



COMPLIANCE NEWS™

For U.S. Financial Institutions

Vol. 14 • No. 8

August 2010

Executive Summary

2010 IRS File Layout Changes.....2

The Internal Revenue Service has issued its 2010 specifications for filing information returns on electronic media (a/k/a Publication 1220). This article examines the various changes since 2009.

FDIC – Proposed OD Guidance4

The Federal Deposit Insurance Corporation (FDIC) has published proposed guidance on how banks it supervises should administer their automated overdraft (OD) payment programs. The proposed guidance includes several operational expectations that may impact a bank’s data processing system.

Dodd-Frank Financial Reform5

The Dodd-Frank Wall Street Reform & Consumer Protection Act (Dodd-Frank Act – P.L. 111-203) was signed into law on July 21, 2010. This represents the most sweeping change to financial regulation in the United States since the Great Depression. This article examines several areas that will be of interest to financial institutions and their information technology vendors.

Short Compliance Topics10

- *Regulatory Reporting – “TAG” Amounts*
- *Regulation Z – “High-Cost” Mortgages*
- *Deposit Insurance – \$250,000 Limit*
- *NCUA – Credit Union Call Report*

Emerging Issues12

This section provides a brief summary and status of selected emerging issues that are of interest to financial institutions and their information technology vendors.

Important Dates

Note: for an expanded listing of Important Dates, subscribers may refer to the secure area of our website.

- 10/1/10** Effective date of FRB's final changes to **Regulation Z** that require an escrow account for certain loans secured by manufactured housing.
- 10/1/10** Effective date of interagency final rule that implements a registration system for mortgage loan originators.
- 12/1/10** Mandatory compliance date for the penalty fee disclosure requirements included in the final amendments to Regulation Z that implement Phase III of the **Credit CARD Act of 2009**.
- 12/31/10** Effective date of OTS' changes to the Thrift Financial Report dealing with Schedule RM.
- 12/31/10** Effective date of FFIEC's changes to the Bank Call Report dealing with reverse mortgages.

COMPLIANCE NEWS™ For U.S. Financial Institutions is published monthly by:

**Teague Consulting Group
1708-C Augusta Rd.; #1
Greenville, South Carolina 29605**

Editor:.....Samuel E. Teague, M.B.A., C.P.A.
Phone..... 864-241-3010
FAX..... 864-241-3011

E-mail.....Sam.Teague@RegCompliance.com
Website..... www.RegCompliance.com

Annual Subscription Price.....\$295.00

Copyright © 2010 by Teague Consulting Group.
All rights reserved.

2010 IRS File Layout Changes

NOTE: This article addresses the 2010 changes to the electronic media specifications for Forms 1098, 1099, 3921, 3922, 5498, 8935, and W-2G. Changes to the electronic/magnetic media specifications for Form 1042-S will be addressed in a separate article when they are released by the IRS.

The IRS has issued its 2010 specifications for filing information returns on electronic media (a/k/a Publication 1220). The significant changes since 2009 are as follows:

General

- **New Form** – the following form has been added to Pub. 1220:
 - *1097-BTC* – Bond Tax Credit

Transmitter “T” Record

- **Payment Year** – field positions 2-5. The year has been incremented from “2009” to “2010.”

Payer “A” Record

- **Payment Year** – field positions 2-5. The year has been incremented from “2009” to “2010.”
- **Combined Federal/State Indicator** – field position 26. This has been moved to field position 6.
- **Type Of Return** – field position 27. The field size has been increased from one to two positions (now field positions 26-27).

In addition, the following new value has been added:

- *BT* – Form 1097-BTC [Bond Tax Credit]

- **Amount Codes** – field positions 28-41.

The following new codes have been added:

- *Form 1097-BTC*
 - 3 – Stated Principal
 - 4 March 15, 2010 Allowance Date Credit
 - 5 June 15, 2010 Allowance Date Credit
 - 6 September 15, 2010 Allowance Date Credit
 - 7 December 15, 2010 Allowance Date Credit
- *Form 3922*
 - 8 – Exercise price per share determined as if the option was exercised on the date option was granted.

