money Services Business. FinCEN also gave notice that it sent the collection to OMB for review. Comments are due **09/17/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-19/pdf/2018-15399.pdf>. *Federal Register*, Vol. 83, No. 139, 07/19/2018, 34299-34300.

Treasury Finalized Definitions of Qualified Matching Contributions and Qualified Nonelective Contributions.

The Department of the Treasury (Treasury) issued final regulations that amend the definitions of qualified matching contributions (QMACs) and qualified nonelective contributions (QNECs) under regulations regarding certain qualified retirement plans that contain cash or deferred arrangements under section 401(k) or that provide for matching contributions or employee contributions under section 401(m). Under the regulations, an employer contribution to a plan may be a QMAC or QNEC if it satisfies applicable nonforfeiture requirements and distribution limitations at the time it is allocated to a

participant's account, but need not meet the requirements or limitations when it is contributed to the plan. The regulations affect participants in, beneficiaries of, employers maintaining, and administrators of tax-qualified plans that contain cash or deferred arrangements or provide for matching contributions or employee contributions. The rule is effective **07/20/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-20/pdf/2018-15495.pdf>. *Federal Register*, Vol. 83, No. 140, 07/20/2018, 34469-34471.

Treasury Issues Correction to Filing Requirements for Information Returns Required on Magnetic Media.

Treasury issued a technical correction to a proposed rulemaking that was published in the *Federal Register* on **05/31/2018** regarding rules for determining whether information returns must be filed by using magnetic media (electronically). Comments on the proposed rule are still due **07/30/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-17/pdf/2018-15164.pdf>. *Federal Register*, Vol. 83, No. 137, 07/17/2018, 33165.

Treasury Announces Capital Management Fund 2018 Funding Round.

Treasury announced the Community Development Financial Institutions Fund (CDFI Fund) plans to award approximately \$142.9 million in grants for the Capital Magnet Fund (CMF) FY 2018 round. A table of significant dates for applicants is included in the notice. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-20/pdf/2018-15473.pdf>. *Federal Register*, Vol. 83, No. 140, 07/20/2018, 34685-34698.

Treasury Announces Bank Enterprise Award Program 2018 Funding Round.

Treasury announced the fiscal year 2018 funding round of the Bank Enterprise Award Program and invites applications. A table of significant dates for applicants is included in the notice. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-23/pdf/2018-15618.pdf>. *Federal Register*, Vol. 83, No. 141, 07/23/2018, 34913-34925.

Treasury Requests Comment on Information Collection.

Treasury announced it seeks comment on the information collection titled U.S. Individual Income Tax Return. Treasury also gave notice that it sent the collection to OMB for review. Comments are due **09/18/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-20/pdf/2018-15627.pdf>. *Federal Register*, Vol. 83, No. 140, 07/20/2018, 34698-34700.

FHFA Repeals Definitions in Finance Board Regulations.

The Federal Housing Finance Agency (FHFA) is repealing two parts of the Federal Housing Finance Board (Finance Board) regulations, which define terms used in Finance Board regulations, and which describe the process by which the Finance Board conducted its monthly interest rate survey (MIRS). The repealed definitions are either obsolete or duplicate definitions that FHFA has previously adopted. The regulation relating to the MIRS has become outdated because it does not accurately describe the manner in which FHFA currently conducts the survey. The final rule also repeals a number of subchapters of the Finance Board regulations that it had previously reserved, but which no longer serve any purpose because they include no regulatory text, corrects inaccurate cross-references in regulations described in this rulemaking, and amends a table to update information relating to information collections under the Pa-



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perwork Reduction Act. The final rule is effective **09/10/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-09/pdf/2018-16972.pdf>. *Federal Register*, Vol. 83, No. 154, 08/09/2018, 39323-39326.

FHFA Requests Comment on Information Collections.

