

under § 226.3(b) based on a firm commitment to extend credit. For example:

i. Assume that, on July 20, 2011, the account is exempt under § 226.3(b) based on the creditor's firm commitment to extend \$30,000 in credit. On November 1, 2011, the creditor increases the firm commitment on the account to \$55,000. In these circumstances, the account remains exempt under § 226.3(b)(1) regardless of subsequent increases in the threshold amount as a result of increases in the CPI-W.

ii. Same facts as paragraph i. above except, on November 1, 2011, the creditor increases the firm commitment on the account to \$40,000. In these circumstances, the account ceases to be exempt under § 226.3(b)(2) after December 31, 2011, and the creditor must begin to comply with the applicable requirements of this Part.

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Section 226.23—Right of Rescission

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23(a) Consumer's right to rescind Paragraph 23(a)(1).

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5. *Addition of a security interest.* Under footnote 47, the addition of a security interest in a consumer's principal dwelling to an existing obligation is rescindable even if the existing obligation is not satisfied and replaced by a new obligation, and even if the existing obligation was previously exempt under § 226.3(b). The right of rescission applies only to the added security interest, however, and not to the original obligation. In those situations, only the § 226.23(b) notice need be delivered, not new material disclosures; the rescission period will begin to run from the delivery of the notice.

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By order of the Board of Governors of the Federal Reserve System, March 24, 2011.

Jennifer J. Johnson,
Secretary of the Board.

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NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Parts 717 and 748

Fair Credit Reporting Act and Bank Secrecy Act Compliance

AGENCY: National Credit Union Administration (NCUA).

ACTION: Final rule; technical amendments.

SUMMARY: NCUA is amending its Bank Secrecy Act (BSA) Compliance and Fair Credit Reporting Act (FCRA) regulations involving the Fair and Accurate Credit Transactions Act of 2003 (FACTA) to make minor, non-substantive technical amendments. These technical amendments update citations in these NCUA regulations to conform to the

reorganization of the Financial Crimes Enforcement Network, Department of Treasury (FinCEN) BSA regulations.

DATES: *Effective Date:* April 4, 2011.

FOR FURTHER INFORMATION CONTACT: Regina Metz, Staff Attorney, 703-518-6561, or Jennifer Vickers, Trial Attorney, 703-518-6547, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314.

SUPPLEMENTARY INFORMATION: Effective March 1, 2011, FinCEN is reorganizing and moving its existing BSA regulations from 31 CFR part 103 to 31 CFR chapter X. See 75 FR 65806, October 26, 2010. NCUA is amending provisions of its FCRA FACTA regulations (12 CFR part 717), including Appendix J to 12 CFR part 717, and BSA Compliance (12 CFR part 748) regulations to make minor, non-substantive technical amendments to conform the citations therein to FinCEN's reorganized BSA regulations.

Description of the Final Rule

NCUA's FCRA FACTA and BSA Compliance regulations currently cite to FinCEN's BSA regulations in 31 CFR part 103. Due to FinCEN's reorganization of its BSA regulations, these citations to 31 CFR part 103 in NCUA's regulations would become obsolete on March 1, 2011. To avoid this, the final rule amends NCUA's FCRA FACTA regulations (12 CFR 717.82(c)(2)(i)(A)), including Appendix J to 12 CFR part 717, Section III(a), and BSA Compliance regulations (12 CFR 748.1(c)(2)(ii) and (iii) and 748.2(a) and (b)(1) and (2)) to comport with FinCEN's reorganized BSA regulations at 31 CFR chapter X.

Administrative Procedure Act

Under 5 U.S.C. 553(b)(B) of the Administrative Procedure Act (APA), an agency may, for good cause, find (and incorporate the finding and a brief statement of reasons therefore in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

This final rule makes minor, non-substantive technical amendments to NCUA's FCRA FACTA and BSA Compliance regulations as described above, to conform certain citations to FinCEN's reorganized BSA regulations. Therefore, NCUA, for good cause, finds that the notice and comment procedures prescribed by the APA are unnecessary because the final rule makes technical amendments to citations without substantive change to the relevant provisions of 12 CFR parts 717 and 748.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) does not apply to a rulemaking where a general notice of proposed rulemaking is not required. See 5 U.S.C. 603 and 604. As noted above under Administrative Procedure Act, NCUA has determined, for good cause, that it is unnecessary to publish a notice of proposed rulemaking for this final rule. Accordingly, the RFA's requirements relating to an initial and final regulatory flexibility analysis do not apply.