The following existing codes have been deleted:

- *Form 5498*
 - E – Other Contributions

Payee “B” Record

- **Payment Year** – field positions 2-5. The year has been incremented from “2009” to “2010.”
- **Form 1097-BTC** – the following new fields have been added:
 - *Issuer Indicator* – field position 547. The possible values are as follows:
 - 1 – Issuer of Bond or Its Agent Filing Initial 2010 Form 1097-BTC for this bond
 - 2 – An Entity that Received a 2010 Form 1097-BTC for this bond
 - *Bond Issue Date* – field positions 548-555. The format is YYYYMMDD.

- *Maturity Date* – field positions 556-563. The format is YYYYMMDD.
- *CUSIP Number* – field positions 564-576.
- *Bond Code* – field positions 608-610. The possible values are as follows:
 - 101 – Qualified Forestry Conservation Bonds
 - 102 – New Clean Renewable Energy Bonds
 - 103 – Qualified Energy Conservation Bonds
 - 104 – Qualified Zone Academy Bonds
 - 105 – Qualified School Construction Bonds
 - 106 – Clean Renewable Energy Bonds
 - 107 – Midwestern Tax Credit Bonds
 - 108 – Other
 - 109 – Build America Bonds
- *Bond Issuer’s Identification Number* – field positions 611-619.
- *Bond Issuer’s Name* – field positions 620-659.
- **Form 1098-C**
 - *Goods and Services* – field positions 731-748. The field size has been decreased from 18 to 16 positions (now field positions 731-746).
- **Form 1099-INT**
 - *CUSIP Number* – field positions 587-599. This is a new field.

- **Form 1099-R**

- *Distribution Code* – field positions 545-546.

- 6 – the description has changed as follows:

- **Old Description** – Section 1035 exchange (a tax-free exchange of life insurance, annuity, or endowment contracts)

- **New Description** – Section 1035 exchange (a tax-free exchange of life insurance, annuity, qualified long-term care insurance, or endowment contracts)

- E – the description has changed as follows:

- **Old Description** – Distributions under employee plans compliance system (EPCRS)

- **New Description** – Distribution under Employee Plans Compliance Resolution System (EPCRS)

- W – this new code is used to report charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements. This code may be used in combination with Code 6 (Section 1035 exchange).

- **Form 5498** – the following field has been deleted:

- *Bankruptcy Code* – field positions 560-561.

End of Payer “C” Record

- No changes.

State Totals “K” Record

- No changes.

End of Transmission “F” Record

- No changes.

Specifications For Extensions of Time

- No changes.

Reference: *IRS Revenue Procedure 2010-26*; July 26, 2010.

FDIC – Proposed OD Guidance

The Federal Deposit Insurance Corporation (FDIC) has published proposed guidance on how banks should administer their automated overdraft (OD) payment programs. This would apply only to those financial institutions that are supervised by the FDIC (i.e., State nonmember banks).

The proposed guidance includes the following operational expectations that may impact a bank’s data processing system:

- **6-In-12 Rule** – banks would be expected to monitor overdraft activity and contact any customer who incurs more than 6 overdraft fees in a rolling 12-month period.

- **Daily Limits** – banks would be expected to establish daily limits on customer costs (e.g., by limiting the number of transactions that would be subject to an overdraft fee or by providing a dollar limit on the total overdraft fees that would be imposed).

- **Posting Order** – banks would be expected to not process checks using a posting method that maximizes the number of overdraft fees (e.g., the “high-to-low” posting method). Acceptable posting methods would include the following:

- *Order Received* – posting checks in the order received.

- *Check Number* – posting checks in check number order.

NOTE: though not specifically mentioned in the proposed guidance, the “low-to-high” posting method would presumably also be an acceptable posting method since it does not maximize the number of overdraft fees.

Comments are due by September 27, 2010.

