

**FEDERAL RESERVE SYSTEM**

**12 CFR Ch. II**

**Semiannual Regulatory Flexibility Agenda**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Semiannual regulatory agenda.

**SUMMARY:** The Board is issuing this agenda under the Regulatory Flexibility Act and the Board’s Statement of Policy Regarding Expanded Rulemaking Procedures. The Board anticipates having under consideration regulatory matters as indicated below during the period November 1, 2011 through April 30, 2012. The next agenda will be published in spring 2012.

**DATES:** Comments about the form or content of the agenda may be submitted any time during the next six months.

**ADDRESSES:** Comments should be addressed to Jennifer J. Johnson, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551.

**FOR FURTHER INFORMATION CONTACT:** A staff contact for each item is indicated with the regulatory description below.

**SUPPLEMENTARY INFORMATION:** The Board is publishing its fall 2011 agenda as part of the Fall 2011 Unified Agenda of Federal Regulatory and Deregulatory Actions, which is coordinated by the Office of Management and Budget under Executive Order 12866. The agenda also identifies rules the Board has selected for review under section 610(c) of the Regulatory Flexibility Act, and public comment is invited on those entries. The complete Unified Agenda will be available to the public at the following Web site: [www.reginfo.gov](http://www.reginfo.gov). Participation

by the Board in the Unified Agenda is on a voluntary basis.

The Board’s agenda is divided into four sections. The first, Proposed Rule Stage, reports on matters the Board may consider for public comment during the next six months. The second section, Final Rule Stage, reports on matters that have been proposed and are under Board consideration. A third section, Long-Term Actions, reports on matters that have been proposed and under Board consideration, but a completion date has not been determined. And a fourth section, Completed Actions, reports on regulatory matters the Board has completed or is not expected to consider further. A dot (•) preceding an entry indicates a new matter that was not a part of the Board’s previous agenda.

**Margaret McCloskey Shanks,**  
*Associate Secretary of the Board.*

**FEDERAL RESERVE SYSTEM—PROPOSED RULE STAGE**

Sequence No.	Title	Regulation Identifier No.
574 .....	Regulation Y—Resolution Plans and Credit Exposure Reports Require (Docket No. R-1414) .....	7100-AD73
575 .....	Regulation CC—Availability of Funds and Collection of Checks (Docket No. R-1408) .....	7100-AD68
576 .....	Regulation NN—Retail Foreign Exchange Transactions (Docket No. R-1428) .....	7100-AD79
577 .....	Regulation OO—Securities Holding Companies (Docket No. R-1430) .....	7100-AD81
578 .....	Regulation LL—Savings and Loan Holding Companies and Regulation MM—Mutual Holding Companies (Docket No. R-1429).	7100-AD80

**FEDERAL RESERVE SYSTEM—LONG-TERM ACTIONS**

Sequence No.	Title	Regulation Identifier No.
579 .....	Regulation KK—Margin and Capital Requirements for Covered Swap Entities (Docket No. R-1415) .....	7100-AD74

**FEDERAL RESERVE SYSTEM—COMPLETED ACTIONS**

Sequence No.	Title	Regulation Identifier No.
580 .....	Regulation D, Q, and DD—Prohibition Against Payment of Interest on Demand Deposits (Docket No. R-1413).	7100-AD72
581 .....	Regulation II—Debit Card Interchange Fees and Routing (Docket No. R-1404) .....	7100-AD63
582 .....	Regulation Z—Truth in Lending (Docket No. R-1393) .....	7100-AD55
583 .....	Regulation Z—Truth in Lending (Docket No. R-1394) .....	7100-AD56
584 .....	Regulation Z—Escrow Requirements (Docket No. R-1406) .....	7100-AD65
585 .....	Regulation Z—Truth in Lending (Docket No. R-1417) .....	7100-AD75

**FEDERAL RESERVE SYSTEM (FRS)**

*Proposed Rule Stage*

**574. • Regulation Y—Resolution Plans and Credit Exposure Reports Require (Docket No. R-1414)**

*Legal Authority:* 12 U.S.C. 1817(j)(13); 12 U.S.C. 1818; 12 U.S.C. 1828(o); 12 U.S.C. 1851; \* \* \*