Paperwork Reduction Act of 1995

There are no information collection requirements in this final rule.

List of Subjects

12 CFR Part 717

Consumer protection, Credit unions, Fair and accurate credit, Fair credit reporting, Privacy, Reporting and recordkeeping requirements.

12 CFR Part 748

Consumer protection, Credit unions, Crime, Currency, Reporting and recordkeeping requirements, Security measures.

For the reasons discussed in the **SUPPLEMENTARY INFORMATION** section above, 12 CFR part 717 and 12 CFR part 748 are amended as follows:

PART 717—FAIR CREDIT REPORTING

■ 1. The authority citation for part 717 continues to read as follows:

Authority: 12 U.S.C. 1751 *et seq.*; 15 U.S.C. 1681a, 1681b, 1681c, 1681s, 1681s-1, 1681t, 1681w, 6801, and 6805, Pub. L. 108-159, 117 Stat. 1952.

■ 2. Amend § 717.82 by revising paragraph (c)(2)(i)(A) to read as follows:

§ 717.82 Duties of users regarding address discrepancies.

* * * * *

(c) * * *

(2) * * *

(i) * * *

(A) Obtains and uses to verify the consumer's identity in accordance with the requirements of the Customer Identification Program (CIP) rules implementing 31 U.S.C. 5318(l) (31 CFR 1020.220);

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■ 3. In Appendix J to part 717, revise Section III, paragraph (a) to read as follows:

Appendix J to Part 717—Interagency Guidelines on Identity Theft Detection, Prevention, and Mitigation

III. Detecting Red Flags

* * * * *

(a) Obtaining identifying information about, and verifying the identity of, a person opening a covered account; for example, using the policies and procedures regarding identification and verification set forth in the Customer Identification Program rules implementing 31 U.S.C. 5318(l) (31 CFR 1020.220); and

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PART 748—SECURITY PROGRAM, REPORT OF SUSPECTED CRIMES, SUSPICIOUS TRANSACTIONS, CATASTROPHIC ACTS, AND BANK SECRECY ACT COMPLIANCE

■ 4. The authority citation for part 748 continues to read as follows:

Authority: 12 U.S.C. 1766(a), 1786(Q), 15 U.S.C. 6801 and 6805(b); 31 U.S.C. 5311 and 5318.

■ 5. Amend § 748.1 by revising paragraphs (c)(2)(ii) and (iii) to read as follows:

§ 748.1 Filing of reports.

* * * * *

(c) * * *

(2) * * *

(ii) *Content.* A credit union must complete, fully and accurately, SAR form TDF 90–22.47, Suspicious Activity Report (also known as NCUA Form 2362) in accordance with the form's instructions and 31 CFR 1020.320. A copy of the SAR form may be obtained from the credit union resources section of NCUA's Web site, <http://www.ncua.gov>, or the regulatory section of FinCEN's Web site, <http://www.fincen.gov>. These sites include other useful guidance on SARs, for example, forms and filing instructions, Frequently Asked Questions, and the FFIEC Bank Secrecy Act/Anti-Money Laundering Examination Manual.

(iii) *Compliance.* Failure to file a SAR as required by the form's instructions and 31 CFR 1020.320 may subject the credit union, its officials, employees, and agents to the assessment of civil money penalties or other administrative actions.

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■ 6. Amend § 748.2 by revising paragraphs (a) and (b) to read as follows:

§ 748.2 Procedures for monitoring Bank Secrecy Act (BSA) compliance.