Reference: *Financial Institution Letter FIL-47-2010*; 8/11/10

Dodd-Frank Financial Reform

On July 21, 2010, the *Dodd-Frank Wall Street Reform & Consumer Protection Act (Dodd-Frank Act – P.L. 111-203)* was signed into law. This represents the most sweeping change to financial regulation in the United States since the Great Depression. This article examines several areas that will be of interest to financial institutions and their information technology vendors.

Title III

- **OTS Abolished [§313]** – the Office of Thrift Supervision (OTS) will be abolished effective 10/19/11 (90 days after the “transfer date” of 7/21/11). After that date, federal thrifts will be supervised by the OCC, and state thrifts will be supervised by the FDIC.
- **Deposit Insurance Coverage [§335]** – the \$250,000 deposit insurance limit has been made permanent.
- **Insurance Of Transaction Accounts [§343]** – the Transaction Account Guarantee (TAG) program has been extended by 2 years (to 12/31/2012).

Title VI – Improvements To Regulation

- **Interest On Demand Deposits [§627]** – allows banks to begin paying interest on business checking accounts. This will be effective 7/21/2011 (i.e., 1 year after the date of enactment). Presumably, the FRB will publish changes to Regulation Q to implement this provision.

Title X – Bureau of Consumer Financial Protection

- **Combined Mortgage Disclosures [§1032(f)]** – no later than 1 year after the “designated transfer date” (see next paragraph), the BCFP must publish proposed rules to combine the disclosures required under TILA (Truth In Lending Act) and RESPA (Real Estate Settlement Procedures Act).
- **BCFP Designated Transfer Date [§1062]** – sometime between 1/21/11 & 7/21/11, all consumer protection functions will be transferred to the new BCFP (Bureau of Consumer Financial Protection). Once a specific date is chosen it will be announced in the Federal Register. May be extended to 1/21/12 if necessary.
- **Debit Card Interchange Fees [§1075]** – the FRB will set debit transaction fees that are “reasonable” and “proportional” to the cost of processing the transactions. Proposed regulations due within 9 months (i.e., 4/21/11). New rates to become effective within 12 months (i.e., 7/21/11). Prepaid debit cards are not covered.
- **Debit Exclusivity [§1075]** – debit card issuers may not require that transactions be routed across a single network, or over multiple networks that are controlled by the same company. The FRB will publish implementing regulations.
- **HMDA Data Collection [§1094]** – more information will have to be reported in the annual Home Mortgage Disclosure Act (HMDA) Loan/Application Register (LAR) required by Regulation C (Home Mortgage Disclosure). This will include the following:
 - *Age of Applicants*
 - *Total Points and Fees*
 - *Spread* – the difference between the APR and a benchmark rate to be determined by the BCFP
 - *Length of Prepayment Period*

- *Value of Property Securing the Loan*
- *Length of Introductory Rate Period*
- *Presence of Interest-Only or Negative Amortization Periods*
- *Loan Term*
- *Channel* – the channel through which the application was received (i.e., retail, broker or other)
- *Unique Identifier Of Loan Originator* – as required by the *Secure & Fair Enforcement for Mortgage Licensing Act of 2008* ("SAFE Act")
- *A Universal Loan Identifier*
- *Parcel Number of the Pledged Property*
- *Credit Score of the Applicants*
- *Other* – any other information the BCFP may require.

Title XIV – Mortgage Reform

- **Dates [§1400(c)]**
 - *Implementing Regulations* – final rules to implement Title XIV must be published no later than 18 months after the "Designated Transfer Date" (which is not yet determined – see Title X above).
 - *Effective Date of Regulations* – the effective date of the final regulations must be no later than 12 months after they are published.
- **Prohibition On Steering Incentives [§1403]**
 - *General* – compensation paid to a mortgage originator may not vary based on the terms of the loan (other than the amount of the principal). This effectively eliminates yield-spread premiums.
 - *Origination Fees* – a mortgage originator may not receive origination fees from both the borrower and the lender.
- **Ability To Repay [§1411]** – before making a residential mortgage loan, the lender must determine that the borrower has a reasonable ability to repay the loan (including any taxes, insurance, and assessments).

