

Rules and Regulations

Federal Register

Vol. 84, No. 249

Monday, December 30, 2019

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents.

DEPARTMENT OF TREASURY

Office of the Comptroller of the Currency

12 CFR Parts 3, 6, 34, 46, 160, 161, 163, and 167

[Docket ID OCC–2019–0004]

RIN 1557–AE50

Other Real Estate Owned and Technical Amendments; Correction

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Final rule; correction.

SUMMARY: On October 22, 2019, the Office of the Comptroller of the Currency (OCC) published in the **Federal Register** a final rule to revise the other real estate owned rule and make related technical amendments. The final rule had an effective date of December 1, 2019. On November 21, 2019, the OCC published a correction to that final rule in the **Federal Register** amending the final rule's effective date to January 1, 2020. This document corrects and supplements the November 21, 2019, final rule.

DATES: Effective January 1, 2020.

FOR FURTHER INFORMATION CONTACT: Kevin Korzeniewski, Counsel, or J. William Binkley, Attorney, Chief Counsel's Office, (202) 649–5490; or for persons who are hearing impaired, TTY, (202) 649–5597.

SUPPLEMENTARY INFORMATION:

I. Background

On October 22, 2019, the OCC published in the **Federal Register** a final rule to revise its rule on other real estate owned (OREO) at 12 CFR part 34, subpart E, and make related technical amendments (OREO final rule).¹ On November 21, 2019, the OCC published a correction to the OREO final rule in the **Federal Register** amending the

OREO final rule's effective date to January 1, 2020 (the November 21, 2019, final rule).² This document corrects and supplements the November 21, 2019, final rule with the additional regulatory analyses below.

II. Additional Regulatory Analyses

Good Cause To Dispense With Notice and Public Procedure

The OCC ordinarily publishes a notice of proposed rulemaking in the **Federal Register** to provide for notice and public procedure before the provisions of a rule take effect in accordance with section 553(b) of the Administrative Procedure Act (5 U.S.C. 553(b)). Nevertheless, an agency can dispense with this notice and public procedure if it finds, for good cause, that the notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest and incorporates a statement of its findings and reasons in the final rule.

The OCC finds that that there is good cause to dispense with notice and public procedure requirements in this final rule and the November 21, 2019, final rule because they are unnecessary. The November 21, 2019, final rule merely delayed the effective date of the OREO final rule to January 1, 2020, that was previously subjected to notice and public procedure. The delayed effective date avoids confusion about adopting different effective dates for national banks and Federal savings associations. This final rule merely supplements the regulatory analyses for the November 21, 2019, final rule. Therefore, the OCC finds it unnecessary to undertake further notice and public procedure with respect to this final rule and the November 21, 2019, final rule.

Congressional Review Act

Pursuant to the Congressional Review Act, the Office of Management and Budget will determine if this final rule and the November 21, 2019, final rule are not “major rules,” as defined at 5 U.S.C. 804(2). As required by the Congressional Review Act, the OCC will submit the final rules and other appropriate reports to Congress and the Government Accountability Office for review.

Dated: December 20, 2019.

Morris R. Morgan,

First Deputy Comptroller, Comptroller of the Currency.

[FR Doc. 2019–28054 Filed 12–27–19; 8:45 am]

BILLING CODE 4810–33–P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Parts 19 and 109

Notification of Inflation Adjustments for Civil Money Penalties

AGENCY: Office of the Comptroller of the Currency, Treasury.

ACTION: Notification of monetary penalties 2020.

SUMMARY: The Office of the Comptroller of the Currency (OCC) is providing notice of its maximum civil money penalties as adjusted for inflation. The inflation adjustments are required to implement the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

DATES: The adjusted maximum amount of civil money penalties in this document are applicable to penalties assessed on or after January 1, 2020, for conduct occurring on or after November 2, 2015.

FOR FURTHER INFORMATION CONTACT: Lee Walzer, Counsel, Chief Counsel's Office, (202) 649–5490, or, for persons who are deaf or hearing impaired, TTY, (202) 649–5597, Office of the Comptroller of the Currency.

SUPPLEMENTARY INFORMATION: This document announces changes to the maximum amount of each civil money penalty (CMP) within the OCC's jurisdiction to administer to account for inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (the 1990 Adjustment Act),¹ as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the 2015 Adjustment Act).² Under the 1990 Adjustment Act, as amended, federal agencies must make

¹ Public Law 101–410, Oct. 5, 1990, 104 Stat. 890, codified at 28 U.S.C. 2461 note.