- FHFA announced it seeks comment on the information collection titled Minority and Women Inclusion. FHFA also gave notice that it sent the collection to OMB for review. Comments are due **08/29/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-30/pdf/2018-16230.pdf>. *Federal Register*, Vol. 83, No. 146, 07/30/2018, 36591-36592.
- FHFA announced it seeks comment on the information collection titled Minimum Requirements for Appraisal Management Companies. FHFA also gave notice that it sent the collection to OMB for review. Comments are due **08/30/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-31/pdf/2018-16350.pdf>. *Federal Register*, Vol. 83, No. 147, 07/31/2018, 36931-36935.

SBA Announces 504 Loan Program Rural Initiative.

The Small Business Administration (SBA) announced the 504 Loan Program Rural Initiative Pilot Program (504 Rural Pilot). The 504 Rural Pilot waives the restrictions on the authority of Certified Development Companies (CDCs) to make 504 loans outside their Area of Operations to allow each CDC to make loans for 504 Projects with an address located in any rural county if the 504 Project is located in the same SBA Region in which the CDC is incorporated. The 504 Rural Pilot will be available from **07/19/2018** to **07/20/2020**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-19/pdf/2018-15312.pdf>. *Federal Register*, Vol. 83, No. 139, 07/19/2018, 34021-34022.

SBA Issues Military Reservist Economic Injury Disaster Loans Interest Rate.

SBA publishes an interest rate for Military Reservist Economic Injury Disaster Loans (13 CFR 123.512) on a quarterly basis. The rate will be 3.675 for loans approved on or after **07/27/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-23/pdf/2018-15650.pdf>. *Federal Register*, Vol. 83, No. 141, 07/23/2018, 34907.

FSA Finalizes Rule on 2017 Wildfires and Hurricanes Indemnity Program.

The Farm Service Agency (FSA) finalized a rule which specifies the administrative provisions, eligibility requirements, and application procedures for the 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP). 2017 WHIP will provide payments to eligible producers who suffered eligible crop, tree, bush, and vine losses resulting from hurricanes and wildfires that occurred in the 2017 calendar year. The rule is final **07/18/2018**, comments are due **09/17/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-18/pdf/2018-15346.pdf>. *Federal Register*, Vol. 83, No. 138, 07/18/2018, 33795-33809.

RHS Proposes Guarantee Underwriting User Fee for Automated Guaranteed Loan Systems.

The Rural Housing Service (RHS) has proposed the implementation of a guarantee underwriting user fee (also known as a technology fee) that would be assessed and collected from lenders for their use of RHS's automated guaranteed loan systems. The collection of the fee will enable RHS to fund future information technology enhancements needed to improve program delivery and reduce burden to the public. The fee amount will be published in the Single Family Housing Guaranteed Loan Program (SFHGLP) Handbook HB-1-3555, available at <https://www.rd.usda.gov/publications/regulations-guidelines/handbooks>.

<https://www.rd.usda.gov/publications/regulations-guidelines/handbooks>. The fee will not exceed \$50 per loan, and constitutes a reasonable and customary cost that is an authorized loan purpose in accordance with the Guaranteed Rural Housing Program. The primary method of collecting the fee will be through RHS's Lender Loan Closing (LLC) system when a loan goes to closing. Comments are due **09/11/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-13/pdf/2018-14995.pdf>. *Federal Register*, Vol. 83, No. 135, 07/13/2018, 32624-32625.

FTC Requests Comment on Information Collections.

- The Federal Trade Commission (FTC) announced it seeks comment on the information collection titled Regulations Promulgated Under the Equal Credit Opportunity Act, 15 U.S.C. 1691 et seq. FTC also gave notice that it sent the collection to OMB for review. Comments are due **08/27/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-26/pdf/2018-15979.pdf>. *Federal Register*, Vol. 83, No. 144, 07/26/2018, 35477-35485.
- FTC announced it seeks comment on the information collection titled Regulations Promulgated Under the Electronic Fund Transfer Act, 15 U.S.C. 1693 et seq. FTC also gave notice that it sent the collection to OMB for review. Comments are due **08/27/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-26/pdf/2018-15979.pdf>. *Federal Register*, Vol. 83, No. 144, 07/26/2018, 35477-35485.
- FTC announced it seeks comment on the information collection titled Regulations Promulgated Under the Consumer Leasing Act, 15 U.S.C. 1667 et seq. FTC also gave notice that it sent the collection to OMB for review. Comments are due **08/27/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-26/pdf/2018-15979.pdf>. *Federal Register*,



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ister, Vol. 83, No. 144, 07/26/2018, 35477-35485.