This determination must be based on verified and documented information. In addition, the lender must use a payment schedule that fully amortizes the loan over the term of the loan.

- **Prepayment Penalties [§1414]** – prepayment penalties will be allowed only for certain fixed-rate mortgages and even those will be restricted.
- **Single Premium Credit Insurance [§1414]** – the financing of single premium credit insurance is generally prohibited.
- **Negative Amortization [§1414]** – loans with negative amortization may be originated, but the consumer must first receive certain disclosures. In addition, if the borrower is a first-time buyer, he/she must get counseling.
- **Partial Payments [§1414]** – a new upfront disclosure will have to be provided that explains the creditor's policy regarding the acceptance of partial payments.
- **Hybrid ARM Adjustments [§1418]** – for a hybrid adjustable rate mortgage (ARM), the lender must send the borrower a new disclosure notice 6 months ahead of time before the interest rate resets from a fixed rate to an adjustable rate. The notice must include the following:
 - *Index* – any index or formula used in making adjustments to or resetting the interest rate and a source of information about the index or formula.
 - *Explanation* – an explanation of how the new interest rate and payment would be determined, including an explanation of how the index was adjusted, such as by the addition of a margin.
 - *Payment* – a good faith estimate of the amount of the monthly payment that will apply after the date of the adjustment or reset, and the assumptions on which this estimate is based.

- *Alternatives* – a list of alternatives consumers may pursue before the date of adjustment or reset, and descriptions of the actions consumers must take to pursue these alternatives, including the following:
 - Refinancing
 - Renegotiation of loan terms
 - Payment forbearance
 - Pre-foreclosure sales
- *Counseling* – contact information for HUD-approved counseling agencies that are available to the borrower.
- *State Housing Finance Authority* – contact information for the State housing finance authority for the State in which the borrower resides.
- **Upfront Fee Disclosures [§1419]** – there are new upfront disclosures relating to (1) the aggregate amount of settlement charges, (2) the fees paid to the originator, and (3) the amount of interest paid over the life of a loan.
- **Upfront Payment Disclosures [§1419]** – there are new upfront disclosures for variable rate loans with escrow accounts relating to the initial and fully-indexed amount of payment.
- **Periodic Statements [§1420]** – periodic statements are now required for mortgage loans. Statements will include the following:
 - *Principal Amount*
 - *Current Interest Rate*
 - *Date Of Next Rate Adjustment/Reset*
 - *Amount Of Any Prepayment Fee*
 - *Description Of Any Late Payment Fees*
 - *Contact Information* – phone number & e-mail address that can be used to obtain information about the mortgage.
 - *Counseling Agencies* – contact information for HUD-approved counseling agencies that are available to the borrower.
 - *Other* – any other information prescribed by regulations.

The FRB will publish a standard form to be used for this purpose.

NOTE: this requirement does not apply to fixed-rate mortgage loans where the lender has provided the borrower with a coupon book that includes the information set forth above.

- **High-Cost Mortgages – Definition [§1431]** – a “high-cost mortgage” is a loan that is secured by the borrower’s principal dwelling (other than a reverse mortgage) and that meets at least one of the following criteria:
 - *APR Trigger*
 - 1st Mortgages – the annual percentage rate (APR) at consummation will exceed the “average prime offer rate” for a comparable transaction by more than 6.5% (8.5% if the dwelling is personal property and the transaction amount is less than \$50,000).
 - Junior Mortgages – the APR at consummation will exceed the “average prime offer rate” for a comparable transaction by at least 8.5%
 - *Points & Fees Trigger*
 - Loan Amount \$20,000 Or More – the total of all points and fees (other than 3rd-party charges) is more than 5% of the total transaction amount.
 - Loan Amount Less Than \$20,000 – the total of all points and fees (other than 3rd-party charges) is more than the lesser of:
 - **Percentage** – 8% of the total transaction amount, or
 - **Dollar Amount** – \$1,000 (or some other dollar amount set by regulation).