*Abstract:* The Dodd-Frank Act requires certain financial institutions to report to the Federal Reserve Board and

the Federal Deposit Insurance Corporation their plans for rapid and orderly resolution under the U.S. Bankruptcy Code. The proposed rule would establish requirements for the submission and content of a resolution plan and credit exposure report. The resolution plan must include information related to the organizational structure of the company, the manner and extent to which any insured depository institution affiliated with the

company is protected from risks presented by non-bank subsidiaries; identification of cross-guarantees, major counter parties, and the parties to whom collateral is pledged; and certain other elements including a strategic analysis of the company’s plans for maintaining core business lines and critical operations. Credit Exposure Reports must include information related to the aggregate credit exposure associated

with a range of transactions with every large financial firm.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	04/22/11	76 FR 22648
Board Expects Further Action.	01/00/12	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Barbara Bouchard, Senior Associate Director, Federal Reserve System, Division of Banking Supervision and Regulation, *Phone:* 202 452-3072.

*RIN:* 7100-AD73

**575. • Regulation CC—Availability of Funds and Collection of Checks (Docket No. R-1408)**

*Legal Authority:* 12 U.S.C. 4001 to 4010; 12 U.S.C. 5001 to 5018

*Abstract:* The Federal Reserve Board (the Board) proposed amendments to Regulation CC to facilitate the banking industry's ongoing transition to fully-electronic interbank check collection and return, including proposed amendments to condition a depository bank's right of expeditious return on the depository bank agreeing to accept returned checks electronically either directly or indirectly from the paying bank. The Board also proposed amendments to the funds availability schedule provisions to reflect the fact that there are no longer any non local checks. The Board proposed to revise the model forms in appendix C that banks may use in disclosing their funds-availability policies to their customers and to update the preemption determinations in appendix F. Finally, the Board requested comment on whether it should consider future changes to the regulation to improve the check collection system, such as decreasing the time afforded to a paying bank to decide whether to pay a check in order to reduce the risk to a depository bank of having to make funds available for withdrawal before learning whether a deposited check has been returned unpaid.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	03/25/11	76 FR 16862
Board Expects Further Action.	12/00/11	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Dena Milligan, Attorney, Federal Reserve System, Legal Division, *Phone:* 202 452-3900.

*RIN:* 7100-AD68

**576. • Regulation NN—Retail Foreign Exchange Transactions (Docket No. R-1428)**

*Legal Authority:* 7 U.S.C. 2(i)(2)(E); 12 U.S.C. 248; 12 U.S.C. 321 to 338; 12 U.S.C. 1818; 12 U.S.C. 3108; \* \* \*

*Abstract:* The Federal Reserve Board is publishing for comment a regulation to permit banking organizations under its supervision to engage in off-exchange transactions in foreign currency with retail customers. Section 2(c)(Z)(E) of the Commodity Exchange Act, as amended by the Dodd-Frank Act, requires U.S. financial institutions to effect these transactions only pursuant to rules adopted by their federal regulatory authority.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	08/03/11	76 FR 46652
Board Expects Further Action.	12/00/11	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Scott J. Holz, Senior Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-2966.

*RIN:* 7100-AD79

**577. • Regulation OO—Securities Holding Companies (Docket No. R-1430)**

*Legal Authority:* 12 U.S.C. 1850a

*Abstract:* The Federal Reserve Board (the Board) is issuing a proposed rule to implement section 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act which permits nonbank companies that own at least one registered securities broker or dealer, and that are required by a foreign regulator or provision of foreign law to be subject to comprehensive consolidated supervision, to register with the Board and subject themselves to supervision by the Board. The proposed rule outlines the requirements that a securities holding company must satisfy to make an effective election, including filing the appropriate form with the responsible Reserve Bank, providing all additional required information, and satisfying the statutory waiting period of 45 days or such shorter period as the Board determines appropriate.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	08/31/11	76 FR 54717
Board Expects Further Action.	12/00/11	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Amanda K. Allexon, Senior Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3818.

*RIN:* 7100-AD81

**578. • Regulation LL—Savings and Loan Holding Companies and Regulation MM—Mutual Holding Companies (Docket No. R-1429)**

*Legal Authority:* 5 U.S.C. 552; 5 U.S.C. 559; 5 U.S.C. 1813; 5 U.S.C. 1817; 5 U.S.C. 1828; \* \* \*

*Abstract:* Dodd-Frank Wall Street Reform and Consumer Protection Act. The interim final rules provide for the corresponding transfer from the Office of Thrift Supervision (OTS) to the Federal Reserve Board (the Board) of the regulations necessary for the Board to administer the statutes governing the Savings and Loan Holding Companies (SLHCs).