² Public Law 114–74, Title VII, section 701(b), Nov. 2, 2015, 129 Stat. 599, codified at 28 U.S.C. 2461 note.

¹ 84 FR 56369 (Oct. 22, 2019).

² 84 FR 64193 (Nov. 21, 2019).

annual adjustments to the maximum amount of each CMP the agency administers. The Office of Management and Budget (OMB) is required to issue guidance to federal agencies no later than December 15 of each year providing an inflation adjustment multiplier (*i.e.*, the inflation adjustment factor agencies must use) applicable to CMPs assessed in the following year. The agencies are required to publish their CMPs, adjusted pursuant to the multiplier provided by OMB, by January 15 of the applicable year.

To the extent an agency has codified a CMP amount in its regulations, the

agency would need to update that amount by regulation. However, if an agency has codified the formula for making the CMP adjustments, then subsequent adjustments can be made solely by notice.³ In 2018, the OCC published a final regulation to remove the CMP amounts from its regulations, while updating those amounts for inflation through the notice process.⁴

On December 16, 2019, the OMB issued guidance to affected agencies on implementing the required annual adjustment, which included the relevant inflation multiplier.⁵ The OCC has applied that multiplier to the maximum

CMPs allowable in 2019 for national banks and Federal savings associations as listed in the 2019 CMP notice⁶ to calculate the maximum amount of CMPs that may be assessed by the OCC in 2020.⁷ There were no new statutory CMPs administered by the OCC during 2019.

The following charts provide the inflation-adjusted CMPs for use beginning on January 1, 2020, pursuant to 12 CFR 19.240(b) and 109.103(c)(2) for conduct occurring on or after November 2, 2015:

PENALTIES APPLICABLE TO NATIONAL BANKS

U.S. Code citation	Description and tier (if applicable)	Maximum penalty amount (in dollars) ¹
12 U.S.C. 93(b)	Violation of Various Provisions of the National Bank Act: Tier 1 Tier 2 Tier 3	10,245 51,222 2,048,915
12 U.S.C. 164	Violation of Reporting Requirements: Tier 1 Tier 2 Tier 3	4,098 40,979 2,048,915
12 U.S.C. 481	Refusal of Affiliate to Cooperate in Examination	10,245
12 U.S.C. 504	Violation of Various Provisions of the Federal Reserve Act: Tier 1 Tier 2 Tier 3	10,245 51,222 2,048,915
12 U.S.C. 1817(j)(16)	Violation of Change in Bank Control Act: Tier 1 Tier 2 Tier 3	10,245 51,222 2,048,915
12 U.S.C. 1818(i)(2) ³	Violation of Law, Unsafe or Unsound Practice, or Breach of Fiduciary Duty: Tier 1 Tier 2 Tier 3	10,245 51,222 2,048,915
12 U.S.C. 1820(k)(6)(A)(ii)	Violation of Post-Employment Restrictions: Per violation	337,016
12 U.S.C. 1832(c)	Violation of Withdrawals by Negotiable or Transferable Instrument for Transfers to Third Parties: Per violation	2,976
12 U.S.C. 1884	Violation of the Bank Protection Act	297
12 U.S.C. 1972(2)(F)	Violation of Anti-Tying Provisions regarding Correspondent Accounts, Unsafe or Unsound Practices, or Breach of Fiduciary Duty: Tier 1 Tier 2 Tier 3	10,245 51,222 2,048,915
12 U.S.C. 3110(a)	Violation of Various Provisions of the International Banking Act (Federal Branches and Agencies)	46,825
12 U.S.C. 3110(c)	Violation of Reporting Requirements of the International Banking Act (Federal Branches and Agencies): Tier 1 Tier 2 Tier 3	3,747 37,458 2,187,957
12 U.S.C. 3909(d)(1)	Violation of International Lending Supervision Act	2,549
15 U.S.C. 78u-2(b)	Violation of Various Provisions of the Securities Act, the Securities Exchange Act, the Investment Company Act, or the Investment Advisers Act: Tier 1 (natural person)—Per violation Tier 1 (other person)—Per violation Tier 2 (natural person)—Per violation Tier 2 (other person)—Per violation Tier 3 (natural person)—Per violation Tier 3 (other person)—Per violation	9,639 96,384 96,384 481,920 192,768 963,837
15 U.S.C. 1639e(k)	Violation of Appraisal Independence Requirements: First violation Subsequent violations	11,767 23,533

³ See OMB Memorandum M-18-03, "Implementation of the 2018 Annual Adjustment Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015," at 4, which permits agencies that have codified the formula to adjust CMPs for inflation to update the penalties through a notice rather than a regulation.