NOTE: private mortgage insurance (PMI) paid at closing is included in the total points and fees amount. However, PMI paid by the consumer after closing is not included in the total points and fees amount.

➤ *Prepayment Penalties*

- Term – a prepayment penalty may be charged more than 36 months after closing.
- Amount – the prepayment penalty amount exceeds 2% of the amount prepaid.

• **High-Cost Mortgages – Limitations**

- *Balloon Payments* [§1432] – balloon payments are prohibited on a high-cost mortgage.
- *Recommended Default* [§1433] – lenders may not recommend that a borrower default on an existing loan in connection with the closing of a high-cost mortgage that refinances the existing loan.
- *Late Fees* [§1433] – late fees on high-cost mortgages are limited as follows:
 - Amount – late fees cannot be more than 4% of the payment that is past due.
 - Authorization – late fees may not be charged unless the loan document specifically authorize them.
 - Timing – late fees may not be charged any sooner than 15 days following the payment due date (30 days for loans that collect interest in advance).
 - Frequency – late fees may not be charged more than once with respect to a single late payment.

- *Acceleration Of Debt* [§1433] – high-cost mortgages may not include acceleration clauses (with some exceptions).

- *Financing Points & Fees* [§1433] – points and fees may not be financed in connection with a high-cost mortgage.

- *Modification Or Deferral Fees* [§1433] – fees may not be charged (1) to modify, renew, extend, or amend a high-cost mortgage, or (2) to defer any payment due under the terms of a high-cost mortgage.

➤ *Payoff Statements* [§1433]

- Fees – a fee may not be charged for the first payoff balance request received during a calendar year for a high-cost mortgage. However, a reasonable fee may be charged for up to 4 subsequent requests received during the same calendar year.

Also, a fee to cover the cost of providing a payoff balance via fax or courier is always permitted. However, before charging such a fee, the lender must disclose that payoff balances can be obtained for free.

- Timing – the payoff balance must be provided within 5 business days after a request is made.

- *Counseling* [§1433] – before originating a high-cost loan, lenders must obtain a certification from an approved housing counselor that the borrower has received pre-loan counseling.

• **Escrow Account Requirement [§1461]**

- *General* – the following loans must have an escrow account:

- Insured Loans – loans insured or guaranteed by State or Federal government.

- 1st Mortgages – closed-end loans (other than reverse mortgages) that are secured by a first lien on the borrower’s principal dwelling and where:
 - **Loan Amount ≤ Freddie Mac Conventional Loan Limit** – the APR will exceed the average prime offer rate by 1.5% or more.
 - **Loan Amount > Freddie Mac Conventional Loan Limit** – the APR will exceed the average prime offer rate by 2.5% or more.
- Other Loans – loans otherwise required to have an escrow account by State or Federal law.

NOTE: the FRB may create exemptions to this requirement through implementing regulations.

- Duration – the escrow account must remain in existence for at least 5 years unless:
 - PMI – the borrower’s equity increases to the point at which private mortgage insurance (PMI) is no longer required.
 - Delinquency – the borrower becomes delinquent.
 - Default – the borrower has not complied with the legal obligation; or
 - Termination – the underlying mortgage is terminated.
- Disclosures – the lender must provide the borrower with a written notice at least 3 business days before closing. The written notice must include the following information:

- General – the fact that an escrow account will be established at closing;
 - Initial Deposit – the amount required at closing to initially fund the escrow account;
 - Estimated Charges – an estimate of the first year’s charges for various escrow items (e.g., taxes, insurance, etc.);
 - Estimated Payment – the estimated monthly escrow payment amount;
 - Effect Of Termination – the borrower’s responsibilities if the account is terminated in the future;
- **Waiving Escrow Services [§1462]** – in situations where the borrower waives escrow services (i.e., an escrow account is not established at origination or is later terminated), the lender must provide the borrower with a written disclosure that includes the following information:
 - Fees – any fees for waiving the escrow account;
 - Borrower’s Responsibilities – a statement that (1) the borrower is responsible for paying the non-escrowed items, and (2) the costs for taxes, insurance, and related fees can be substantial;
 - Consequences – an explanation what will happen if the non-escrowed items are not paid, including the possibility of force-placement of insurance (which may result in increased costs or reduced coverage).
 - Other – any other information that the FRB determines is necessary for the protection of the consumer.

