What’s New, What’s Next, and What You Need to Know in Banking Compliance

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polling question #9

Regulatory Compliance

What's New:

- Reg CC Thresholds
- 1071 Rule Delay Update
- Fair Lending
- Community Reinvestment Act
- FDIC Advertisement of Membership Rules

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Regulation CC | Funds Availability Adjustments Effective Date: July 1, 2025

- **Case-by-Case Hold:** First $275 must be made available by the next business day.
- **Exception Hold Threshold:** Increased to $6,725.
- **Adjustment Cycle:** Every five years based on inflation (next adjustment due in 2030).
- Action Items:
  - Update disclosures, policies and systems.
  - Train staff on new thresholds.

CFPB Section 1071 Rule | Small Business Lending Data Collection

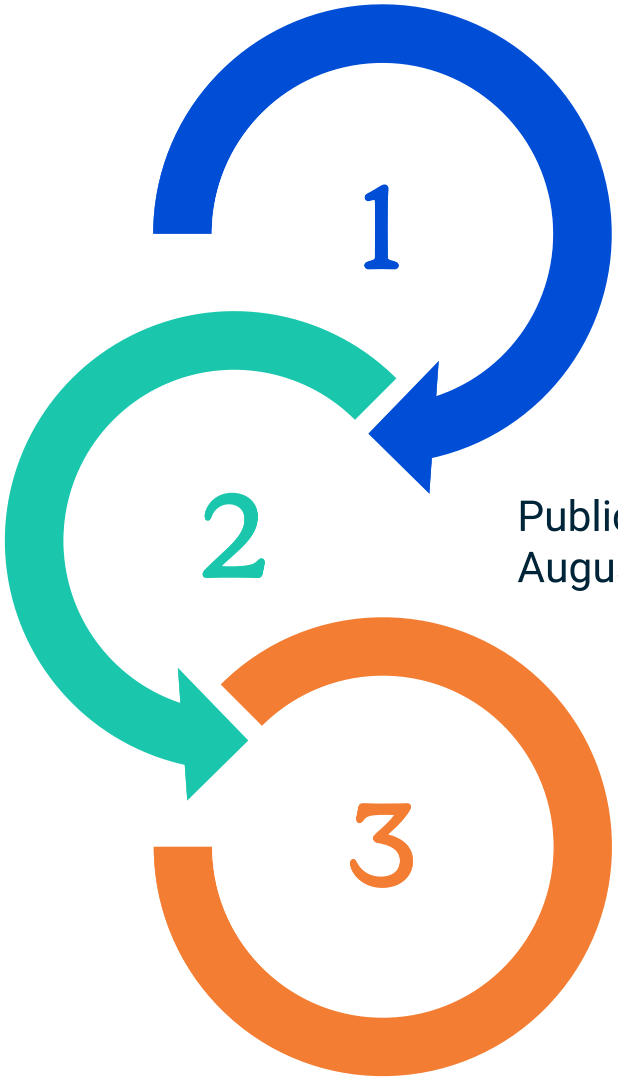
- **Compliance Dates (Final Rule Effective Dec 1, 2025):**
  - Tier 1 (≥ 2,500 originations): July 1, 2026
  - Tier 2 (≥ 500 originations): January 1, 2027
  - Tier 3 (≥ 100 originations): October 1, 2027
- **First Filing Deadlines:** June 1 of the year following compliance date.
- Institutions may use originations from any two consecutive years between 2022–2025 to determine tier.
- **Early Data Collection:** Permitted up to 12 months before compliance date for testing systems.

Fair Lending | Disparate Impact

- April 23, 2025 — Executive Order 14281
- May 15, 2025 — CFPB
- July 14, 2025 — OCC
- August 29, 2025 — FDIC
- September 4, 2025 — NCUA

Note: While not federally prioritized, disparate impact remains a cognizable legal theory, so banks are advised to maintain policies that mitigate potential disparate impact. FRB has not removed from exams.

Community Reinvestment Act



2023 Final Rule Rescinded: Agencies propose reinstating 1995 CRA framework due to litigation.

Public Comment Period: Closed August 18, 2025.

Current Framework: 1995 CRA regulations remain in effect.

FDIC Part 328 | Advertising and Membership Rules

Effective Dates

- Subpart B (Misrepresentation): January 1, 2025
- Subpart A (Signage & Advertising): May 1, 2025
- Digital Signage Requirements (§328.4 & §328.5): Delayed to March 1, 2026

Requirements

- Display FDIC official signs in physical and digital channels.
- Segregate non-deposit product areas.
- Maintain written policies and procedures.

Bank Secrecy Act

Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT)

What's New:

- Section 2313a - Fentanyl Sanctions Act
- OFAC Record Keeping Requirements
- Debanking
- SAR FAQs

Fend Off Fentanyl Act

Effective Date extended: September 4, 2025

- Their order states that U.S. financial institutions are prohibited from engaging in certain transmittals of funds involving CIBanco, Intercam Banco and Vector Casa de Bolsa.

- In support, FinCEN has centralized 311, 9714 and 2313a special measures on web page with links to each action for more details.

- Action Items:
  - Update policies and procedures to address.
  - Check with vendors – self validate

https://www.fincen.gov/resources/statutes-and-regulations/special-measures

OFAC Record Keeping

Effective Date: March 12, 2025

- Guidance was released 7-22-2024 extends recordkeeping requirements from 5 to 10 years. 21st Century Peace Through Stregth Act. Section 3111 is the section of the law that states that statute of limitations on sanctions violations be extended 10 years under the International Emergency Economic Powers Act (IEEPA) and the Trading with the Enemy Act (TEA).
- Transactions subject – 10 years
- Non-matches – not clear
- Action Items:
  - Update your policies and procedures
  - Keep it all until further guidance

Debanking

- Banking decisions must now rest on “individualized, objective and risk-based analyses,” not political affiliation, religious beliefs or other protected characteristics.
- Review and update any account closure policies.
- Document time frames for CIP documentation.
- Look at credit side too, when are we freezing lines of credit, utilizing demand clauses.
- Document decisions
- Never hurts to involve legal counsel
- **Looking ahead, the full impact of the debanking order remain unclear. Legal challenges are anticipated and we will need regulators to issue guidance.**

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FinCen FAQs

Issued October 9, 2025

1. SAR Filings for Potential Structuring-related Activity
2. Continuing SAR reviews
3. Continuing Activity Review Timeline
4. No SAR documentation

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Compliance Considerations

Hot Topics:

- Merger Playbook Development
- Importance of Documentation
- Training and Staff Support
- Board Meeting Records
- FDIC Advertisement of Membership Rules

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thank you