



Supervision News Flash

September 14, 2015

Regulation II Reminder

We wanted to send a quick reminder that banks are now subject to [Regulation II](#), which implements Dodd Frank Act restrictions and controls on **Debit Card Interchange Fees and Routing**. All banks that issue debit cards are subject to the regulation, although requirements vary based on the size of your banking organization. Debit card issuers that, together with their affiliates, have consolidated assets below \$10 billion are subject only to the network exclusivity and transaction routing rules. Banks above that threshold are generally subject to all of the requirements of the rule, including limits on transaction fees.

For most state member banks, we'll be assessing compliance with the regulation through a simple off-site program that will run through the remainder of this year and be coordinated through the supervisory team assigned to your organization.

If you're one of our member banks that isn't scheduled to be examined before the end of the year, you should have recently received a brief request list from us. We ask that you submit the requested information by **September 30th** for our off-site review. Once we have analyzed your response, we'll convey the results of our review in a short letter. Any recommendations in the letters will be treated similar to examination findings, and our regulatory team will track and assess issue remediation on an individual bank basis. For additional information on Regulation II, particularly for small entities, please reference, www.federalreserve.gov/bankinfo/reg/reqiicq.htm.

If you have any questions about our information request, please contact the

supervisory team assigned to your organization. Also check out these [Reg. II FAQ's](#) on the Board of Governors site. In the future Regulation II will be assessed as part of our on-site examination process.

[The Case Against Further Delay](#)

Richmond Fed President Jeffrey Lacker addressed the Retail Merchants Association in Richmond, Virginia, on Sept. 4.

[Did you read our last Supervision News Flash?](#)

That issue continued a series on the **most common IT-related examination issues** we see, including vendor management and network administration and security; we clarified expectations for and frequently asked questions on **internal audit**; we discussed the importance of **board minutes** for financial institutions; we shared insights on **seasonal lending** through our Discount Window; and recapped recently released [Supervision and Regulation guidance](#).

Mark your calendars for the 2015 Community Bankers Forum

The Richmond Fed will host a two-day Districtwide Community Bankers Forum on **November 12th and 13th**. The event, held in Richmond, will cover a number of hot banking topics and will include two keynote sessions. You'll learn more details as we get closer to the event, but be sure to mark your calendar now.

For more information on Supervision News Flash [subscribe here](#), or contact [Hamilton Holloway](#). The Supervision News Flash is an occasional publication of the Federal Reserve Bank of Richmond that provides information on topics and trends affecting financial institutions as well as Supervision, Regulation and Credit throughout the Fifth Federal Reserve District.