(a) *Purpose.* This section is issued to ensure that all federally insured credit unions establish and maintain procedures reasonably designed to assure and monitor compliance with the requirements of subchapter II of chapter 53 of title 31, United States Code, the Financial Recordkeeping and Reporting of Currency and Foreign Transactions Act, and the implementing regulations

promulgated under it by the Department of Treasury, 31 CFR chapter X.

(b) *Establishment of a BSA compliance program—(1) Program requirement.* Each federally insured credit union shall develop and provide for the continued administration of a program reasonably designed to assure and monitor compliance with the recordkeeping and recording requirements in subchapter II of chapter 53 of title 31, United States Code and implementing regulations issued by the Department of Treasury at 31 CFR chapter X. The compliance program must be written, approved by the credit union's board of directors, and reflected in the credit union's minutes.

(2) *Customer identification program.* Each federally insured credit union is subject to the requirements of 31 U.S.C. 5318(l) and the implementing regulation jointly promulgated by the NCUA and Department of the Treasury at 31 CFR 1020.220, which require a customer identification program to be implemented as part of the BSA compliance program required under this section.

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By the National Credit Union Administration Board, this 3rd day of March, 2011.

Mary F. Rupp,

Secretary of the Board.

[FR Doc. 2011–7911 Filed 4–1–11; 8:45 am]

BILLING CODE 7535–01–P

FEDERAL HOUSING FINANCE BOARD

12 CFR Parts 965, 966, 969, and 987

FEDERAL HOUSING FINANCE AGENCY

12 CFR Part 1270

RIN 2590–AA36

Federal Home Loan Bank Liabilities

AGENCY: Federal Housing Finance Board, Federal Housing Finance Agency.

ACTION: Final rule.

SUMMARY: The Federal Housing Finance Agency (FHFA) is re-organizing and re-adopting existing Federal Housing Finance Board (Finance Board) regulations dealing with consolidated obligations (COs), as well as related regulations addressing other authorized Federal Home Loan Bank (Bank) liabilities and book-entry procedures for COs, as new part 1270 of the FHFA regulations. The final rule amends these regulations to reflect statutory

amendments made to section 11(c) of the Federal Home Bank Act (Bank Act) with regard to the issuance of COs. Otherwise, FHFA is re-adopting most of the regulatory provisions addressed in this rulemaking without substantive change.

DATES: This rule will become effective on May 4, 2011.

FOR FURTHER INFORMATION CONTACT: Joseph A. McKenzie, Chief Economist, Federal Home Loan Bank and System Analysis, 202–408–2845, Federal Housing Finance Agency, 1625 Eye Street, NW., Washington, DC 20006; or Thomas E. Joseph, Senior Attorney-Advisor, 202–414–3095, Office of General Counsel, Federal Housing Finance Agency, Fourth Floor, 1700 G Street, NW., Washington, DC 20552. The telephone number for the Telecommunications Device for the Deaf is (800) 877–8339.

SUPPLEMENTARY INFORMATION:

I. Background

A. Creation of the Federal Housing Finance Agency and Recent Legislation

Effective July 30, 2008, the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110–289, 122 Stat. 2654, created FHFA as a new independent agency of the Federal Government, and transferred to FHFA the supervisory and oversight responsibilities of the Office of Federal Housing Enterprise Oversight (OFHEO) over the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation (collectively, the Enterprises), the oversight responsibilities of the Finance Board over the Banks and the Office of Finance (OF) (which acts as the Banks' fiscal agent) and certain functions of the Department of Housing and Urban Development. *See id.* at section 1101, 122 Stat. 2661–62. FHFA is responsible for ensuring that the Enterprises and the Banks operate in a safe and sound manner, including that they maintain adequate capital and internal controls, that their activities foster liquid, efficient, competitive and resilient national housing finance markets, and that they carry out their public policy missions through authorized activities. *See id.* at section 1102, 122 Stat. 2663–64. The Enterprises, the Banks, and the OF continue to operate under regulations promulgated by OFHEO and the Finance Board until such regulations are superseded by regulations issued by FHFA. *See id.* at sections 1301, 1302, 1311, 1312, 122 Stat. 2794–95, 2797–98.