

Regulatory and Legislative Developments of Interest to Payment Systems and their Participants

(First Quarter 2013)

Glossary of Frequently Used Defined Terms:

BSA – Bank Secrecy Act

CFPB – Consumer Financial Protection Bureau

Dodd-Frank Act – Dodd-Frank Wall Street Reform and Consumer Protection Act

EFTA – Electronic Fund Transfer Act

FDIC – Federal Deposit Insurance Corporation

Federal Reserve – Board of Governors of the Federal Reserve System

FinCEN – Financial Crimes Enforcement Network

FSOC – Financial Stability Oversight Council

NCUA – National Credit Union Administration

OCC – Office of the Comptroller of the Currency

BUREAU OF CONSUMER FINANCIAL PROTECTION		
Issue: Truth in Lending – Credit Card Fees	<p>Action: Final Rule; Official Interpretations.</p> <p>Summary: On March 28, 2013, the CFPB issued a final rule amending Regulation Z, and the official interpretations of Regulation Z. Regulation Z generally limits the total amount of fees that a credit card issuer may require a consumer to pay with respect to an account to 25 percent of the credit limit in effect when the account is opened. Regulation Z previously stated that this limitation applies prior to account opening and during the first year after account opening. The final rule amends Regulation Z to apply the limitation only during the first year after account opening.</p>	<p>Citation/Hyperlink: See 78 Fed. Reg. 18,795 (Mar. 28, 2013); http://www.gpo.gov/fdsys/pkg/FR-2013-03-28/pdf/2013-07066.pdf</p> <p>Status: The final rule became effective on March 28, 2013.</p>
Issue: Disclosure of Consumer Complaint Data	<p>Action: Policy Statement.</p> <p>Summary: On March 28, 2013, the CFPB announced that it has expanded the scope of its Consumer Complaint Database. The expansion increases the number of complaints publicly available from approximately 19,000 complaints to over 90,000 complaints. The CFPB also released several versions of the data, with the intent that members of the public perform their own analyses of the data. The CFPB also issued a policy statement, detailing the information that will be made available in the database, and the criteria it will use in determining which consumer complaints to make public.</p>	<p>Citation/Hyperlink: The blog post announcing the expansion is accessible at: http://www.consumerfinance.gov/blog/releasing-complaint-data-about-credit-cards-mortgages-student-loans-bank-accounts-services-and-other-consumer-loans/. The policy statement is accessible at: http://files.consumerfinance.gov/f/2</p>

		<p>01303_cfpb_Final-Policy-Statement-Disclosure-of-Consumer-Complaint-Data.pdf</p> <p>Status: N/A.</p>
<p>Issue: Disclosures at Automated Teller Machines</p>	<p>Action: Final Rule.</p> <p>Summary: On March 26, 2013, the CFPB issued a final rule amending Regulation E, and the official interpretation to the regulation. The final rule implements the December 2012 amendment to the Electronic Funds Transfer Act, which deleted the requirement that a fee notice be posted “on or at” an ATM. Under the new rule, ATM operators will now only have to provide the on-screen or paper disclosure, which includes the amount of the fee to be charged and is provided before the consumer is committed to the transaction. The official interpretation has also been amended to delete commentary regarding the “on or at” requirement.</p>	<p>Citation/Hyperlink: See 78 Fed. Reg. 18,221 (Mar. 26, 2013); http://www.gpo.gov/fdsys/pkg/FR-2013-03-26/pdf/2013-06861.pdf</p> <p>Status: The final rule became effective on March 26, 2013.</p>
<p>Issue: Consumer Finance Regulations – Cost of Compliance</p>	<p>Action: Study of Cost of Compliance.</p> <p>Summary: On March 20, 2013, the CFPB announced that it has begun a study of the cost of compliance with regulations inherited by the CFPB from other agencies. The study, led by the CFPB’s Research, Markets, and Regulations team, will begin by talking to banks about the costs they incur to comply with consumer regulations for deposit products and services.</p>	<p>Citation/Hyperlink: The blog post announcing the study is accessible at: http://www.consumerfinance.gov/blog/we-are-studying-the-costs-of-complying-with-consumer-finance-regulations/</p> <p>Status: N/A.</p>
<p>Issue: Financial Products Marketed to Students</p>	<p>Action: Notice and Request for Information.</p> <p>Summary: On February 5, 2013, the CFPB published a request for information regarding financial products marketed to students enrolled in institutions of higher education. Specifically, the CFPB is seeking information regarding affinity products, but it also has requested more general information regarding financial products marketed to students on campus.</p>	<p>Citation/Hyperlink: See 78 Fed. Reg. 8,114 (Feb. 5, 2013); http://www.gpo.gov/fdsys/pkg/FR-2013-02-05/pdf/2013-02428.pdf. The January 31, 2013 blog post announcing the notice and request for information is accessible at: http://www.consumerfinance.gov/blog/your-two-cents-on-student-cards-and-bank-accounts/</p> <p>Status: Comments were due on March 18, 2013.</p>
<p>Issue: Remittance Transfers</p>	<p>Action: Proposed Rule and Request for Public Comment.</p> <p>Summary: On December 31, 2012, the CFPB published a proposed rule, to further “refine” its final rule published in August to implement the statutory provisions in the Dodd-Frank Act that</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 77,187 (Dec. 31, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-12-31/pdf/2012-31170.pdf and</p>

	<p>established a disclosure and error resolution regime for consumers who use “remittance transfer providers” to send remittances to recipients located in a foreign country. The final rule in August was a follow-up rulemaking to the CFPB’s final remittance transfer rule that was published in the <i>Federal Register</i> on February 7, 2012. The proposal addresses three issues with the August final rule: (1) it provides additional flexibility regarding the disclosure of foreign taxes and fees imposed by a designated recipient’s institution for receiving a remittance transfer; (2) it limits a remittance transfer provider’s obligation to disclose foreign taxes to those imposed by a country’s central government; and (3) it revises the error resolution provisions that apply when a remittance transfer is not delivered to a designated recipient because the sender provided incorrect or insufficient information, and, in particular, when a sender provides an incorrect account number and that incorrect account number results in the funds being deposited in the wrong account.</p> <p>While the CFPB has solicited comments on all aspects of the proposal, it noted in the proposed rule that it will not “reconsider the general need for—or the extent of—the protections that the general rule affords consumers.”</p> <p>On January 29, 2013, the CFPB published a final rule extending the effective date of the remittance transfer final rule (which had been scheduled for February 7, 2013). A final effective date will be published with the final rule, but the CFPB has proposed to delay that date until 90 days after the entire proposal is finalized.</p>	<p>78 Fed. Reg. 6,025 (Jan. 29, 2013); http://www.gpo.gov/fdsys/pkg/FR-2013-01-29/pdf/2013-01595.pdf. The August 2012 final rule is accessible at: http://www.gpo.gov/fdsys/pkg/FR-2012-08-20/pdf/2012-19702.pdf. The February 2012 final rule is accessible at: http://www.gpo.gov/fdsys/pkg/FR-2012-02-07/pdf/2012-1728.pdf</p> <p>Status: Comments on the proposal were due on January 30, 2013.</p>
Issue: Collection of Data – Consumer Attitudes, Understanding, and Behaviors	<p>Action: Notice and Request for Comment.</p> <p>Summary: On December 27, 2012, the CFPB published a notice and request for comment on a proposed information collection titled “Clearance for Consumer Attitudes, Understanding, and Behavior with Respect to Financial Services and Products.” The public opinion survey would measure and track consumer attitudes, beliefs, and behaviors as they navigate financial decisions, and help the CFPB target its efforts and those of its partners to those areas that will have the most impact on both consumers and financial markets.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 76,291 (Dec. 27, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-12-27/pdf/2012-31138.pdf</p> <p>Status: Comments were due on January 28, 2013.</p>
Issue: Review of Consumer Credit Card Market	<p>Action: Request for Information Regarding CFPB Review of Consumer Credit Card Market</p> <p>Summary: The Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act) requires the CFPB to conduct a review of the consumer credit card market. As part of that review, on December 20, 2012, the CFPB issued a Notice and Request for Information from members of the public about how the credit card market is functioning following implementation of the CARD Act. The CFPB requested comment on the following issues: (a) The Terms of Credit Card Agreements and the Practices of Credit Card Issuers; (b) The Effectiveness of Disclosure of Terms, Fees, and Other Expenses of Credit Card Plans; (c) The Adequacy of Protections Against Unfair or Deceptive Acts or Practices Relating to Credit Card Plans; (d) Whether implementation of the CARD Act has affected the cost and availability of credit, particularly with respect to non-prime borrowers?; (e) Has the CARD Act impacted the safety and</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 75,410 (Dec. 20, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-12-20/pdf/2012-30609.pdf</p> <p>Status: Comments were due on February 19, 2013.</p>