- **Servicer Prohibitions [§1463]**
 - *Force-Placed Insurance* – servicers may not obtain force-placed hazard insurance unless there is a reasonable basis to believe that the borrower has failed to comply with requirements to maintain property insurance.
 - *Fees* – servicers may not charge fees for responding to valid written requests.
 - *Error Resolution* – servicers may not fail to respond in a timely manner to a borrower’s requests to correct errors relating to allocation of payments, final payoff balances or avoiding foreclosure, or other standard servicer’s duties.
 - *Owner Contact Information* – servicers may not fail to respond within 10 business days to a request from a borrower to provide contact information about the owner assignee of the loan.
 - *Other* – servicers may not fail to comply with any other obligation established by regulation.
- **Prompt Refund Upon Payoff [§1463]** – when a loan is paid off, any balance left in the escrow account must be returned to the borrower within 20 days or credited to a similar account for a new mortgage loan with the same lender.
- **Prompt Crediting Of Payments [§1464]** – lenders must credit payments as of the date of receipt (except when a delay in crediting does not harm the borrower).

Exception: if a borrower makes a payment using a method that does not conform to the lender’s normal requirements, the lender must credit the payment as of 5 days after receipt.
- **Payoff Requests [§1464]** – a lender must respond to a written request for a payoff balance within 7 business days.

- **Repayment Analysis [§1465]** – for a closed-end loan secured by a first lien on a principal dwelling (other than a reverse mortgage) that has an escrow account, the “payment schedule disclosure” [§226.18(g) of Regulation Z] must take into account the amount of any monthly payment to the escrow account.

The escrow payments must be based on (1) the taxable assessed value of the property (including the value of any improvements) and (2) the replacement costs of the property for hazard insurance in the initial year after the transaction.

NOTE: this is similar to interim Regulation Z amendments that were recently published by the FRB and that become effective 1/30/11.

Reference: *Dodd-Frank Wall Street Reform and Consumer Protection Act*; P.L. 111-203; 7/21/10.

Short Compliance Topics

- **Regulatory Reporting – TAG Amounts** – the banking regulators (FDIC, FRB, OCC, & OTS) have published final changes to their regulatory reports (Bank Call Report & Thrift Financial Report) that impact financial institutions participating in the Transaction Account Guarantee (TAG) program.

Under the final changes, the data used to calculate the increased deposit insurance premiums must be changed from “quarter-end” numbers to “average daily balance” numbers. This is effective with the quarterly reports prepared as of 9/30/10. For background information see *Compliance News* for April 2010, pp. 6-7.

- **Deposit Insurance – \$250,000 Limit** – the Federal Deposit Insurance Corporation (FDIC) has amended its rules to reflect the permanent increase in deposit insurance to \$250,000. This implements Section 335 of the *Dodd-Frank Wall Street Reform & Consumer Protection Act*. Financial institutions must display new official signs no later than January 3, 2011.

- **Regulation Z – “High Cost” Mortgages** – the Federal Reserve Board (FRB) has adjusted the dollar amount that triggers additional disclosure requirements under §226.32 of Regulation Z for mortgages bearing fees above a certain amount (sometimes referred to as “HOEPA” loans, “high-cost” mortgages or “Section 32” mortgages).

Under this rule, lenders must provide additional disclosures when total points and fees payable by the consumer exceed the greater of (1) a specific dollar amount, or (2) 8% of the total loan amount.