- FTC announced it seeks comment on the information collection titled Regulations Promulgated Under the Truth-In-Lending Act, 15 U.S.C. 1601 et seq. FTC also gave notice that it sent the collection to OMB for review. Comments are due **08/27/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-26/pdf/2018-15979.pdf>. *Federal Register*, Vol. 83, No. 144, 07/26/2018, 35477-35485.
- FTC announced it seeks comment on the information collection titled FTC Red Flags, Card Issuers, and Address Discrepancies Rules. FTC also gave notice that it sent the collection to OMB for review. Comments are due **10/09/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-08/pdf/2018-16936.pdf>. *Federal Register*, Vol. 83, No. 153, 08/08/2018, 39096-39100.

FASB Requests Comment on Classified Proposal.

The Federal Accounting Standards Advisory Board (FASB) has issued an exposure draft of a classified Interpretation of Federal Financial Accounting Standards 56: Classified Activities. Due to the classified nature of the proposal, the exposure draft will only be made available to those individuals who have been designated as having a need to know and who hold the proper clearances. Comments are due 08/13/2018. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-17/pdf/2018-15234.pdf>. *Federal Register*, Vol. 83, No. 137, 07/17/2018, 33221.

FASB Issues Staff Implementation Guidance 6.1.

FASB staff have issued Staff Implementation Guidance (SIG) 6.1, Clarification of Paragraphs 40–41 of SFFAS 6, Accounting for Property, Plant, and Equipment, as amended. The SIG is available on the

FASB website at <http://www.fasab.gov/accounting-standards/>. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-23/pdf/2018-15733.pdf>. *Federal Register*, Vol. 83, No. 141, 07/23/2018, 34847-34848.

NCUA Finalizes Suspension and Debarment Procedures.

The National Credit Union Administration (NCUA) finalized its procedures for suspension and debarment and established administrative processes for contractors subject to the procedures. The final procedures will appear on the NCUA's public website. The final procedures are applicable 09/10/2018. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-09/pdf/2018-17086.pdf>. *Federal Register*, Vol. 83, No. 154, 08/09/2018, 39464-39469.

NCUA Proposes Rule on Loans to Members and Lines of Credit to Members.

NCUA proposed amendments to its regulations regarding loans to members and lines of credit to members. The proposal would require loan maturity requirements to identify in one section all of the various maturity limits applicable to federal credit union loans. NCUA also proposed to make explicit in its regulations that the maturity date for a new loan under generally accepted accounting principles is calculated from the new date of origination. Additionally, NCUA seeks comment on whether it should provide longer maturity limits for 1–4 family real estate loans and other loans permitted by the Federal Credit Union Act such as home improvement, mobile home, and second mortgage loans. Finally, NCUA proposes to more clearly express the limits for loans to a single borrower or group of associated borrowers. Comments are due 10/09/2018. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-10/pdf/2018-17087.pdf>. *Federal Register*, Vol. 83, No. 155, 08/10/2018, 39622-39626.

NCUA Requests Comment on Information Collections.

- NCUA announced it seeks comment on the information collection titled Designation of Low Income Status, 12 CFR 701.34(a). NCUA also gave notice that it sent the collection to OMB for review. Comments are due **09/24/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-24/pdf/2018-15796.pdf>. *Federal Register*, Vol. 83, No. 142, 07/24/2018, 35028-35029.
- NCUA announced it seeks comment on the information collection titled Generic Clearance for the Collection of Qualitative Feedback on Agency Service Delivery. NCUA also gave notice that it sent the collection to OMB for review. Comments are due **08/27/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-26/pdf/2018-15983.pdf>. *Federal Register*, Vol. 83, No. 144, 07/26/2018, 35501-35502.
- NCUA announced it seeks comment on the information collection titled Purchase of Assets and Assumption of Liabilities. NCUA also gave notice that it sent the collection to OMB for review. Comments are due **09/24/2018**. The notice may be viewed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-07-26/pdf/2018-15982.pdf>. *Federal Register*, Vol. 83, No. 144, 07/26/2018, 35501.