	soundness of any credit card issuers?; (f) Has the CARD Act affected the use of risk-based pricing?; and (g) Has implementation of the CARD Act had any effect on credit card product innovation?	
Issue: Trial Disclosure Programs Policy	<p>Action: Proposed Rule and Proposed Information Collection.</p> <p>Summary: On December 17, 2012, the CFPB issued a proposed Policy to Encourage Trial Disclosure Programs, which is intended to carry out the CFPB's authority under Section 1032(e) Dodd-Frank Act to provide legal protections to companies conducting trial disclosure programs. Under the proposed policy, if the CFPB approves a specific trial, then, for the duration of an agreed testing period, the CFPB will deem the testing company's disclosure, to the extent that it is used solely by the testing company under the terms and conditions approved by the CFPB, to be in compliance with, or hold it exempt from, applicable federal disclosure requirements. In addition, the CFPB is seeking comments on the information to be submitted to the CFPB by companies seeking approval of a trial disclosure program.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 74,625 (Dec. 17, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-12-17/pdf/2012-30159.pdf</p> <p>Status: Comments were due on February 15, 2013.</p>
Issue: Truth in Lending – Ability to Pay	<p>Action: Proposed Rule.</p> <p>Summary: On November 7, 2012, the CFPB published a proposed rule to amend Regulation Z, implementing the Truth in Lending Act, and the official interpretation to the regulation. Regulation Z currently requires that issuers consider the consumer's independent ability to pay, regardless of the consumer's age; in contrast, TILA expressly requires consideration of an independent ability to pay only for applicants who are under the age of 21. The CFPB has proposed amendments that would remove the independent ability-to-pay requirement for consumers who are 21 and older, and permit issuers to consider income to which such consumers have a reasonable expectation of access. The proposed amendment to the regulation is intended, in part, to address concerns that spouses or partners who do not work outside the home were being unfairly denied access to credit. In addition, the CFPB is soliciting comments on whether additional guidance is appropriate or necessary to clarify application of the rule to applicants under the age of 21, particularly spouses or partners who do not work outside the home.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 66, 748 (Nov. 7, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-11-07/pdf/2012-26008.pdf</p> <p>Status: Comments were due on January 7, 2013.</p>
Issue: Two-Page Credit Card Agreement Pilot	<p>Action: Proposed Information Collection.</p> <p>Summary: On September 18, 2012, the CFPB requested emergency approval from the Office of Management and Budget for an information collection entitled "Pentagon Federal Credit Card Agreement Simplification Survey" in order to conduct research related to a short-form credit card agreement Pentagon Federal Credit Union is piloting with the CFPB. The research is intended by the CFPB to result in recommendations for development of and revisions to the CFPB's approach to credit card agreements. The research activities will be conducted by phone surveys of consumers who will have received the agreements from Pentagon Federal.</p>	<p>Citation/Hyperlink: See 77 Fed. 57,560 (Sept. 18, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-09-18/pdf/2012-22990.pdf</p> <p>Status: Comments were due by October 18, 2012.</p>
Issue: Preemption Determination	<p>Action: Notice of Intent; Request for Comment.</p> <p>Summary: On August 21, 2012, the CFPB issued a notice of intent regarding a preemption</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 50,404 (Aug. 21, 2012); http://www.gpo.gov/fdsys/pkg/FR-</p>

	determination that will address certain provisions in the abandoned property laws of Maine and Tennessee that are applicable to gift cards. The purpose of the CFPB's notice is to collect input on whether provisions of the EFTA and Regulation E relating to the five-year period for gift card expiration preempt state abandoned property law provisions in Maine and Tennessee that each provide for a two-year escheatment period for unused gift card funds.	2012-08-21/pdf/2012-20531.pdf Status: Comments were due by October 22, 2012.
Issue: Supervisory Authority over Nonbank Entities	Action: Notice of Proposed Rulemaking. Summary: On May 25, 2012, the CFPB published a proposed rule that outlines proposed CFPB procedures for notifying a nonbank entity that the CFPB is initiating a proceeding to determine whether it will examine such entity because the CFPB believes that such entity poses risks to consumers with regard to the offering or provision of consumer financial products or services.	Citation/Hyperlink: See 77 Fed. Reg. 31226 (May 25, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-05-24/pdf/2012-12565.pdf Status: Comments were due by July 24, 2012.
Issue: Regulation of General-Purpose Reloadable Prepaid Cards	Action: Advance Notice of Proposed Rulemaking. Summary: On May 22, 2012, the CFPB released an advance notice of proposed rulemaking stating that the CFPB intends to issue a proposal to extend Regulation E to general-purpose reloadable prepaid cards ("GPR Cards"). The proposed rulemaking poses ten broad questions regarding GPR Cards. The CFPB states that the purpose of the proposed rulemaking is to assist the CFPB in understanding and evaluating consumer protection issues raised by the current design, marketing, and use of GPR Cards. The proposed rulemaking does not seek information about closed loop cards, debit cards linked to a traditional checking account, non-reloadable cards, payroll cards, electronic benefit transfers, or gifts cards.	Citation/Hyperlink: See 77 Fed. Reg. 30923 (May 24, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-05-24/pdf/2012-12565.pdf Status: Comments were due by July 23, 2012.
Issue: Rule for "Fee Harvester" Credit Cards	Action: Proposed Rule and Request for Comment. Summary: The CFPB has proposed an amendment to the "fee harvester" rules under Regulation Z, which currently limit the total amount of fees that a credit card issuer may require a consumer to pay with respect to an account, limiting fees to 25 percent of the credit limit in effect when the account is opened. The CFPB proposal, which has been issued in response to bank-initiated litigation challenging the limitation, would eliminate the proposed limit on certain processing fees that banks could charge borrowers prior to opening a new credit card account. This current proposal would cap fees only during the first year after the opening of an account. Fees that a consumer is required to pay prior to account opening will not be subject to the limitation.	Citation/Hyperlink: See 77 Fed. Reg. 21875 (April 12, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-04-12/pdf/2012-8534.pdf Status: Comments were due by June 11, 2012.
Issue: Bank Overdraft Protection Programs	Action: Notice and Request for Comment. Summary: On February 16, 2012, the CFPB issued a notice stating that it is reviewing existing regulations and supervisory guidance issued by various regulators pertaining to the use of overdraft programs by financial institutions. To support this review, the CFPB has posed a number of questions seeking information on the impact of overdraft programs on consumers. The questions are grouped into six broad categories: (i) lower cost alternatives to overdraft protection programs offered by financial institutions; (ii) consumer alerts and information provided regarding	Citation/Hyperlink: See 77 Fed. Reg. 12,031 (Feb. 28, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-02-28/pdf/2012-4576.pdf Status: The CFPB extended the original April 30, 2012, comment period deadline to June 29, 2012.