The FRB is required to adjust the dollar amount trigger each year based on changes in the Consumer Price Index. When this rule was first implemented, the dollar amount trigger was set at \$400. Over time, the dollar amount trigger has been adjusted as follows:

1996 – \$412	2004 – \$499
1997 – \$424	2005 – \$510
1998 – \$435	2006 – \$528
1999 – \$441	2007 – \$547
2000 – \$451	2008 – \$561
2001 – \$465	2009 – \$583
2002 – \$480	2010 – \$579
2003 – \$488	

For 2011, this amount will be adjusted to \$592.

NOTE: this adjustment does not apply to “higher-priced mortgage loans” covered by §226.35 of Regulation Z (for background information, see *Compliance News* for November 2008, pp. 18-19).

- **NCUA – Credit Union Call Report** – the National Credit Union Administration (NCUA) has announced several changes to the Credit Union Call Report (Form 5300) that are effective with the September 30, 2010 filing. These changes are as follows:

➤ **Statement of Financial Condition**

- *Dollar Amount of Noninterest Bearing Transactional Accounts With Balances > \$250,000 [Item 28]* – this new item will be used to report the total dollar amount of Noninterest Bearing Transactional Accounts with balances greater than \$250,000. Accounts that exceed the \$250,000 threshold may be excluded if the entire balance in the account is fully insured under the NCUA’s deposit insurance rules (e.g., joint account relationships or “pass-through” insurance coverage).

➤ **Statement of Income & Expense**

- *Net Income (Loss) Before NCUSIF Stabilization Expense [Item 30]* – the line caption has been modified to read as follows:

Net Income (Loss) Before Temporary Corporate CU Stabilization

- *NCUSIF Stabilization Expense [Item 31]* – the line caption has been modified to read as follows:

Temporary Corporate CU Stabilization

Emerging Issues

This section provides a brief summary and status of selected emerging issues that are of interest to financial institutions and their information technology vendors. New information is shown in italics.

Note: for a complete listing of Emerging Issues, subscribers may refer to the secure area of our website.

Gift Cards H.R. 5502

- 6/10/10** – Introduced in the House by Daniel B. Maffei.
- 6/14/10** – *Passed the House.*
- 7/13/10** – *Passed the Senate.*
- 7/27/10** – *Signed by the President (P.L. 111-209).*

Key Provisions:

- Would delay the effective date of the “gift card” provisions of the **Credit CARD Act of 2009**.
- In the case of a gift certificate, store gift card, or general-use prepaid card produced before April 1, 2010, the effective date of certain disclosure requirements under the Electronic Funds Transfer Act pertaining to fees would be delayed until January 31, 2011.
- Would require the issuer of such a certificate or card, as a condition of such delayed effective date, to: (1) comply with a specified prohibition against and certain requirements for the imposition of any dormancy, inactivity, or service fees; (2) consider any such certificate or card for which funds expire to have no expiration date with respect to the underlying funds; (3) replace, at consumer request, any such certificate or card that has funds remaining at no cost to the consumer; and (4) comply with certain consumer rights disclosure requirements.

Gulf Coast Access To Savings Act H.R. 5602

- 6/24/10** – *Introduced in the House by Adam H. Putnam.*

Key Provisions:

- *Would allow penalty-free distributions from retirement plans (including IRAs) to help offset losses resulting from the oil spill in the Gulf of Mexico.*
- *Taxation of such distributions could be spread over a 3-year period.*

Small Business Tax Relief Act H.R. 5982

- 7/30/10** – *Introduced in the House by Sander M. Levin.*

Key Provisions:

- *Would repeal Section 9006 of the Patient Protection and Affordable Care Act (1099-MISC reporting for corporations).*
- *Would increase the failure-to-file penalties for various information returns.*
- *Would raise the maximum penalties than can be assessed against IRA custodians, trustees, issuers, plan administrators, or other entities responsible for late or incorrect filing of Forms 1099-R.*