NCUA Proposes Delay of Risk-Based Capital Rule Effective Date.

NCUA has proposed a rule amending NCUA's previously revised regulations regarding prompt corrective action (PCA). The proposal would delay the effective date of NCUA's 10/29/2015 final rule regarding risk-based capital (2015 Final Rule) for one year, moving the effective date from 01/01/2019 to 01/01/2020. During the extended delay period, NCUA's current PCA requirements would



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remain in effect. The proposal would also amend the definition of a “complex” credit union adopted in the 2015 Final Rule for risk-based capital purposes by increasing the threshold level for coverage from \$100 million to \$500 million. These proposed changes would provide covered credit

unions and NCUA with additional time to prepare for the rule’s implementation, and would exempt an additional 1,026 credit unions from the rule without subjecting the National Credit Union Share Insurance Fund to undue risk. Comments are due **09/07/2018**. <https://www.gpo.gov/fdsys/>

[pkg/FR-2018-08-08/pdf/2018-16888.pdf](http://www.federalreserve.gov/monetarypolicy/prtg/FR-2018-08-08/pdf/2018-16888.pdf). *Federal Register*, Vol. 83, No. 153, 08/08/2018, 38997-39004. ■

Compliance Notes

▲ WBA, along with 51 other state bankers associations, signed on to the American Bankers Association’s comment letter to HUD regarding the reconsideration of HUD’s Implementation of the Fair Housing Act’s Disparate Impact Standard. The letter points out that the HUD rule stands in direct conflict with the Supreme Court’s 2015 ruling in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project*. In that decision, the Court established that “disparate impact” analysis to demonstrate discrimination claims is recognized under the Fair Housing Act, but it included key limitations that placed the burden of proof in disparate impact cases with the plaintiffs. ABA and the state bankers associations called on HUD to amend the rule to include a proper definition of a disparate impact claim; articulate the cautionary standards, safeguards, limitations and other requirements described by the Supreme Court in its Inclusive Communities decision; and provide further guidance to the industry. The full letter may be viewed at: <https://www.aba.com/Advocacy/commentletters/Documents/ABA-Comments-to-HUD-on-ANPR-re-Disparate-Impact-Rule.pdf>

▲ FRB launched the Consumer Compliance Supervision Bulletin, a new publication that will provide bankers and others interested in consumer protection with high-level summaries of pertinent supervisory issues. The Bulletin, which will be published by FRB’s Division of Consumer and Community Affairs, is intended to enhance transparency regarding the Federal Reserve’s consumer compliance supervisory program, and highlight violations that have been identified. It will

also provide practical steps for institutions to consider when managing consumer compliance risks. The full announcement and first issue may be viewed at: <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20180726a.htm>

▲ FRB issued the August 2018 Report to Congress on Government-Administered, General-Use Prepaid Cards. The report shows that for calendar year 2017, government agencies disbursed \$144 billion through prepaid cards across reported programs. Consistent with years prior, the Supplemental Nutritional Assistance Program (SNAP) disbursed the largest share of total funds through prepaid cards across all reported programs in 2017. The full report may be viewed at: <https://www.federalreserve.gov/publications/files/government-prepaid-report-201808.pdf>

▲ CFPB and FFIEC have made available a HMDA File Format Verification Tool. The tool is a resource for testing whether files meet certain formatting requirements specified in the HMDA Filing Instructions Guide. There is a unique File Format Verification Tool for each HMDA data collection year. The tool may be accessed at: <https://ffiec.cfpb.gov/tools/file-format-verification>