	balances and overdraft triggers; (iii) impact of changes to Regulation DD and Regulation E and overdraft opt-in rates; (iv) impact of changes in financial institutions' operating policies; (v) the economics of overdraft programs; and (vi) the long-term impact of overdraft programs on consumers.	See http://www.gpo.gov/fdsys/pkg/FR-2012-04-25/pdf/2012-9851.pdf
Issue: Regulation of Participants in the Debt Collection and Consumer Reporting Markets	<p>Action: Proposed Rule and Request for Comment.</p> <p>Summary: On February 16, 2012, the CFPB issued a proposed rule to establish the scope of the CFPB's supervision authority with respect to certain nonbank entities that are larger participants in the debt collection and consumer reporting markets. For purposes of determining coverage, the proposed test measures the criterion of "annual receipts," a term adapted by the CFPB from the definition used by the Small Business Administration for purposes of defining small business concerns. The proposal would use only those receipts that result from activities related to the market in question. The proposed threshold for the consumer reporting market is more than \$7 million in annual receipts. The proposed threshold for the consumer debt collection market is more than \$10 million in annual receipts.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 9,592 (Feb. 17, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-02-17/pdf/2012-3775.pdf</p> <p>Status: Comments were due by April 17, 2012.</p>
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM		
Issue: Consumers and Mobile Financial Services	<p>Action: Survey on Consumers and Mobile Financial Services.</p> <p>Summary: On March 27, 2013, the Federal Reserve issued a report titled <i>Consumers and Mobile Financial Services 2013</i>. The report summarizes a survey, conducted in November 2012, to examine trends in adoption and use of mobile banking and payments. The survey found that mobile phones and mobile Internet access are in widespread use (including among unbanked and underbanked consumers), and that mobile phones are frequently used to access financial services. While mobile phones are increasingly used to make payments, perceptions of limited usefulness and security concerns are the main impediments to increased adoption.</p>	<p>Citation/Hyperlink: The report is accessible at: http://www.federalreserve.gov/econresdata/consumers-and-mobile-financial-services-report-201303.pdf. The Federal Reserve's press release is accessible at: http://www.federalreserve.gov/news-events/press/other/20130327b.htm</p> <p>Status: N/A.</p>
Issue: Debit Card Interchange Fees	<p>Action: Report on Interchange Fees.</p> <p>Summary: On March 5, 2013, the Federal Reserve issued a report titled <i>2011 Interchange Fee Revenue, Covered Issuer Costs, and Covered Issuer and Merchant Fraud Losses Related to Debit Card Transactions</i>. The report summarizes a study, conducted in 2012, of various revenues, costs, and other losses associated with debit card transactions, as it is required to do by section 1075 of the Dodd-Frank Act. The Federal Reserve announced that, based on the results of its study, it does not plan to propose revisions to its interchange fee standard or fraud-prevention adjustment.</p>	<p>Citation/Hyperlink: The report is accessible at: http://www.federalreserve.gov/paymentsystems/files/debitfees_costs_2011.pdf. The Federal Reserve's press release is accessible at: http://www.federalreserve.gov/news-events/press/bcreg/20130305a.htm</p> <p>Status: N/A.</p>
Issue: Provision of Financial Services to	<p>Action: Notice of Proposed Rulemaking.</p> <p>Summary: On March 4, 2013, the Federal Reserve issued a notice of proposed rulemaking to</p>	<p>Citation/Hyperlink: See 78 Fed. Reg. 14,024 (Mar. 4, 2013); http://www.gpo.gov/fdsys/pkg/FR-</p>

Financial Market Utilities	implement provisions of the Dodd-Frank Act that authorize a Federal Reserve Bank to establish and maintain an account for, and through the account provide certain financial services to, financial market utilities (“FMUs”) that are designated as systemically important by FSOC. The rule would set out conditions and requirements for a Reserve Bank to establish and maintain an account for, pay interest on balances held by, an FMU at a Reserve Bank. It also proposes that Reserve Banks would provide services consistent with safe and sound settlement processes, and imposes additional requirements on FMUs that would hold accounts at Reserve Banks.	2013-03-04/pdf/2013-04841.pdf Status: Comments are due by May 3, 2013.
Issue: Study of U.S. Payments Usage	Action: 2013 Payments Study. Summary: On January 17, 2013, the Federal Reserve’s Financial Services Policy Committee announced that the Federal Reserve’s Retail Payments Office plans to conduct a new study to determine the current volume and composition of electronic and check payments in the United States. The study will be the fifth in a triennial series; previous studies were conducted in 2001, 2004, 2007, and 2010. The study consists of three survey efforts commissioned to estimate the annual number, dollar value and composition of retail noncash payments in the United States, and is intended to provide aggregate estimates and current trends in the use of payment instruments by U.S. consumers and businesses.	Citation/Hyperlink: The press release announcing the study is accessible at: http://www.federalreserve.gov/news/20130117a.htm Status: Preliminary results from the study should be released by late 2013.
Issue: Supervision of Foreign Banking Organizations and Foreign Nonbank Financial Companies	Action: Proposed Rule. Summary: On December 28, 2012, the Federal Reserve issued a proposed rule that would implement the enhanced prudential standards and early remediation requirements required to be established by the Dodd-Frank Act for foreign banking organizations and foreign nonbank financial companies supervised by the Federal Reserve. The enhanced prudential standards include risk-based capital and leverage requirements, liquidity standards, risk management and risk committee requirements, single-counterparty credit limits, stress test requirements, and a debt-to-equity limit for companies that the FSOC has determined pose a grave threat to financial stability.	Citation/Hyperlink: See 77 Fed. Reg. 76,627 (Dec. 28, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-12-28/pdf/2012-30734.pdf Status: The Federal Reserve extended the original March 31, 2013 comment period to April 30, 2013. See 78 Fed. Reg. 13,294 (Feb. 27, 2013); http://www.gpo.gov/fdsys/pkg/FR-2013-02-27/pdf/2013-04497.pdf
Issue: Supervision of Large Financial Institutions	Action: Consolidated Supervision Framework for Large Financial Institutions. Summary: On December 17, 2012, the Federal Reserve issued Supervision and Regulation Letter SR 12-17, which sets forth a new framework for the consolidated supervision of large financial institutions. The framework applies to three groups of institutions: Large Institution Supervision Coordinating Committee (LISCC) firms (the largest, most complex U.S. and foreign financial organizations subject to consolidated supervision by the federal reserve, including nonbank financial companies designated by the FSOC for supervision by the Federal Reserve); Large Banking Organizations (domestic bank and savings and loan holding companies with consolidated assets of \$50 billion or more); and Large Foreign Banking Organizations (foreign banking organizations with combined assets of U.S. operations of \$50 billion or more). The framework	Citation/Hyperlink: SR 12-17 is accessible at: http://www.federalreserve.gov/bankinfo/srletters/sr1217.pdf Status: The framework is being implemented in a multi-stage approach; additional supervisory and operational guidance will be developed by the Federal Reserve.

	has two primary objectives: enhancing resiliency of a firm to lower the probability of its failure or inability to serve as a financial intermediary, and reducing the impact on the financial system and the broader economy in the event of a firm's failure or material weakness.	
Issue: Payments Study	<p>Action: Information Collection.</p> <p>Summary: On September 6, 2012, the Federal Reserve issued a proposal regarding the surveys that will be used to implement the voluntary Retail Payments Survey. The surveys will be used to collect retail payment information from depository institutions, payment networks, processors, and others for use in updating the information for the Federal Reserve's Electronic Payments Study. The study provides statistics regarding the annual number and value of significant types of noncash payments in the United States.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 54,912 (Sept. 6, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-09-06/pdf/2012-21960.pdf</p> <p>Status: Comments on the information collection and surveys were due by November 5, 2012.</p>
Issue: Reserve Requirements of Depository Institutions	<p>Action: Final Rule.</p> <p>Summary: On April 5, 2012, the Federal Reserve approved a final rule which amends Regulation D (Reserve Requirements of Depository Institutions) to simplify the administration of reserve requirements and reduce administrative and operational costs for depository institutions and Federal Reserve Banks. The final rule creates a common two-week maintenance period for all depository institutions, creates a penalty-free band around reserve balance requirements in place of carryover and routine penalty waivers, discontinues as-of adjustments related to deposit report revisions, replaces all other as-of adjustments with direct compensation, and eliminates the contractual clearing balance program. The amendments are designed to reduce the administrative and operational costs associated with reserve requirements for depository institutions, the Federal Reserve, and Federal Reserve Banks.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 21,846 (April 12, 2011); http://www.gpo.gov/fdsys/pkg/FR-2012-04-12/pdf/2012-8562.pdf</p> <p>Status: The amendments to Regulation D will be implemented in two phases. The amendments related to the elimination of contractual clearing balances and as-of adjustments, and those related to the provision of direct compensation, became effective on July 12, 2012. The amendments on the creation of a common two-week maintenance period and replacement of carryover and routine waivers with a penalty-free band around reserve balance requirements were to take effect on January 24, 2013. The Federal Reserve announced on October 26, 2012, that the new effective date will be June 27, 2013.</p>
Issue: Determining "Predominantly Engaged in	<p>Action: Supplemental Notice of Proposed Rulemaking.</p> <p>Summary: On April 2, 2012, the Federal Reserve issued a supplemental notice of proposed rulemaking and request for comment that would amend Regulation Y to establish the criteria for</p>	<p>Citation/Hyperlink: http://www.federalreserve.gov/news/press/bcreg/bcreg20120402a1.pdf</p>