The Dodd-Frank Act transferred from OTS to the Board responsibility for supervision of SLHCs and their non-depository subsidiaries. The Dodd-Frank Act also transferred supervisory functions related to Federal savings associations and state savings associations to the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC), respectively. The Board of Governors of the Federal Reserve System is publishing an interim final rule with a request for public comment that sets forth regulations for savings and loan holding companies (SLHCs). On July 21, 2011, the responsibility for supervision and regulation of SLHCs transferred from the Office of Thrift Supervision (OTS) to the Board pursuant to section 312 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). This interim final rule provides for the corresponding transfer from the OTS to the Board of the regulations necessary for the Board to administer the statutes governing SLHCs. Technical changes to other regulations have also been made to account for the transfer of authority over SLHCs to the Board.

The interim final rule has three components: (1) New Regulation LL (Part 238), which sets forth regulations generally governing SLHCs; (2) new Regulation MM (Part 239), which sets forth regulations governing SLHCs in

mutual form; and (3) technical amendments to current Board regulations necessary to accommodate the transfer of supervisory authority for SLHCs from the OTS to the Board.

The structure of the new Regulation LL closely follows that of the Board's Regulation Y, which houses regulations directly related to bank holding companies (BHCs), in order to provide an overall structure to rules that were previously found in disparate locations. In many instances, Regulation LL incorporates current OTS regulations, with only technical modifications to account for the shift in supervisory responsibility from the OTS to the Board. Additionally, the Board added or modified regulations to reflect substantive changes introduced by the Dodd-Frank Act. Those include revisions to applications processing procedures, control determinations, requirements to engage in nonbanking activities, and notice procedures for receipt of dividends by subsidiary savings associations.

Regulation MM organizes the current OTS regulations specific to SLHCs in mutual form (MHCs) and their subsidiary holding companies into a single part of the Board's regulations. In many cases, Regulation MM mirrors the current OTS rules with only technical modifications to account for the shift in supervisory responsibility from the OTS to the Board. Additionally, the Board added or modified regulations to reflect substantive changes introduced by the Dodd-Frank Act. Those include revisions to applications processing procedures, dividend waiver procedures, review of offering circulars, forms of proxy, and proxy statements, and stock repurchases.

The Board has made technical amendments to Board rules to facilitate supervision of SLHCs. These amendments include revisions to the interagency rules implementing requirements relating to the Community Reinvestment Act, as well as the procedural and administrative rules of the Board including those relating to the Freedom of Information Act. In addition, the Board made technical amendments to implement section 312(b)(2)(A) of the Dodd Frank Act, which transfers to the Board all rulemaking authority under section 11 of HOLA relating to transactions with affiliates and extensions of credit to executive officers, directors, and principal shareholders. These amendments include revisions to parts 215 (Insider Transactions) and part 223 (Transactions with Affiliates) of Board regulations.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	09/13/11	76 FR 56508
Board Expect Further Action.	12/00/11	

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Amanda K. Allexon, Senior Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3818.

*RIN:* 7100-AD80

#### FEDERAL RESERVE SYSTEM (FRS)

##### *Long-Term Actions*

#### **579. • Regulation KK—Margin and Capital Requirements for Covered Swap Entities (Docket No. R-1415)**

*Legal Authority:* 7 U.S.C. 6s; 15 U.S.C. 78o-10

*Abstract:* The Office of the Comptroller of the Currency, Federal Reserve Board, Federal Deposit Insurance Corporation, Farm Credit Administration, and Federal Housing Finance Agency (the Agencies) are requesting comment on a proposal to establish minimum margin and capital requirements for registered swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants for which one of the Agencies is the prudential regulator. This proposed rule implements sections 731 and 764 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which require the Agencies to adopt rules jointly to establish capital requirements and initial and variation margin requirements for such entities on all non-cleared swaps and non-cleared security-based swaps in order to offset the greater risk to such entities and the financial system arising from the use of swaps and security-based swaps that are not cleared.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	04/12/11	76 FR 27564
Comment Period End.	07/11/11	76 FR 37029
Next Action Undetermined.		

