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April Second Half Developments

Overview

The effort to provide regulations governing remittances has proven harder than envisioned. Because of the policies in foreign countries, the fluidity of taxes and fees on international payments and the sheer billions of potential counterparties, the BCFP has to concede that banks need to be able to provide estimates of the fees for certain payments.

Remittance Rules to permit Estimates for a longer time

On April 25, 2014, the BCFP published its proposed rule to amend Regulation E subpart B that deals with remittances to extend a temporary provision that permits insured institutions to estimate certain pricing disclosures pursuant to section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Bureau is proposing to extend the temporary exception by five years from July 21, 2015, to July 21, 2020. The Bureau is also proposing several clarifying amendments and technical corrections to the final rule and commentary. See the proposed rule at:

<http://www.gpo.gov/fdsys/pkg/FR-2014-04-25/html/2014-09036.htm>

Removing OTS Rules and Implementing FDIC rules

On April 21, 2014, the FDIC published a proposed rule to rescind all the OTS rules dealing with hearings and practice and procedure and substitute the FDIC's rules on how hearings will be managed. This proposal covers the Uniform Rules of Practice and Procedure, the General Rules of Procedure, the Rules of Practice Before the FDIC and Standards of Conduct, the Procedures Applicable to Investigations and the Rules and Procedures Applicable to Proceedings Relating to Suspension, Removal, and Prohibition Where a Felony Is Charged. See the proposed rule at:

<http://www.gpo.gov/fdsys/pkg/FR-2014-04-21/html/2014-08260.htm>

Removing OTS Rules on Securities and Implementing FDIC rules

On April 21, 2014, the FDIC published a proposed rule to rescind and remove all the OTS rules
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on securities of state savings associations and apply its rules covering insured banks. The rules being removed concern securities filing and disclosure requirements of State savings associations. See the proposed rule at:

<http://www.gpo.gov/fdsys/pkg/FR-2014-04-21/html/2014-08261.htm>

OCC Assessment of Fees

On April 28, 2014, the OCC published its proposed rule to amend the assessments that would be charged to certain national banks. Under the proposal, marginal assessment rates for national banks and FSAs with assets of more than \$40 billion would increase by an average of 12 percent and would be effective for the assessment due on September 30, 2014. The National Bank Act authorizes the Comptroller to fund the OCC's operations through assessments, fees, and other charges on national banks. The OCC admits this increase is due to Dodd-Frank responsibilities. See the proposed rule at:

<http://www.gpo.gov/fdsys/pkg/FR-2014-04-28/html/2014-09296.htm>

Funding Small Credit Unions

On April 28, 2014, the NCUA published notice of an opportunity for certain Credit Unions to participate in the NCUA's program to finance CUs serving low income members. The loans are generally around \$300,000 for 5 years. See the description of the program at:

<http://www.gpo.gov/fdsys/pkg/FR-2014-04-28/html/2014-09560.htm>

Credit Union Capital Planning and Stress Testing

On April 30, 2014, the NCUA published its final rule on requiring CUs with over \$10 billion in assets to develop and maintain capital plans. The rule also provides for annual stress tests of those credit unions. There are currently only four CUs with assets over \$10 billion. The NCUA does not fool around with promulgating final rules, the proposal for this was first published on November 1, 2013.

<http://www.gpo.gov/fdsys/pkg/FR-2014-04-30/html/2014-09814.htm>

Proposed: <http://www.gpo.gov/fdsys/pkg/FR-2013-11-01/html/2013-25713.htm>

This advisory is a service of Connell & Andersen LLP for our clients and friends. It is not a full recitation of all developments. The descriptions are summaries of complex and detailed laws and regulations and may be incomplete or misleading. We invite any of our readers to contact us to discuss any items contained herein for further elaboration.