Financial Activities” for Purposes of the Dodd-Frank Act	<p>determining whether a company is “predominantly engaged in financial activities” for purposes of Title I of the Dodd-Frank Act. The Federal Reserve had previously published a notice of proposed rulemaking on February 11, 2011, which, <i>inter alia</i>, sought to define when a company is “predominantly engaged in financial activities.” Based upon comments received primarily raising questions as to whether the conduct of certain financial activities that did not comply with the conditions applicable to bank holding companies should still be considered to be financial activities for purposes of the Dodd-Frank Act, the Federal Reserve issued the present supplement to the February release. As a result, the Federal Reserve has put forth a proposal that would consider any activity referenced in Section 4(k) of the Bank Holding Company Act to be considered a financial activity without regard to conditions that were imposed on bank holding companies that do not define the activity itself. To provide clarity, the Federal Reserve is issuing an appendix to the proposed rule that lists the activities that would be considered to be financial activities as of April 2, 2012, including conditions necessary to the definition of the activity as a financial activity.</p> <p>Under the Dodd-Frank Act, the FSOC was given the authority to require that certain nonbank financial companies (generally, companies predominantly engaged in financial activities) become subject to supervision by the Federal Reserve. The FSOC’s rule to make such determination is discussed separately below.</p>	<p>Status: The Federal Reserve announced final rulemaking on April 3, 2013. http://www.federalreserve.gov/news_events/press/bcreg/20130403a.htm</p> <p>The final rulemaking can be found in the Federal Register https://www.federalregister.gov/articles/2013/04/05/2013-07688/definitions-of-predominantly-engaged-in-financial-activities-and-significant-nonbank-financial?utm_campaign=subscription+mailing+list&utm_medium=email&utm_source=federalregister.gov</p>
Issue: Enhanced Prudential Standards and Early Remediation Requirements for Covered Companies	<p>Action: Proposed Rule and Request for Public Comment.</p> <p>Summary: The Federal Reserve is requesting comment on proposed rules that would implement the enhanced prudential standards required to be established under section 165 of the Dodd-Frank Act, and the early remediation requirements established under section 166 of the Act. The enhanced standards include risk-based capital and leverage requirements, liquidity standards, requirements for overall risk management (including establishing a risk committee), single-counterparty credit limits, stress test requirements, and a debt-to-equity limit for companies that the FSOC has determined pose a grave threat to financial stability.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 594 (Jan. 5, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-01-05/pdf/2011-33364.pdf</p> <p>Status: Comments were initially due on March 31, 2012. The Federal Reserve subsequently extended the comment period, which ended on April 30, 2012. See 77 Fed. Reg. 13,513 (March 7, 2012) (comment period extension) http://www.gpo.gov/fdsys/pkg/FR-2012-03-07/pdf/2012-5522.pdf.</p>
FEDERAL DEPOSIT INSURANCE CORPORATION		
Issue: Retention	Action: Proposed Rule.	Citation/Hyperlink: See 78 Fed.

of Records of Failed Depository Institutions	<p>Summary: On January 22, 2013, the FDIC issues a proposed rule implementing section 11(d)(15)(D) of the Federal Deposit Insurance Act (FDIA), which provides that after the end of the six-year period beginning on the date of its appointment as receiver, the FDIC may destroy any unnecessary records of a failed insured depository institution (IDI). The proposed rule includes a definition for “records,” which is undefined in the FDIA, which includes both a formal definition and a functional test. The proposed rule also incorporates the six-year period in the FDIA, and provides for the FDIC’s transfer of records to a third party in connection with that party’s purchase of assets or assumption of liability of a failed IDI.</p>	<p>Reg. 4,349 (Jan. 22, 2013); http://www.gpo.gov/fdsys/pkg/FR-2013-01-22/pdf/2013-01080.pdf</p> <p>Status: Comments were due on March 25, 2013.</p>
Issue: Temporary Unlimited Coverage	<p>Action: Expiration of Temporary Unlimited Coverage.</p> <p>Summary: The Dodd-Frank Act provided temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts at all FDIC-insured depository institutions (IDIs) from December 31, 2010 through December 31, 2012. The coverage was not renewed prior to its expiration; therefore, noninterest-bearing transaction accounts will no longer be insured separately from depositors’ other accounts at the same IDI. Instead, noninterest-bearing transaction accounts will be added to any of a depositor’s other accounts in the applicable ownership category, and the aggregate balance insured up to at least the Standard Maximum Deposit Insurance Amount of \$250,000, per depositor, at each separately chartered IDI</p>	<p>Citation/Hyperlink: The FDIC’s FAQ regarding the expiration is accessible at: http://www.fdic.gov/deposit/deposit/unlimited/expiration.pdf</p> <p>Status: The provision expired on January 1, 2013.</p>
FINANCIAL STABILITY OVERSIGHT COUNCIL		
	No significant activity in the last quarter.	
TREASURY DEPARTMENT		
Issue: Guidance on Virtual Currencies	<p>Action: Guidance (Financial Crimes Enforcement Network).</p> <p>Summary: On March 18, 2013, FinCEN issued guidance entitled “Application of FinCEN’s Regulations to Persons Administering, Exchanging, or Using Virtual Currencies.” The guidance clarifies how FinCEN’s Bank Secrecy Act regulations apply to “users,” “administrators,” and “exchangers” of “convertible virtual currency.” The guidance takes the position that an “administrator” or “exchanger” that (1) accepts and transmits a convertible virtual currency or (2) buys or sells convertible virtual currency for any reason is a money transmitter, subject to any applicable limitations or exceptions. Administrators and exchangers are not considered to be dealers in foreign exchange or sellers or providers of prepaid access, because the applicable regulatory provisions are expressly limited to real currencies. “Users” of virtual currencies are not deemed to be money services businesses under the guidance.</p>	<p>Citation/Hyperlink: The guidance is accessible at: http://www.fincen.gov/statutes_regs/guidance/pdf/FIN-2013-G001.pdf</p> <p>Status: N/A.</p>
Issue: Suspicious Activity Reporting and Recordkeeping Requirements	<p>Action: Notice of Proposed Rulemaking (Financial Crimes Enforcement Network).</p> <p>Summary: On December 6, 2012, FinCEN published a proposed rule which proposed amendments to the regulatory definitions of “funds transfer” and “transmittal of funds” under the regulations implementing the Bank Secrecy Act. The current definitions of both terms state that</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 72,783 (Dec. 6, 2012), http://www.gpo.gov/fdsys/pkg/FR-2012-12-06/pdf/2012-29233.pdf</p>

