

Compliance Corner

Compliance Regulation Reminders for 2025

Wouldn't it be nice if you could look into a crystal ball and know what's coming your way in compliance? We usually have a general idea, but there is always a possibility for changes to occur. As we move into the new year here are a couple of regulations to keep on your radar:

FDIC Logo

Federal Deposit Insurance Corporation (FDIC) adopted a final rule to amend Part 328, which governs the FDIC logo. The amended rule has modernized the sign for digital channels. The new digital sign must be on bank websites, mobile apps, and ATMs. The rule requires banks to place the new digital sign "clearly and conspicuously" near the top of a relevant page or screen, and in close proximity to the insured depository institution (IDI)'s name. This was to go into effect in January but has been extended until May 1, 2025.

Regulation CC Threshold Adjustments

Inflation Adjustments occur every five years and in May, The Board of Governors of the Federal Reserve System, and the Consumer Financial protection Bureau (CFPB) announced the updated thresholds that are in effect on July 1, 2025, for five years:¹

Section	Threshold
Minimum Amount, 12 CFR 229.10(c)(1)(vii).	\$275
Cash Withdrawal Amount, 12 CFR 229.12(d).	\$550
New-Account Amount, 12 CFR 229.13(a)(1)(ii).	\$6,725
Large-Deposit Threshold, 12 CFR 229.13(b).	\$6,725
Repeatedly Overdrawn Threshold, 12 CFR 229.13(d)(2).	\$6,725
Civil Liability Minimum and Maximum for Individual Action, 12 CFR 229.21(a)(2)(i).	\$125 \$1,350
Civil Liability Maximum for Class Action, 12 CFR 229.21(a)(2)(ii)(B).	\$672,950

1. <https://www.consumerfinance.gov/rules-policy/final-rules/availability-funds-and-collection-checks-regulation-cc-threshold-adjustments/>

FinCEN AML CFT Proposed Rule

The proposed rule is to strengthen and modernize financial institutions' anti money laundering and countering of the financing of terrorism (AML CFT) programs.² While risk assessments have been expected, this rule would make them mandatory. While this is not a final rule, it is the beginning of other changes. BSA has been around since the 1970's, however, the international standards for money laundering and financial crimes come from the Financial Action Task Force (FATF) which was established in 1989. After 9/11 FATF expanded to include counter terrorism financing. FATF recommended the identification of beneficial owners. The European Union led the way in 2015 by passing AMLD4 with a compliance date of June 2017. AMLD4 is CDD which the United States passed in July 2016 and implemented in May 2018. FATF continues to update their recommendations to combat money laundering and terrorist financing. Their latest publication had 40 recommendations. FinCEN will continue to evolve their regulations to comply with FATF expectations.

1033 Open Banking

In October, the CFPB released the Final Rule for the Required Rule making on Personal Financial Data Rights.³ This rule states a bank must make available to consumers their financial data. This is supposed to facilitate open banking, or as I've heard in webinars, 1033 makes it easier for a consumer to break up with their current bank. This has a tiered phased implementation date depending on the asset size of the bank. If your bank has less than \$850 million in assets, this rule would not apply to you. Here's some food for thought, if you are under the threshold but your customer wanted to transfer their information, would you do it? If you would, remember you must be in compliance with the applicable data requirements.

Compliance Date	Depository Institution
April 1, 2026	Holds at least \$250 billion in total assets based on an average of its Q3 2023 through Q2 2024 call report submissions
April 1, 2027	Holds at least \$10 billion in total assets but less than \$250 billion in total assets based on an average of its Q3 2023 through Q2 2024 call report submissions
April 1, 2028	Holds at least \$3 billion in total assets but less than \$10 billion in total assets based on an average of its Q3 2023 through Q2 2024 call report submissions
April 1, 2029	Holds at least \$1.5 billion in total assets but less than \$3 billion in total assets based on an average of its Q3 2023 through Q2 2024 call report submissions
April 1, 2030	Holds less than \$1.5 billion in total assets but more than \$850 million in total assets based on an average of its Q3 2023 through Q2 2024 call report submissions

2. <https://www.federalregister.gov/documents/2024/07/03/2024-14414/anti-money-laundering-and-countering-the-financing-of-terrorism-programs>

3. <https://www.consumerfinance.gov/rules-policy/final-rules/required-rulemaking-on-personal-financial-data-rights/>

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Small Business Lending Data Collection.⁴ There is speculation on this rule and what could happen due to the change in leadership. Could we get an updated regulation? Possibly. Do the wheels in Washington move swiftly? Historically, no. The final rule has a tiered phase implementation date depending on the number of small business loan originations in the prior two years.

Compliance tier	Original compliance date	New compliance date	First filing deadline
Tier 1 institutions (highest volume lenders)	October 1, 2024	July 18, 2025	June 1, 2026
Tier 2 institutions (moderate volume lenders)	April 1, 2025	January 16, 2026	June 1, 2027
Tier 3 institutions (smallest volume lenders)	January 1, 2026	October 18, 2026	June 1, 2027

The rule does allow for a practice period for collecting the protected data. If you are in Tier One, your practice time is now; Tier Two practice time begins on January 16, 2025; Tier Three practice time begins on October 18, 2025. For those of you that are HMDA reporters, you know reporting is not easy and the margin for error is small, if you are able to practice, take advantage of that time.

4. <https://www.consumerfinance.gov/1071-rule/>