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Michael Gibson, Senior Associate Director, Federal Reserve System, Division of Banking Supervision and Regulation, *Phone:* 202 452-2495.

*RIN:* 7100-AD74

#### FEDERAL RESERVE SYSTEM (FRS)

##### *Completed Actions*

#### **580. • Regulation D, Q, and DD—Prohibition Against Payment of Interest on Demand Deposits (Docket No. R-1413)**

*Legal Authority:* 12 U.S.C. 371a

*Abstract:* Section 627 of the Dodd-Frank Act repeals section 19(i) of the Federal Reserve Act in its entirety, effective July 21, 2011. The Federal Reserve Board's Regulation Q (Prohibitions Against Payment of Interest on Demand Deposits) implemented section 19(i) of the Federal Reserve Act. Accordingly, the Federal Reserve Board has repealed Regulation Q in its entirety effective July 21, 2011.

*Timetable:*

Action	Date	FR Cite
Board Adopted Final Rule.	07/18/11	76 FR 42015

*Regulatory Flexibility Analysis Required: Yes.*

*Agency Contact:* Sophia Allison, Senior Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3565.

*RIN:* 7100-AD72

#### **581. Regulation II—Debit Card Interchange Fees and Routing (Docket No. R-1404)**

*Legal Authority:* 15 U.S.C. 1693O

*Abstract:* The Federal Reserve Board (the Board) published the final rule for new Regulation II, Debit Card Interchange Fees and Routing. The rule implements the provisions of section 920 of the Electronic Fund Transfer Act, including standards for reasonable and proportional interchange transaction fees for electronic debit transactions, exemptions from the interchange transaction fee limitations, prohibitions on evasion and circumvention, prohibitions on payment card network exclusivity arrangements and routing restrictions for debit card transactions, and reporting requirements for debit card issuers and payment card networks.

The Board also adopted an interim final rule and requested comment on provisions in Regulation II that govern adjustments to debit interchange transaction fees for fraud-prevention costs. The provisions allow an issuer to receive and adjustment of 1 cent to its interchange transaction fee if the issuer develops, implements, and updates

policies and procedures that are reasonably designed to identify and prevent fraudulent electronic debit transactions, and secure debit card and cardholder data. Comments on the interim final rule must be submitted by September 30, 2011.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	12/16/10	75 FR 81722
Board Adopted Final Rule.	06/29/11	76 FR 43394

*Regulatory Flexibility Analysis*

*Required: Yes.*

*Agency Contact:* Dena Milligan, Attorney, Federal Reserve System, Legal Division, *Phone:* 202 452-3900.

*RIN:* 7100-AD63

**582. Regulation Z—Truth in Lending (Docket No. R-1393)**

*Legal Authority:* 12 U.S.C. 3806; 15 U.S.C. 1604; 15 U.S.C. 1637; 15 U.S.C. 1639; \* \* \*

*Abstract:* This proposed rule seeks to clarify aspects of the Federal Reserve Board's final rules implementing the Credit Card Accountability, Responsibility, and Disclosure Act of 2009 (Pub. L. 111-24), which were published in February 2010 (75 FR 7658) and June 2010 (75 FR 37526). The Board published a final rule substantially as proposed on April 25, 2011 (76 FR 22948).

*Timetable:*

Action	Date	FR Cite
Board Issued Interim Final Rule.	11/02/10	75 FR 67458
Board Issued Final Rule.	04/25/11	76 FR 22948
Board Issued Final Rule Effective.	10/01/11	

*Regulatory Flexibility Analysis*

*Required: Yes.*

*Agency Contact:* Benjamin K. Olson, Attorney, Federal Reserve System, Division of Consumer and Community Affairs, *Phone:* 202 452-2826.

