



# IMPLEMENTATION OF S. 2155

## THE ECONOMIC GROWTH, REGULATORY RELIEF, AND CONSUMER PROTECTION ACT

Section/Subject	Summary	Agency	Status
<b>Sec. 101 – Minimum Standards for Residential Mortgage Loans</b>	Certain mortgage loans originated and retained in portfolio deemed to be qualified mortgages.	BCFP	<b>In effect</b> ( <i>but awaiting guidance</i> ). Analysis indicates that banks can take advantage of the provision immediately, yet there are several ambiguities and details that ICBA expects the bureau to address in a forthcoming regulation. ICBA has met with bureau staff to discuss specific facts of the act. ICBA has also submitted comments, urging the bureau to promulgate a regulation soon.
<b>Sec. 103 – Exemption from Appraisals of Real Property Located in Rural Areas</b>	Exemption for rural mortgage portfolio loans of less than \$400,000 if unable to find a state-certified/licensed appraiser to perform the appraisal in a timely manner.	FDIC, OCC, Fed	<b>In effect</b> ( <i>but awaiting guidance</i> ). The agencies are reviewing the statutory provisions to determine whether further action is necessary.
<b>Sec. 104 – Home Mortgage Disclosure Act Adjustment and Study</b>	Exemptions from collecting the new Dodd-Frank Act data fields for banks with “satisfactory” CRA ratings that originate fewer than 500 closed-end mortgage loans or fewer than 500 open-end lines of credit.	BCFP	<b>In effect.</b> The interpretive and procedural rule is available <a href="#">here</a> . At a later date, the bureau anticipates that it will initiate a notice-and-comment rulemaking to incorporate these interpretations and procedures into Regulation C and further implement S. 2155.

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<b>Sec. 108 – Escrow Requirements Relating to Certain Consumer Credit Transactions</b>	Exemption from TILA escrow requirement for banks that make 1,000 or fewer first lien mortgages on principal dwellings.	BCFP	Banks will not be able to benefit from this provision until the bureau promulgates a regulation. ICBA has already submitted a comment letter to the bureau, asking that it quickly implement this change by issuing an interim final rule.
<b>Sec. 109 – No Wait for Lower Mortgage Rates</b>	Removes three-day waiting period required under TILA-RESPA mortgage disclosure when creditor extends a second offer of credit with lower APR.	BCFP	<b>In effect (but awaiting guidance)</b> Banks are already able to take advantage of this relief. The bureau <a href="#">issued guidance</a> that incorporates this provision, which Congress codified in S. 2155.
<b>Sec. 201 – Capital Simplification for Qualifying Community Banks</b>	Agencies to establish a community bank leverage ratio (CBLR) between 8-10 percent; banks exceeding the ratio meet risk-based capital and leverage requirements and are “well-capitalized.”	FDIC, OCC, Fed	<b>High-priority.</b> The agencies will establish the CLBR after notice and comment rulemaking and after consulting with the state bank supervisors. ICBA has met with the FDIC and is advocating for a CBLR that is close to 8 percent. The agencies also will establish procedures for the treatment of community banks that fall below the CBLR after exceeding the ratio.
<b>Sec. 202 – Limited Exception for Reciprocal Deposits</b>	Certain reciprocal deposits will not be considered brokered deposits.	FDIC	<b>In effect, proposed rule issued.</b> The FDIC has issued <a href="#">proposed conforming rules</a> with a 30-day comment period. This is the first part of a two-part effort to revisit the brokered deposit rules. The FDIC plans later this year to seek comment on the brokered deposit regulations more generally.
<b>Sec. 203 – Community Bank Relief from Volcker Rule</b>	Banks under \$10 billion in assets with total trading assets and liabilities not exceeding 5 percent of total assets exempt from the Volcker rule.	FDIC, OCC, Fed	<b>In effect (but awaiting guidance).</b> The agencies have indicated that they will not enforce the final Volcker Rule in a manner inconsistent with the statutory changes. However, the agencies intend to address the statutory changes through a separate rulemaking process.
<b>Sec. 205 – Short-Form Call Reports</b>	Agencies required to reduce reporting requirements for the first and third quarters for banks under \$5 billion in assets and that meet other appropriate criteria.	FDIC, OCC, Fed	<b>High-priority.</b> The new short-form call report will be established after notice and comment rulemaking. ICBA is advocating a short-form call report consisting of: balance sheet, income statement and statement of stockholders’ equity, without additional schedules.

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<b>Sec. 206 – Option for Federal Savings Associations to Operate as Covered Savings Associations</b>	Institutions with assets of \$20 billion or less can elect to operate with national bank powers.	OCC	<b>Proposal issued.</b> The OCC issued a <a href="#">proposed rule</a> with a 60-day comment period.
<b>Sec. 207 – Small Bank Holding Company Policy Statement</b>	Raises the Federal Reserve’s Small Bank Holding Company Policy Statement’s asset limit from \$1 billion to \$3 billion.	Fed	<b>In effect.</b> The interim final rule is available <a href="#">here</a> .
<b>Sec. 210 – Examination Cycle</b>	Well-managed, well-capitalized banks with assets of less than \$3 billion qualify for 18-month exam cycle, up from \$1 billion.	FDIC, OCC, Fed	<b>In effect.</b> The interim final rule is available <a href="#">here</a> .
<b>Sec. 214 – Promoting Construction and Development on Main Street</b>	Acquisition, development and construction loans that meet certain criteria will not have higher risk-weights under risk-based capital rules.	FDIC, OCC, Fed	<b>In effect.</b> The agencies <a href="#">issued a statement</a> that this is effective immediately and that banks only need to risk-weight at 150 percent those CRE exposures they believe meet the statutory definition of HVCRE ADC loan. Also, when reporting HVCRE exposures on the call report, banks may use available information to reasonably estimate and report only HVCRE ADC loans. Alternatively, banks may also continue to report and risk-weight HVCRE exposures consistent with the current instructions for the call report until the agencies take further action. The agencies have also <a href="#">proposed</a> to revise the definition of an “HVCRE exposure” to conform to the new statutory definition of “HVCRE ADC loan.”
<b>Sec. 401 – Enhanced Supervision and Prudential Standards for Certain Bank Holding Companies</b>	Increases the asset threshold at which certain enhanced prudential standards shall apply, from \$50 billion to \$250 billion, while allowing the Fed discretion in determining whether a financial institution with assets of \$100 billion or more must be subject to such standards.	FDIC, OCC, Fed	To resolve a technical problem with the statute, the agencies are extending the deadlines for all regulatory requirements related to company-run stress testing for banks with average total consolidated assets of less than \$100 billion until Nov. 25, 2019, at which time all banks and BHCs with total consolidated assets of less than \$250 billion will be exempt. However, conforming regulations will be issued. Also, the

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	<p>It also increases the asset threshold at which company-run stress tests are required, from \$10 billion to \$250 billion, and increases the asset threshold for mandatory risk committees, from \$10 billion to \$50 billion.</p>		<p>agencies have indicated that while they will not take action to require company-run stress testing by banks with assets less than \$100 billion – “the capital planning and risk management practices of these institutions would continue to be reviewed through the regular supervisory process.”</p>
<p><b>Sec. 403 – Treatment of Certain Municipal Obligations</b></p>	<p>Agencies directed to classify investment-grade muni bonds as level 2B liquid assets under the liquidity coverage ratio rule.</p>	<p>FDIC, OCC, Fed</p>	<p><b>In effect.</b> The interim final rule is available <a href="#">here</a>.</p>