



# 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.	CFPB	<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> The <a href="#">final rule</a> adds the statutory exemption to the list of exempted transactions in the appraisal regulations. However, the final rule goes further and increases the appraisal threshold at or below which appraisals would not be required for all residential real estate-related transactions, whether rural or not, from \$250,000 to \$400,000.
<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.	CFPB	<b>In effect.</b> The interpretive and procedural rule is available <a href="#">here</a> . Separately, the bureau issued a proposed rule that would raise the coverage threshold for closed-end mortgage loans from 25 to either 50 or 100 loans and extend for another two years the current temporary coverage threshold

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			of 500 open-end lines of credit. ICBA submitted a <a href="#">comment</a> in response.
<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.	CFPB	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.	CFPB	<b>In effect.</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 for institutions with less than \$10 billion in consolidated assets; banks exceeding the ratio meet risk-based capital and leverage requirements and are “well-capitalized.”	FDIC, OCC, Fed	<b>In effect.</b> <a href="#">The final rule</a> establishes a 9 percent community bank leverage ratio (tier 1 capital to total assets). Banks that meet the ratio may opt out of risk-based capital calculations. Proposed Prompt Corrective Action proxy levels were dropped from the final rule. Instead, there is a two-quarter grace period for banks whose leverage ratio falls to below 9 percent, but above 8 percent.
<b>Sec. 202 – Limited Exception for Reciprocal Deposits</b>	Certain reciprocal deposits will not be considered brokered deposits.	FDIC	<b>In effect.</b> <a href="#">Final rule</a> exempts certain reciprocal deposits from being considered brokered deposits, for banks where reciprocal deposits are less than 20 percent of liabilities or \$5 billion, whichever is lesser. The FDIC also issued an <a href="#">Advanced Notice of Proposed Rulemaking</a> , seeking comments on all aspects of the brokered deposit and interest rate cap regulations. ICBA submitted a <a href="#">comment</a> in response.
<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.</b> The agencies issued a <a href="#">final rule</a> that is consistent with the statutory changes.

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<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>In effect.</b> The final rule is available <a href="#">here</a> . ICBA believes the final rule does little more than remove data items that generally do not apply to community banks and does not significantly reduce the call report burden for most community banks. ICBA will continue to seek meaningful relief that limits short-form reporting to the balance sheet, income statement, and statement of changes in shareholders' equity without any other supporting schedules.
<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>In effect.</b> The final rule is available <a href="#">here</a> . ICBA submitted supportive comments in response <a href="#">here</a> .
<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> . ICBA submitted supportive comments in response <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 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. The agencies also issued a final <a href="#">rule</a> , effective April 1, 2020 that conforms the regulatory definition of HVCRE ADC with the statute. The rule also clarifies the capital treatment for loans that finance the development of land under the revised HVCRE exposure definition.

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<b>Sec. 401 – Enhanced Supervision and Prudential Standards for Certain Bank Holding Companies</b>	<p>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. 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>	FDIC, OCC, Fed	<p><b>In effect.</b> The agencies issued a final <a href="#">rule</a> that removes several prudential standards for certain banks, and places banks into one of four categories depending on their asset size and risk profile. The lowest risk-category banks (generally firms with \$100B - \$250B in assets) would see the most relief, with biannual (rather than annual) stress testing, and an exemption from the Liquidity Coverage Ratio if the institution holds less than \$50 billion in weighted short term wholesale funding. Banks in that category also would not have to file resolution plans.</p>
<b>Sec. 403 – Treatment of Certain Municipal Obligations</b>	<p>Agencies directed to classify investment-grade muni bonds as level 2B liquid assets under the liquidity coverage ratio rule.</p>	FDIC, OCC, Fed	<p><b>In effect.</b> The final rule is available <a href="#">here</a>.</p>