	<p>“funds transfers governed by the Electronic Fund Transfer Act of 1978 (Title XX, 95, 92 Stat. 3728, 15 U.S.C. 1693, <i>et seq.</i>), as well as any other funds transfers that are made through an automated clearinghouse, an automated teller machine, or a point-of-sale system, also are excluded from this definition.” FinCEN proposes to revise the phrase “funds transfers governed by the Electronic Fund Transfer Act of 1978” to read “electronic fund transfers as defined in section 903(7) of the Electronic Fund Transfer Act.” The proposed rule is in response to the Dodd-Frank Act’s amendments to the EFTA, which expanded the types of transactions covered by the EFTA, and therefore would have expanded the types of transactions excluded from the definition of funds transfer and transmittal of funds if the proposed rule is not adopted.</p>	<p>Status: Comments were due on January 25, 2013.</p>
<p>Issue: Beneficial Ownership Proposal</p>	<p>Action: Notice of Public Hearing (Financial Crimes Enforcement Network).</p> <p>Summary: On July 13, 2012, FinCEN issued an announcement for an intended series of public hearings to continue gathering information on its Advance Notice of Proposed Rulemaking on customer due diligence requirements for financial institutions that was published in the <i>Federal Register</i> on March 5, 2012. (See the next row.) The first meeting was held on July 31, 2012, at the U.S. Department of the Treasury building in Washington, D.C. The fifth and final meeting was held December 2, 2012.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 41,334 (July 13, 2012), http://www.gpo.gov/fdsys/pkg/FR-2012-07-13/pdf/2012-17065.pdf. Information regarding the first meeting, including a link to an archived Webcast, is accessible at http://www.fincen.gov/whatsnew/html/20120913.html.</p> <p>Status: N/A.</p>
<p>Issue: Proposal to Expand Beneficial Ownership Identification Requirements</p>	<p>Action: Notice of Proposed Rulemaking (Financial Crimes Enforcement Network).</p> <p>Summary: On March 5, 2012, FinCEN issued an Advance Notice of Proposed Rulemaking that relates to the development of a proposed new customer due diligence regulation. The proposal focuses on the collection by banks and other financial institutions of beneficial ownership information about accountholders. The proposal arises out of FinCEN’s concern that there is a lack of consistency in the way financial institutions implement what FinCEN terms “implicit” customer due diligence obligations and in the way they collect beneficial ownership information. Generally, the proposal consists of four conceptual elements, the key aspects of which include a proposed new definition of beneficial ownership that focuses on legal entities and a categorical requirement for financial institutions to identify beneficial ownership of their accountholders, subject to limited potential exceptions. FinCEN hosted a series of roundtable meetings in Chicago, Las Vegas, Los Angeles, Miami and New York to discuss particular issues raised by the comments to the ANPR.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 13,046 (March 5, 2012), http://www.gpo.gov/fdsys/pkg/FR-2012-03-05/pdf/2012-5187.pdf. Summaries of the roundtable meetings in Chicago, New York, and Los Angeles are accessible at: http://www.fincen.gov/whatsnew/pdf/20121130CHI.pdf; http://www.fincen.gov/whatsnew/pdf/20121130NYC.pdf; and http://www.fincen.gov/whatsnew/pdf/20121130LA.pdf, respectively.</p> <p>Status: The comment period closed on June 11, 2012. See http://www.gpo.gov/fdsys/pkg/FR-2012-05-10/pdf/2012-11227.pdf</p>
OFFICE OF THE COMPTROLLER OF THE CURRENCY		
<p>Issue: Guidance</p>	<p>Action: Proposed Guidance with Request for Comment.</p>	<p>Citation/Hyperlink: See 76 Fed.</p>

on Deposit-Related Consumer Credit Products	<p>Summary: On June 8, 2011, the OCC proposed supervisory guidance to clarify the OCC's application of principles of safe and sound banking practices in connection with deposit-related consumer credit products, such as automated overdraft protection and direct deposit advance programs. The proposed guidance details the principles that the OCC expects national banks to follow in connection with any deposit-related consumer credit product to address potential operational, reputational, compliance, and credit risks.</p>	<p>Reg. 33,409 (June 8, 2011); http://www.gpo.gov/fdsys/pkg/FR-2011-06-08/pdf/2011-14093.pdf</p> <p>Status: Comments were due by August 7, 2011. See 76 Fed. Reg. 39,989 (July 7, 2011). The OCC has not indicated when it anticipates acting in response to comments received.</p>
ADDITIONAL FEDERAL AGENCY RULEMAKINGS / REGULATORY ACTIVITY		
Issue: Mobile Payments	<p>Action: FTC Staff Report.</p> <p>Summary: On March 8, 2013, the Federal Trade Commission issued a report, titled <i>Paper, Plastic . . . or Mobile? An FTC Workshop on Mobile Payments</i>, based on a workshop held by the FTC on April 26, 2012. The report addresses five main topics of concern to the FTC with respect to mobile payments: dispute resolution, mobile carrier billing, consumer data security, privacy, and international mobile payment issues. In many instances, the report reiterates positions taken by participants in the workshop. While the Report does not announce any new policy initiatives, it highlights areas on which the FTC may focus in its future regulatory and enforcement activity and legislative advocacy with respect to consumer protection and privacy laws.</p>	<p>Citation/Hyperlink: The report is accessible at: http://www.ftc.gov/os/2013/03/130306mobilereport.pdf</p> <p>Status: N/A.</p>
Issue: Executive Order on Cybersecurity, E.O. 13549	<p>Action: Executive Order.</p> <p>Summary: On February 12, 2013, President Obama issued an executive order establishing a "consultative process" between the government and private industry to protect certain online systems, including banking-related systems. The executive order contemplates a process that would culminate with a framework for actions to be taken to ensure cybersecurity of critical infrastructure.</p>	<p>Citation/Hyperlink: The executive order is accessible at: http://www.whitehouse.gov/the-press-office/2013/02/12/executive-order-improving-critical-infrastructure-cybersecurity</p> <p>Status: N/A.</p>
Issue: Implementation of Health Information Technology for Economic and Clinical Health (HITECH) Act	<p>Action: Final Rule.</p> <p>Summary: On January 25, 2013, the Department of Health and Human Services published a final rule to, among other things, modify the Health Insurance Portability and Accountability Act (HIPAA) Privacy, Security and Enforcement Rules to implement statutory amendments under the HITECH Act. The final rule does not directly address the issue of whether payment information may be transmitted along with patient data in processing a transaction, instead stating that HHS will issue further guidance on the issue. The final rule also contains a discussion of the distinction between an entity with only "transient" access to patient data, as opposed to "persistent" access; the latter might require the entity holding the data to be treated as a "business entity" for HIPAA purposes. Future guidance will likely clarify the extent to which financial institutions transmitting</p>	<p>Citation/Hyperlink: See 78 Fed. Reg. 5,565 (Jan. 25, 2013); http://www.gpo.gov/fdsys/pkg/FR-2013-01-25/pdf/2013-01073.pdf</p> <p>Status: The final rule became effective on March 26, 2013. Covered entities and business associates are required to comply with the applicable requirements of the final rule by September 23,</p>

	transaction data for health care transactions might be covered by HIPAA.	2013.
Issue: Social Media Risk Management Proposed Guidance	<p>Action: Notice; Request for Comment.</p> <p>Summary: On January 23, 2013, the Federal Financial Institutions Examination Council issued a request for comment on proposed guidance, entitled <i>Social Media: Consumer Compliance Risk Management Guidance</i>. The proposed guidance outlines three broad risk areas that could be affected by social media: compliance and legal risks (including with respect to marketing of deposit and lending products, use of social media to facilitate consumers' use of payment systems, anti-money laundering concerns, and privacy concerns); reputation risk; and operational risk. Notably, the proposed guidance suggests that financial institutions should have social media policies even if they do not use social media themselves, because of the potential for negative comments or complaints to spread through social media.</p>	<p>Citation/Hyperlink: See 78 Fed. Reg. 4,848 (Jan. 23, 2013); http://www.gpo.gov/fdsys/pkg/FR-2013-01-23/pdf/2013-01255.pdf</p> <p>Status: Comments were due by March 25, 2013.</p>
Issue: Taxpayer Identification Number Truncation	<p>Action: Proposed Regulation.</p> <p>Summary: On January 7, 2013, the Internal Revenue Service published a proposed rule to create a new taxpayer identifying number called a truncated taxpayer identification number (TTIN), which would show only the last four digits of an individual's identifying number and be displayed in the format XXX-XX-1234 or ***-**-1234. Filers of certain information returns would be allowed to use a TTIN as an alternative to social security numbers or IRS taxpayer identification numbers, as well as using the TTIN on the payee statement furnished to the individual. In addition to the normal notice and comment period, the IRS held a public hearing on March 12, 2013 to discuss the proposal.</p>	<p>Citation/Hyperlink: See 78 Fed. Reg. 913 (Jan. 7, 2012); http://www.gpo.gov/fdsys/pkg/FR-2013-01-07/pdf/2012-31745.pdf</p> <p>Status: Comments were due by February 21, 2013. Outlines of topics for the public hearing were due by February 20, 2013. The IRS held a public hearing on March 12, 2013.</p>
Issue: Identity Theft "Red Flags"	<p>Action: Interim Final Rule with Request for Comment.</p> <p>Summary: On December 6, 2012, the Federal Trade Commission issued an interim final rule that amended its Red Flags Rule to amend the definition of "creditor" to make it consistent with the revised definition of the term in the Red Flag Program Clarification Act of 2010. The interim final rule limits the scope of coverage to ECOA creditors that regularly and in the ordinary course of business engage in at least one of the following three types of conduct: 1. Obtain or use consumer reports, directly or indirectly, in connection with a credit transaction; or 2. Furnish information to consumer reporting agencies in connection with a credit transaction; or 3. Advance funds to or on behalf of a person, based on an obligation of the person to repay the funds or repayable from specific property pledged by or on behalf of the person."</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 72,712 (Dec. 6, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-12-06/pdf/2012-29430.pdf</p> <p>Status: Comments were due by February 11, 2013.</p>
Issue: Health Card Electronic Fund Transfers	<p>Action: Interim Final Rule with Request for Comment.</p> <p>Summary: On August 10, 2012, the U.S. Department of Health and Human Services issued and interim final rule and request for comment that implements parts of section 1104 of the Affordable Care Act which requires, among other things, the adoption of operating rules for the health care</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 48,008 (Aug. 10, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-08-10/pdf/2012-19557.pdf</p>

