

October 30, 2024

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551

Chief Counsel's Office
Office of the Comptroller of the Currency
400 7th Street, SW
Washington, DC 20219

James P. Sheesley
Assistant Executive Secretary
Federal Deposit Insurance
Corporation
550 17th Street, NW
Washington, DC 20429

Re: Comment on Docket ID OCC-2023-0016, Second Published Request for Comments
Under the Economic Growth and Regulatory Paperwork Reduction Act of 1996

Dear Sir or Madam,

The Mississippi Bankers Association (MBA) appreciates the opportunity to provide comments to the FDIC, Federal Reserve, and the OCC, on the regulatory burden review under the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA).¹

The Mississippi Bankers Association, the only trade group representing the commercial banking industry in Mississippi, was organized in 1889, and has served as the voice of Mississippi's banking industry for 135 years. Today, our membership includes more than 80 financial institutions. 60 of our members are chartered in Mississippi, and the vast majority are small, local, community bankers. In fact, all but four of the banks chartered in Mississippi have assets of less than \$10 billion.

I. Regulatory Burdens Impacting Banking Industry and Consumers

a. Consumer Protection (Section 1071 Small Business Lending)

While we understand that the comment period is closed and the final Section 1071 rule has been finalized and published by the Consumer Financial Protection Bureau (CFPB), the MBA is compelled to emphasize the serious harm this final rule is going to cause to small businesses throughout Mississippi and across the country. Small businesses are vital to our economy and the detrimental impact of the CFPB's final Section 1071 rule cannot be overstated. Moreover, the harm caused by this rule makes it even more critical that the

¹ Economic Growth and Regulatory Paperwork Reduction Act, 89 Fed. Reg. 50,123 (Aug. 1, 2024).

agencies avoid adding to this massive new regulatory burden for banks through other measures.

b. Consumer Protection (FDIC Signage)

The MBA recognizes the need for clear and consistent signage requirements to help consumers distinguish between FDIC-insured deposits and non-insured products. However, the recent updates to 12 CFR Part 328² have created significant confusion for banks and customers alike. We urge the FDIC to address ambiguous requirements introduced with these changes that will be difficult for many banks to implement, especially in digital banking environments.

We thank the FDIC for granting a four-month extension for compliance with these changes, but we encourage the FDIC to address the many unclear questions that continue to create confusion. For example, additional clarity is needed on whether signage is required on various transfer pages, including those allowing transfers from non-deposit to deposit accounts or external transfers, to clarify that the signage is only required for pages for mobile check deposits and internal transfers between deposit accounts. Likewise, additional clarification is needed on whether ATMS allowing consumers to transfer funds between accounts while not accepting deposits, are considered non-deposit ATMs and therefore outside the scope of Part 328. We also ask the FDIC to clarify that “non-bank third parties” in Part 328.5(g)(2) does not include affiliated non-bank brokerage entities under a shared bank holding company.

The MBA understands and supports the FDIC’s overall goal to modernize Part 328 to address evolving bank practices, we urge the FDIC to ensure it clarifies the substantial confusion remaining about these signage changes, before we reach the new compliance deadline.

c. BSA Reforms

Since the passage of the Anti-Money Laundering Act of 2020 (AMLA)³ to reform BSA laws, While the Agencies continue their ongoing review of money laundering regulations, the MBA recommends the Agencies use this opportunity to improve the effectiveness of these regulations and fully realize the purpose of the AMLA.

First, we urge the Agencies to work with FinCEN to improve government feedback to banks regarding priority threats. By emphasizing increased feedback, information, and assistance from regulators, law enforcement, and other governmental actors, the Agencies can better

² 89 Fed. Reg. 48,444 (July 28, 2024).

³ See Anti-Money Laundering Act of 2020, Public Law 116-283.

help banks effectively identify threats to the U.S. financial system. The Agencies should work with FinCEN to ensure banks receive ongoing and updated federal law enforcement priorities and trends, while also encouraging state and local law enforcement to do the same. By increasing the frequency and thoroughness of communication between law enforcement at every level and banks, the Agencies can increase the overall effectiveness of the AMLA.

We also encourage the agencies to raise the current outdated Currency Transaction Reporting (CTR) (currently \$10,000 as set in 1970) and Suspicious Activity Reporting (SAR) thresholds (currently set at \$5,000 as set in 1992) to modernize these thresholds and create more value in these reports by ensuring they are appropriately risk-based. By raising the current CTR threshold to \$30,000 while linking future increases to inflation, as well as increasing the current SARs threshold to \$10,000, the agencies can reduce over-filing and increase their currently diluted value to law enforcement. Increasing these thresholds will reduce unnecessary burden on banks, while emphasizing “quality over quantity” in information collection, allowing law enforcement to more efficiently allocate resources.

II. Conclusion

The MBA thanks the agencies for the opportunity to provide comment on the regulatory burden review under the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA).

Should you have any questions regarding the MBA’s comments, please contact me at ebennett@msbankers.com.

Sincerely,

A solid black rectangular box used to redact the signature of Eric Bennett.

Eric Bennett
Director, Government Relations
Mississippi Bankers Association