▲ FRB released the June 2018 Consumer Credit report which shows consumer credit increased at a seasonally adjusted annual rate of 4-1/2 percent during the second quarter. Revolving credit increased at an annual rate of 4 percent, while nonrevolving credit increased at an annual rate of 5 percent. In June, consumer credit increased at an annual rate of 3 percent. The report may be viewed at: <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20180628a.htm>

[federalreserve.gov/releases/g19/current/default.htm](http://www.federalreserve.gov/releases/g19/current/default.htm)

▲ CFPB working in collaboration with 11 financial regulators and related organizations, announced an initiative to create the Global Financial Innovation Network (GFIN). The network will seek to provide a more efficient way for innovative firms to interact with regulators, helping them navigate between countries as they look to scale new ideas. It will also create a new framework for cooperation between financial services regulators on innovation-related topics. The announcement may be viewed at: <https://www.consumerfinance.gov/about-us/newsroom/bcfp-collaborates-regulators-around-world-create-global-financial-innovation-network/>

▲ FDIC released the summer 2018 edition of its Consumer News newsletter which celebrates the 25th anniversary of the publication. The anniversary edition of the newsletter features information drawn from updated versions of some of Consumer News’ best articles throughout the years. The publication may be viewed at: <https://www.fdic.gov/consumers/consumer/news/cnsum18/>

▲ FATF issued Financial Flows from Human Trafficking, a report discussing the financial implications of human trafficking. It is estimated that forced labor generates \$150.2 billion each year, the study identifies the challenges national authorities frequently face in detecting, investigating and prosecuting money laundering and terrorist financing from human trafficking. The study also identifies good practices to mitigate some of these



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challenges. The report may be viewed at: <http://www.fatf-gafi.org/media/fatf/content/images/Human-Trafficking-2018.pdf>

▲ CFPB announced it will be hosting a day-long symposium on access to fair and responsible credit. The symposium will be held 09/17/2018 in Washington D.C. Further information may be viewed at: <https://www.consumerfinance.gov/about-us/blog/save-date-building-bridge-credit-visibility-symposium/>

▲ OCC issued an updated Version 1.1 of “Business Combinations” booklet of the Comptroller’s Licensing Manual that makes minor technical corrections and to reflect a change in the public comment period calculation. The updated booklet may be viewed at: <https://www.occ.gov/publications/publications-by-type/licensing-manuals/bizcombo.pdf>

▲ Treasury released a report identifying improvements to the regulatory landscape that will better support nonbank financial institutions, embrace financial technology, and foster innovation. Treasury’s report identifies just over 80 recommendations that are designed to embrace the efficient and responsible use of consumer financial data and competitive technologies; streamline the regulatory environment to foster innovation and avoid fragmentation; modernize regulations for an array of financial products and activities; and facilitate “regulatory sandboxes” to promote innovation. The report may be viewed at: https://home.treasury.gov/sites/default/files/2018-08/A-Financial-System-that-Creates-Economic-Opportunities---Nonbank-Financials-Fintech-and-Innovation_0.pdf

▲ OCC announced it will begin accepting applications for national bank charters from nondepository financial technology (fintech) companies engaged in the business of banking. The decision was documented in a policy statement and supplement to the OCC’s Comptroller’s Licensing Manual. Fintech companies that apply and qualify for, and receive, special purpose national bank charters will be supervised like similarly situated

national banks, to include capital, liquidity, and financial inclusion commitments as appropriate. The release may be viewed at: <https://www.occ.gov/news-issuances/news-releases/2018/nr-occ-2018-74.html>

▲ FATF has issued a professional money laundering report which looks at the techniques and tools used by professional money launderers, to help countries identify and dismantle them. The report identifies the key characteristics of the individual professional money launderer, the professional money laundering organization and the professional money laundering network of associates and contacts that work together to facilitate money laundering. The report may be viewed at: <http://www.fatf-gafi.org/media/fatf/documents/Professional-Money-Laundering.pdf>