	<p>electronic funds transfers. The interim final rule includes operating rules that are intended to facilitate best business practices on how electronic transactions are transmitted and to target obstacles that physician practices and health insurers have with using electronic transactions.</p>	<p>Status: The interim final rule became effective on August 10, 2012, and provides that the compliance date for operating rules for the health care electronic funds transfers (EFT) and remittance advice transaction is January 1, 2014.</p>
<p>Issue: Capital Requirements</p>	<p>Action: Proposed and Final Rules.</p> <p>Summary: The Federal Reserve, the OCC, and the FDIC have released three proposed rules (the “Proposals”) and one final rule (the “Market Risk Rule”) which would substantially revise the federal banking agencies’ current capital rules. The Proposals would implement the regulatory capital reforms recommended in December 2010 by the Basel Committee on Banking Supervision, commonly referred to as “Basel III,” as well as additional capital reforms required by the Dodd-Frank Act. The first Proposal, “Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, Transition Provisions, and Prompt Corrective Action,” would revise the risk-based and leverage capital ratio minimum requirements and the definition of capital. The remaining two Proposals would: (i) revise the rules for calculating risk-weighted assets to reflect a more risk-sensitive weighting approach; (ii) replace references to credit ratings with alternative quality measurements; (iii) revise the advanced approaches risk-based capital rules consistent with Basel III and the Dodd-Frank Act; (iv) expand application of the market risk capital rules to savings associations and application of both the advanced approaches and market risk capital rules to U.S. top-tier savings and loan holding companies; and (v) impose certain disclosure requirements on U.S. banking organizations with \$50 billion or more in total assets. The Market Risk Rule amends the calculation of market risk to better characterize the risks facing a particular institution and to help ensure the adequacy of capital related to the institution’s market risk-related positions.</p> <p>On November 9, 2012, the banking agencies announced that they did not expect that any of the proposed rules would become effective on January 1, 2013, as originally suggested by the Proposals.</p>	<p>Citation/Hyperlink: The Federal Reserve approved the Proposals for publication on June 7, 2012. The Federal Reserve press release is available at: http://www.federalreserve.gov/news/press/bcreg/20120612a.htm. The OCC and the FDIC approved the Proposals on June 12, 2012. The OCC press release can be found at: http://www.occ.treas.gov/news-issuances/news-releases/2012/nr-ia-2012-88.html, and the FDIC press release is available at: http://www.fdic.gov/news/news/press/2012/pr12068.html.</p> <p>Status: Comments on the Proposals were due by October 22, 2012. The Market Risk Rule became effective on January 1, 2013. The banking agencies have not stated when they expect the Proposals to become effective.</p>
<p>Issue: Disbursement of Federal Student Aid Funds</p>	<p>Action: Intent to Establish Negotiated Rulemaking Committee.</p> <p>Summary: The U.S. Department of Education has announced its intention to convene a committee to develop proposed regulations designed to prevent fraud and otherwise ensure proper use of student loan program funds distributed under Title IV of the Higher Education Act. In particular, the Department of Education has stated that it intends to propose regulations to address the use of debit cards and other banking mechanisms for disbursing federal student aid funds. The</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 25,658 (May 1, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-05-01/pdf/2012-10488.pdf</p> <p>Status: The Department anticipates that any committee will begin</p>

	Department will issue a request for nominations for individual negotiators for the committee who represent the interests significantly affected by the proposed regulations. According to the notice, the Department is interested in how or whether the use of EFTs, in lieu of checks, could provide one means to help prevent fraud or identify those involved in fraud.	negotiations in September 2012. The meetings were held in May, 2012 in Phoenix, AZ and Washington, DC; information about the negotiations can be found on the Department's Web site at: http://www2.ed.gov/policy/highered/reg/hearulemaking/2012/index.html
Issue: Electronic Benefit Transfer Transactions	<p>Action: Request for Public Comment.</p> <p>Summary: The U.S. Department of Health and Human Services' Office of Family Assistance has issued a request for information to understand how benefits under the federal Temporary Assistance for Needy Families program are administered through Electronic Benefit Transfer card programs. Information gathered will assist HHS in taking steps to implement Section 4004 of the Middle Class Tax Relief and Job Creation Act, which is intended to prevent the use of Electronic Benefit Transfer cards at liquor stores, casinos, and other adult-oriented retail establishments.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 24667 (April 25, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-04-25/pdf/2012-9260.pdf</p> <p>Status: Comments on the notice were due by June 11, 2012.</p>
Issue: Standards for processing health care purpose electronic funds transfers and electronic remittance advice	<p>Action: Interim Final Rule with Request for Comment.</p> <p>Summary: The U.S. Department of Health & Human Services' Centers for Medicare & Medicaid Services released an interim final rule with request for comment adopting transaction standards for processing health care purpose electronic funds transfers ("EFTs") and electronic remittance advice ("ERA"). The standards adopted in the Interim Rule apply to the format and data content of the transmission between a health plan and its financial institution when it orders, authorizes, or initiates an EFT and issues an ERA. The Interim Rule requires that health care purpose EFTs transmitted through the ACH Network be in the National Automated Clearing House Association Corporate Credit or Deposit Entry with Addenda Record ("CCD+Addenda") file format, and the data content in the addenda record of the CCD+Addenda must be formatted according to the ASC X12 835 TR3 TRN Segment implementation specifications. The Interim Rule also clarifies that the X12 835 TR2 standard previously adopted for ERAs remains applicable regardless of whether the ERA is transmitted through the ACH network.</p>	<p>Citation/Hyperlink: See 77 Fed. Reg. 1,556 (Jan. 10, 2012); http://www.gpo.gov/fdsys/pkg/FR-2012-01-10/pdf/2012-132.pdf</p> <p>Status: The Interim Final Rule became effective January 10, 2012, and comments were due March 12, 2012. The compliance date is January 1, 2014.</p>
Issue: Volcker Rule; Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds	<p>Action: Notice of Proposed Rulemaking.</p> <p>Summary: On October 11, 2011, the Federal Reserve, the FDIC and the Securities and Exchange Commission jointly issued a proposed rule implementing the requirements of new Section 13 of the Bank Holding Company Act, the so-called "Volcker Rule." Section 13 was added by Section 619 of the Dodd-Frank Act. The proposed rule generally prohibits a "banking entity" from engaging in proprietary trading for its own account, acquiring or retaining an ownership interest in or sponsoring a "covered fund," and entering into certain relationships with a "covered fund," in each case, subject to various exceptions. By statute, the Volcker Rule is set to become effective</p>	<p>Citation/Hyperlink: See 76 Fed. Reg. 68,846 (Nov. 7, 2011); http://www.gpo.gov/fdsys/pkg/FR-2011-11-07/pdf/2011-27184.pdf</p> <p>Status: Comments on the proposed rule were originally due by January 13, 2012, but the comment period was extended through February 13,</p>

and Private Equity Funds	on July 21, 2012, regardless of whether or not the agencies have adopted final implementing regulations. On April 19, 2012, the Federal Reserve announced that banking entities subject to the Volcker Rule would have the full two-year period provided by statute to come into conformance with the Volcker Rule's restrictions. The announcement was part of a joint statement released by the Federal Reserve, the OCC, the FDIC, the Commodity Futures Trading Commission, and the Securities and Exchange Commission. The release follows recent statements by agency officials that they may not have final regulations in place by the July 21 deadline and concerns throughout the financial industry as to whether or not banking entities would still be required to comply with the Volcker Rule notwithstanding in the absence of the final regulations.	2012. The announcement regarding the conformance period is accessible at: http://www.federalreserve.gov/news-events/press/bcreg/20120419a.htm .
--------------------------	---	--