*RIN:* 7100-AD55

**583. Regulation Z—Truth in Lending (Docket No. R-1394)**

*Legal Authority:* 12 U.S.C. 3806; 15 U.S.C. 1604; 15 U.S.C. 1637c

*Abstract:* On October 28, 2010, the Federal Reserve Board (the Board) approved for public comment an interim final rule amending Regulation Z (Truth in Lending) (75 FR 66554). The interim rule implements section 129E of the Truth in Lending Act (TILA), which was enacted on July 21, 2010, as section

1472 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. TILA section 129E establishes new requirements for appraisal independence for consumer credit transactions secured by the consumer's principal dwelling. The amendments are designed to ensure that real estate appraisals used to support creditors' underwriting decisions are based on the appraiser's independent professional judgment, free of any influence or pressure that may be exerted by parties that have an interest in the transaction. The amendments also seek to ensure that creditors and their agents pay customary and reasonable fees to appraisers. The Board sought comment on all aspects of the interim final rule, which were due by December 27, 2010. Compliance is mandatory for residential mortgage applications received by creditors on or after April 1, 2011.

*Timetable:*

Action	Date	FR Cite
Board Issued Interim Final Rule and Request for Public Comment.	10/28/10	75 FR 66554
Board Expects No Further Action.	10/01/11	

*Regulatory Flexibility Analysis*

*Required: Yes.*

*Agency Contact:* Lorna Neill, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs, *Phone:* 202 452-3667.

*RIN:* 7100-AD56

**584. Regulation Z—Escrow Requirements (Docket No. R-1406)**

*Legal Authority:* 12 U.S.C. 3806; 15 U.S.C. 1604; 15 U.S.C. 1637(c)(5); 15 U.S.C. 1639

*Abstract:* The Federal Reserve Board (Board) published in the **Federal Register** on March 2, 2011, a proposed rule that would amend Regulation Z (Truth in Lending) to implement certain amendments to the Truth in Lending Act made by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Regulation Z currently requires creditors to establish escrow accounts for higher-priced mortgage loans secured by a first lien on a dwelling. The proposal would implement statutory changes made by the Dodd-Frank Act that lengthen the time for which a mandatory escrow account established for a higher-priced mortgage loan must be maintained. In addition, the proposal would implement the Act's disclosure requirements regarding escrow accounts. The proposal also would exempt certain

loans from the statute's escrow requirement. The primary exemption would apply to mortgage loans extended by creditors that operate predominantly in rural or underserved areas, originate a limited number of mortgage loans, and do not maintain escrow accounts for any mortgage loans they service.

The comment period for the proposed rule ended on May 1, 2011. Rule making authority transferred to the CFPB on July 21, 2011. This proposal will be transferred to the CFPB which will be responsible for issuing a final rule.

*Timetable:*

Action	Date	FR Cite
Board Expects No Further Action.	07/21/11	

*Regulatory Flexibility Analysis*

*Required: Yes.*

*Agency Contact:* Nikita M. Pastor, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs, *Phone:* 202 452-3667.

*RIN:* 7100-AD65

**585. • Regulation Z—Truth in Lending (Docket No. R-1417)**

*Legal Authority:* 15 U.S.C. 1604(a); 15 U.S.C. 1639b(e); 15 U.S.C. 1639c(b)

*Abstract:* On May 11, 2011, the Federal Reserve Board published for public comment proposed amendments to Regulation Z (Truth in Lending) and the staff commentary to the regulation to implement amendments to the Truth in Lending Act (TILA) made by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act). Regulation Z currently prohibits a creditor from making a higher-priced mortgage loan without regard to the consumer's ability to repay the loan. The proposal would implement statutory changes made by the Dodd-Frank Act that expand the scope of the ability-to-repay requirement to cover any consumer credit transaction secured by a dwelling (excluding an open-end credit plan, timeshare plan, reverse mortgage, or temporary loan).

In addition, the proposal would establish standards for complying with the ability-to-repay requirement, including by making a "qualified mortgage." The proposal also implements the Act's limits on prepayment penalties. Rulemaking authority for TILA was transferred to the Consumer Financial Protection Bureau (CFPB) on July 21, 2011. Accordingly, this rulemaking become a proposal of the CFPB on that date and any further action will be taken by the CFPB. The public comment period ended on July 22, 2011.

*Timetable:*

Action	Date	FR Cite
Board Requested Comment.	05/11/11	76 FR 27390
Proposal Transferred to CFPB.	07/21/11	

*Agency Contact:* Maureen Yap, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs, *Phone:* 202 452-2412.

*RIN:* 7100-AD75

[FR Doc. 2012-1667 Filed 2-10-12; 8:45 am]

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*Regulatory Flexibility Analysis Required: Yes.*



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Part XXV

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Semiannual Regulatory Agenda