⁴ 83 FR 1517 (Jan. 12, 2018) (final rule); 83 FR 1657 (Jan. 12, 2018) (2018 CMP Notice).

⁵ The inflation adjustment multiplier for 2020 is 1.01764. See OMB Memorandum M-20-05, Implementation of Penalty Inflation Adjustments for 2020, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Dec. 16, 2019).

⁶ See 83 FR 66599 (Dec. 27, 2018).

⁷ Penalties assessed for violations occurring prior to November 2, 2015, will be subject to the maximum amounts set forth in the OCC's regulations in effect prior to the enactment of the 2015 Adjustment Act.

PENALTIES APPLICABLE TO NATIONAL BANKS—Continued

U.S. Code citation	Description and tier (if applicable)	Maximum penalty amount (in dollars) ¹
42 U.S.C. 4012a(f)(5)	Flood Insurance: Per violation	2,226

¹ The maximum penalty amount is per day, unless otherwise indicated.

² The maximum penalty amount for a national bank is the lesser of this amount or 1 percent of total assets.

³ These amounts also apply to CMPs in statutes that cross-reference 12 U.S.C. 1818, such as 12 U.S.C. 2804, 3108, 3349, 4309, and 4717 and 15 U.S.C. 1607, 16930, 1681s, 1691c, and 1692l.

PENALTIES APPLICABLE TO FEDERAL SAVINGS ASSOCIATIONS

U.S. Code citation	CMP description	Maximum penalty amount (in dollars) ¹
12 U.S.C. 1464(v)	Reports of Condition: 1st Tier 2nd Tier 3rd Tier	4,098 40,979 ² 2,048,915
12 U.S.C. 1467(d)	Refusal of Affiliate to Cooperate in Examination	10,245
12 U.S.C. 1467a(r)	Late/Inaccurate Reports: 1st Tier 2nd Tier 3rd Tier	4,098 40,979 ² 2,048,915
12 U.S.C. 1817(j)(16)	Violation of Change in Bank Control Act: Tier 1 Tier 2 Tier 3	10,245 51,222 ² 2,048,915
12 U.S.C. 1818(i)(2) ³	Violation of Law, Unsafe or Unsound Practice, or Breach of Fiduciary Duty: Tier 1 Tier 2 Tier 3	10,245 51,222 ² 2,048,915
12 U.S.C. 1820(k)(6)(A)(ii)	Violation of Post-Employment Restrictions: Per violation	337,016
12 U.S.C. 1832(c)	Violation of Withdrawals by Negotiable or Transferable Instruments for Transfers to Third Parties: Per violation	2,705
12 U.S.C. 1884	Violation of the Bank Protection Act	297
12 U.S.C. 1972(2)(F)	Violation of Provisions regarding Correspondent Accounts, Unsafe or Unsound Practices, or Breach of Fiduciary Duty: Tier 1 Tier 2 Tier 3	10,245 51,222 ² 2,048,915
15 U.S.C. 78u-2(b)	Violations of Various Provisions of the Securities Act, the Securities Exchange Act, the Investment Company Act, or the Investment Advisers Act: 1st Tier (natural person)—Per violation 1st Tier (other person)—Per violation 2nd Tier (natural person)—Per violation 2nd Tier (other person)—Per violation 3rd Tier (natural person)—Per violation 3rd Tier (other person)—Per violation	9,639 96,384 96,384 481,920 192,768 963,837
15 U.S.C. 1639e(k)	Violation of Appraisal Independence Requirements: First violation Subsequent violations	11,767 23,533
42 U.S.C. 4012a(f)(5)	Flood Insurance: Per violation	2,226

¹ The maximum penalty amount is per day, unless otherwise indicated.

² The maximum penalty amount for a federal savings association is the lesser of this amount or 1 percent of total assets.

³ These amounts also apply to statutes that cross-reference 12 U.S.C. 1818, such as 12 U.S.C. 2804, 3108, 3349, 4309, and 4717 and 15 U.S.C. 1607, 1681s, 1691c, and 1692l.

Dated: December 19, 2019.

Jonathan V. Gould,
Senior Deputy Comptroller and Chief
Counsel, Office of the Comptroller of the
Currency.

[FR Doc. 2019-28053 Filed 12-27-19; 8:45 am]

BILLING CODE 4810-33-P