U.S. CONGRESS (LEGISLATION)		
Issue: Eliminate Privacy Notice Confusion Act, H.R. 749, Representative Blaine Luetkemeyer (R-MO)	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would amend the Gramm-Leach-Bliley Act to exempt from its annual privacy policy notice requirement any financial institution which: (1) provides nonpublic personal information only in accordance with specified requirements, and (2) has not changed its policies and practices with regard to disclosing nonpublic personal information from those disclosed in the most recent disclosure sent to consumers.</p>	<p>Citation/Hyperlink: The version of the bill that passed the House is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr749eh/pdf/BILLS-113hr749eh.pdf</p> <p>Status: The bill was introduced on February 15, 2013, and passed by the House on a voice vote on March 12, 2013. The bill was received in the Senate on March 13, 2013, and referred to the Senate Banking, Housing, and Urban Affairs Committee.</p>
Issue: Overdraft Protection Act of 2013, H.R. 1261, Representative Carolyn Maloney (D-NY)	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would amend the Truth In Lending Act to require depository institutions that provide overdraft coverage to make certain disclosures regarding the terms of overdraft coverage fees, and would require written consumer consent to opt-in to overdraft protection. It would also require notification and certain prescribed disclosures when overdraft protection is accessed. It would impose limitations on the number of times depository institutions may impose overdraft fees, require fees to be "reasonable and proportional" to the amount of the overdraft, require consumers to have advance warning and opportunity to cancel transactions at an ATM or branch teller if a transaction would trigger overdraft fees, and other similar consumer protections. Finally, the bill would require the CFPB to carry out a study on whether consumers are being subjected to abusive practices with respect to prepaid card overdraft coverage.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr1261ih/pdf/BILLS-113hr1261ih.pdf</p> <p>Status: The bill was introduced on March 19, 2013, and referred to the House Financial Services Committee.</p>

<p>Issue: Sound Dollar Act of 2013, H.R. 1174, Representative Kevin Brady (R-TX)</p>	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would make a number of reforms to the Federal Reserve’s policies, including limiting the Federal Reserve’s mandate to maintaining price stability, requiring the Federal Reserve to “clearly articulate” its lender of last resort policy, and making changes to the Federal Reserve’s internal governance policies. The bill would also subject the CFPB to the normal appropriations process.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr1174ih/pdf/BILLS-113hr1174ih.pdf</p> <p>Status: The bill was introduced on March 14, 2013, and referred to the House Financial Services Committee.</p>
<p>Issue: Cyber Privacy Fortification Act of 2013, H.R. 1121, Representative John Conyers (D-MI)</p>	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would make it a federal crime for a person with a “covered obligation” (an obligation under federal law or, if the breach affects interstate or commerce, state law) to provide notice of a security breach involving sensitive personally identifiable information to knowingly fail to provide such notice. It would also provide for civil penalties for companies that engage in conduct constituting a violation of a subsequent federal law relating to data security. Finally, it would implement a process in which federal agencies would be required to take into consideration impacts on individual privacy during rulemaking, as well as a periodic review of regulations to take individual privacy concerns into account.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr1121ih/pdf/BILLS-113hr1121ih.pdf</p> <p>Status: The bill was introduced on March 13, 2013, and referred to the House Judiciary Committee.</p>
<p>Issue: Stopping Abuse and Fraud in Electronic (SAFE) Lending Act of 2013, H.R. 990, Representative Suzanne Bonamici (D-OR)</p>	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would enable consumers to stop automatic bank withdrawals from payday lenders, require that lenders abide by the laws of the state in which they are lending, ban third-party lead generators that collect applications and auction them to payday lenders and provide enhanced enforcement authority to federal regulators. The bill would also provide that a remotely created check could only be issued by a person designated in writing by the consumer, along with other restrictions on remotely-created checks.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr990ih/pdf/BILLS-113hr990ih.pdf</p> <p>Status: The bill was introduced on March 6, 2013, and referred to the House Financial Services Committee.</p>
<p>Issue: Dodd-Frank Wall Street Reform and Consumer Protection Technical Corrections Act of 2013, S. 451, Senator Richard Shelby (R-AL)</p>	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would make a large number of amendments to the Dodd-Frank Act. The proposed amendments are generally non-substantive, and generally correct grammatical mistakes, incorrect cross-references, and similar technical errors in the enacted version of the Dodd-Frank Act.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113s451is/pdf/BILLS-113s451is.pdf</p> <p>Status: The bill was introduced on March 5, 2013, and referred to the Senate Banking, Housing, and Urban Affairs Committee.</p>

<p>Issue: Financial Regulatory Responsibility Act of 2013, S. 450, Senator Richard Shelby (R-AL)</p>	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would require the financial regulatory agencies to engage in a series of economic analyses prior to, during, and after the rulemaking process, to justify the need for, and assess the likely impact of, proposed and current regulation. It would also require the agencies to perform a periodic economic analysis of existing rules, and provide for judicial review of new regulations by persons adversely affected or aggrieved by the regulation.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113s450is/pdf/BILLS-113s450is.pdf</p> <p>Status: The bill was introduced on March 5, 2013, and referred to the Senate Banking, Housing, and Urban Affairs Committee.</p>
<p>Issue: H. Res. 97, Representative Sean Duffy (R-WI)</p>	<p>Action: Proposed Resolution.</p> <p>Summary: The resolution would express the sense of the House of Representatives that the federal government should take all appropriate measures to ensure that citizens continue to be provided with paper-based information, products and services, and public notices while providing, where appropriate, the ability for all citizens to opt-in to electronic delivery if they so chose, and that Congress should have oversight over executive-branch initiatives to reduce use of paper.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hres97ih/pdf/BILLS-113hres97ih.pdf</p> <p>Status: The bill was introduced on March 5, 2013, and referred to the House Oversight and Government Reform Committee.</p>
<p>Issue: Safer Neighborhoods Gun Buyback Act of 2013, H.R. 868, Representative Donald Payne, Jr. (D-NJ)</p>	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would authorize the Director of the Bureau of Justice Assistance to make grants to states, local governments, and gun dealers to conduct gun buyback programs. Gun dealers receiving subgrants would receive “smart prepaid cards” to provide funds from the buyback to individuals wishing to dispose of guns. Among other requirements, the smart prepaid cards would be prohibited from use at gun stores and pawn shops, but generally usable at merchants for goods and services otherwise.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr868ih/pdf/BILLS-113hr868ih.pdf</p> <p>Status: The bill was introduced on February 27, 2013, and referred to the House Judiciary Committee.</p>
<p>Issue: Financial Takeover Repeal Act of 2013, S. 20, Senator David Vitter (R-LA)</p>	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would repeal the Dodd-Frank Act in its entirety and return any provisions of law amended by the Dodd-Frank Act as if the Dodd-Frank Act had not been enacted.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113s20is/pdf/BILLS-113s20is.pdf</p> <p>Status: The bill was introduced on February 27, 2013, and referred to the Senate Finance Committee.</p>
<p>Issue: Cut Unjustified Tax</p>	<p>Action: Proposed Legislation.</p>	<p>Citation/Hyperlink: The bill is accessible at:</p>