▲ FHFA announced it will not make a decision in 2018 about updating the credit score model used by Fannie Mae and Freddie Mac (the Enterprises) as previously announced and, instead, is shifting its focus to implementation of Section 310 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (Public Law 115-174) enacted in May (the Act). The Act requires FHFA to define, through rulemaking, the standards and criteria the Enterprises will use to validate credit score models. The announcement may be viewed at: <https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-Decision-to-Stop-Credit-Score-Initiative.aspx>

▲ OCC issued the “Capital and Dividends” booklet of the Comptroller’s Handbook. The revised booklet presents the regulatory capital framework and discusses the regulatory capital rules that define regulatory capital and establish minimum capital standards. The booklet also provides guidance to examiners for assessing banks’ capital adequacy and compliance with capital and dividend regulations. The booklet may be viewed at: <https://www.occ.gov/publications/publications-by-type/comptrollers-handbook/capital-accounts-dividends/pub-ch-capital-and-dividends.pdf>

▲ FDIC issued a FIL summarizing the recent changes made to all three versions of the Consolidated Reports of Condition and Income (Call Report) which are taking effect as of the June 30, 2018, report date. The FIL may be viewed at: <https://www.fdic.gov/news/news/financial/2018/fil18040.html> ■



Compliance Calendar

August 2018 – November 2018

Group Meeting

CEOOnly | CFOOnly Networks
Group Meeting
Oct. 19 | Madison

Seminars

WBA/Wipfli Foundational
HR Business Forum
Sept. 11 | Madison

WBA/Wipfli Senior
HR Business Forum
Sept. 11 | Madison

Introduction to Call Report
Preparation Seminar
Sept. 11-12 | Wisconsin Dells

Active Shooter/Workplace
Violence Seminar...
Sept. 26 | Wisconsin Dells

BSA Workshops
Oct. 2 | Eau Claire
Oct. 3 | Neenah
Oct. 4 | Madison

IRA Workshops: Essentials
Oct. 9 | Eau Claire
Oct. 11 | Madison
Oct. 23 | Neenah

IRA Workshops: Advanced
Oct. 10 | Eau Claire
Oct. 12 | Madison
Oct. 24 | Neenah

FDIC Community Bank
Directors Workshop
Nov. 7 | Madison
Nov. 15 | Stevens Point

Schools

Supervisor Boot Camp
Oct. 2-3 | Wisconsin Dells

Personal Banker School
Oct. 16-17 | Wisconsin Dells

Deposit Compliance School
Nov. 5-6 | Wisconsin Dells

Conferences

Management Conf. & Expo
Sept. 12-13 | Middleton
(See article on p. 25.)

Secur-I.T. Conference:
Exploring Bank Operations,
Security, and Technology
Sept. 25-26 | Wisconsin Dells

LEAD360 Conference
Nov. 13-14 | Stevens Point

Talent Conference
Nov. 9 | Pewaukee

CFO Conference
Nov. 15 | Madison

FIPCO Events

FIPCO Compliance & Software
Forum (Loan + Mortgage)
Oct. 18-19 | Stevens Point
(Visit www.fipco.com/events.)

Webinars (online training)

Top 10 Most Common TRID
Issues
Aug. 27 | 1:30-3:30 pm

Managing Provisional Credit
Under Reg E
Aug. 30 | 2-3:30 pm

What to Do When a Customer
Dies
Sept. 5 | 10 am-Noon

Imaged Documents & Checks:
Regulations & Legal Concerns
Sept. 6 | 2-3:30 pm

Lending to Municipalities
Sept. 12 | 1:30-3:30 pm

Right of Setoff
Sept. 18 | 10 am-Noon

Compliance Officer Training:
Risk Assessments, Monitoring &
Testing
Sept. 26 | 2-3:30 pm

Unclaimed Property Compliance
for Financial Institutions
Sept. 27 | 10 am-Noon

The UCC for Lenders
Oct. 3 | 10 am-Noon

Marketing & Advertising
Compliance
Oct. 10 | 10 am-Noon

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