Loopholes Act, S. 268, Senator Carl Levin (D-MI)	<p>Summary: The bill would make a number of amendments to the Internal Revenue Code of 1986. Included in the bill is a provision that would authorize the Secretary of the Treasury to prohibit or impose conditions on the authorization, approval, or use in the United States of a credit card, charge card, debit card, or similar product by a domestic financial institution, on behalf of a foreign banking institution, if the Secretary of the Treasury finds that such jurisdiction, or a financial institution or class of transaction involving that jurisdiction, is of primary money laundering concern or is significantly impeding U.S. tax enforcement.</p>	<p>http://www.gpo.gov/fdsys/pkg/BILLS-113s268is/pdf/BILLS-113s268is.pdf</p> <p>Status: The bill was introduced on February 11, 2013, and referred to the Senate Finance Committee.</p>
Issue: Systemic Risk Mitigation Act, H.R. 613, Representative John Campbell (R-CA)	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would establish a trigger to determine the capital adequacy of bank holding companies, by requiring the Federal Reserve to establish a method to determine the average daily closing price of bank holding companies' long-term subordinated debt, and take prescribed actions if the price met various triggers. The bill would also repeal 12 U.S.C. § 1851 (prohibiting proprietary trading by banking entities), and section 165 of the Dodd-Frank Act (enhanced supervision and prudential standards for nonbank financial companies supervised by the Federal Reserve and bank holding companies with assets over \$50 billion).</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr613ih/pdf/BILLS-113hr613ih.pdf</p> <p>Status: The bill was introduced on February 12, 2013, and referred to the House Financial Services Committee:</p>
Issue: Federal Reserve Transparency Act of 2013, S. 209, Senator Rand Paul (R-KY)	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would direct the Comptroller General to conduct an audit of the Federal Reserve and the Federal Reserve Banks, and submit a detailed audit of findings and conclusions within 90 days of completion. It would also require the Comptroller General to audit and report on the review of loan files of homeowners in foreclosure in 2009 or 2010, required as part of the enforcement actions taken by the Board against supervised financial institutions.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113s209pcs/pdf/BILLS-113s209pcs.pdf</p> <p>Status: The bill was introduced on February 7, 2013, and placed on the Senate Legislative Calendar under General Orders.</p>
Issue: Tax Crimes and Identity Theft Prevention Act, H.R. 531, Representative Kathy Castor (D-FL)	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would amend the Internal Revenue Code in a number of ways to increase penalties for misappropriation of tax returns through identity theft. Among the bill's provisions is a requirement that the Comptroller undertake a general study and report on the role of prepaid debit cards and commercial tax preparation software in facilitating fraudulent tax returns through identity theft.</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr531ih/pdf/BILLS-113hr531ih.pdf</p> <p>Status: The bill was introduced on February 6, 2013, and referred to the House Ways and Means and Judiciary Committees.</p>
Issue: Bureau of Consumer Financial	<p>Action: Proposed Legislation.</p> <p>Summary: The bill would repeal the requirement of an annual transfer to the CFPB of funds</p>	<p>Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BIL</p>

Protection Accountability Act, H.R. 450, Representative Bill Posey (R-FL)	from the Federal Reserve, subject the CFPB to the regular authorization, budget, and appropriations process of the Treasury Department, repeal establishment of the CFPB fund, and replace the authorization of appropriations for the CFPB for FY 2010-FY 2014 with an authorization for FY 2013 only.	LS-113hr450ih/pdf/BILLS-113hr450ih.pdf Status: The bill was introduced on February 1, 2013, and referred to the House Financial Services Committee.
Issue: Responsible Consumer Financial Protection Regulations Act of 2013, S. 205, Senator Jerry Moran (R-KS)	Action: Proposed Legislation. Summary: The bill would replace the Director of the CFPB with a five-member commission, serving staggered five-year terms, no more than three of whom may be members of any one political party. The bill would also limit the CFPB's funding to an annual appropriation by Congress, and require the CFPB to consider the impact of its rules on the financial safety or soundness of an insured depository institution.	Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113s205is/pdf/BILLS-113s205is.pdf Status: The bill was introduced on January 31, 2013, and referred to the Senate Banking, Housing, and Urban Affairs Committee.
Issue: Restoring the Constitutional Balance of Power Act of 2013, S. 190, Senator Mike Johanns (R-NE)	Action: Proposed Legislation. Summary: The bill would prohibit the Federal Reserve from transferring funds to the CFPB to carry out activities authorized only upon the confirmation of a Director of the CFPB, until such time as a Director is nominated and confirmed by the Senate. It would impose similar restrictions on the National Labor Relations Board.	Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113s190is/pdf/BILLS-113s190is.pdf Status: The bill was introduced on January 31, 2013, and referred to the Senate Health, Education, Labor, and Pensions Committee.
Issue: Amendment of Truth in Lending Act, S. 172, Senator Jeff Merkley (D-OR)	Action: Proposed Legislation. Summary: The bill would: (a) amend the Electronic Fund Transfer Act ("EFTA") to authorize the issuance of remotely created checks only if the consumer has designated in writing a person to issue them; (b) treat as a preauthorized electronic fund transfer ("EFT") subject to the EFTA any voluntary repayment by a consumer of an extension of a small-dollar (\$5,000 or less) consumer credit transaction by means of an EFT; (c) amend the Truth in Lending Act ("TILA") to require any small-dollar consumer credit transaction made over electronic communication, or with a national bank, to comply with the laws of the consumer's resident state; (d) prohibit a person from facilitating, brokering, arranging, gathering applications for, distributing sensitive personal information, or extending credit in connection with a small-dollar consumer credit transaction unless that person is directly providing the credit to the consumer; (e) empower the CFPB to enforce the bill; and (f) direct the Government Accountability Office to study availability of	Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113s172is/pdf/BILLS-113s172is.pdf Status: The bill was introduced on January 29, 2013, and referred to the Senate Banking, Housing, and Urban Affairs Committee.

	capital to and the impact of small-dollar consumer credit on Indian tribes and reservations.	
Issue: Terminating the Expansion of Too-Big-To-Fail Act of 2013, S. 100, Senator David Vitter (R-LA)	Action: Proposed Legislation Summary: The bill would eliminate all supervision of nonbank financial companies by the Federal Reserve, and eliminate the duty of FSOC to identify systematically important financial market utilities and payment, clearing and settlement activities. The bill would also repeal FSOC's authority to require the submission of reports from nonbank financial companies or request the Federal Reserve to examine a nonbank financial company for the sole purpose of determining whether it should be supervised by the Federal Reserve. The bill would repeal several other provisions regarding FSOC's and the Federal Reserve's supervision of nonbank financial companies, and would repeal title VIII of the Dodd-Frank Act.	Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113s100is/pdf/BILLS-113s100is.pdf Status: The bill was introduced on January 23, 2013, and referred to the Senate Banking, Housing, and Urban Affairs Committee.
Issue: Protect and Save Act of 2013, H.R. 295, Representative Richard Nugent (R-FL)	Action: Proposed Legislation. Summary: The bill would amend the Internal Revenue Code in various ways with the intent of preventing identity theft and tax fraud. Among the bill's provisions is a requirement that the Comptroller General conduct a study to examine the role of prepaid debit cards and commercial tax preparation software in facilitating fraudulent tax returns through identity theft.	Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr73ih/pdf/BILLS-113hr73ih.pdf Status: The bill was introduced on January 15, 2013, and referred to the House Ways and Means Committee.
Issue: Repeal of the Dodd-Frank Act, H.R. 46, Representative Michelle Bachmann (R-MN)	Action: Proposed Legislation. Summary: The bill would repeal the Dodd-Frank Act in its entirety and return any provisions of law amended by the Dodd-Frank Act as if the Dodd-Frank Act had not been enacted.	Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr46ih/pdf/BILLS-113hr46ih.pdf Status: The bill was introduced on January 3, 2013, and referred to the House Financial Services, Agriculture, Energy and Commerce, Judiciary, Budget, Oversight and Government Reform, Ways and Means, and Small Business Committees.
Issue: Federal Reserve Board Abolition Act, H.R. 73, Representative	Action: Proposed Legislation. Summary: The bill would abolish the Federal Reserve and the Federal Reserve banks.	Citation/Hyperlink: The bill is accessible at: http://www.gpo.gov/fdsys/pkg/BILLS-113hr73ih/pdf/BILLS-113hr73ih.pdf

Paul Broun (R-GA)		Status: The bill was introduced on January 3, 2013, and referred to the House Financial Services Committee.
Issue: Tax-related identity theft and tax fraud Act, S 676, Senator Bill Nelson (D-FL)	Action: Proposed Legislation. Summary: A bill to prevent tax-related identity theft and tax fraud.	Citation/Hyperlink: The bill is accessible at: The bill was not available online as of April 11, 2013 http://thomas.loc.gov/cgi-bin/bdquery/D?d113:10:./temp/~bdFPyu:: Status: The bill was introduced on April 9, 2013 and referred to the Committee on Finance