private-label securitization market between securitizations of ''prime/jumbo'' loans [16] which typically meet the characteristics of QM and are, therefore, exempt from risk retention as QRM, and securitizations of ''non-QM'' loans that are not QRM and, therefore, generally not exempt from risk retention. However, according to industry sources, the market for securitizations of non-QM loans was quite competitive through the end of 2019, which suggests that risk retention did not materially affect the ability of issuers in this market to obtain capital needed for mortgage originations.[17]

In light of the foregoing, the agencies are not proposing to amend the definition of QRM at this time.

Community-Focused Residential Mortgages

Community-focused residential mortgages are mortgages made by community development financial institutions (CDFIs), community housing development organizations, certain non-profits, or certain secondary financing providers, or through a state housing finance agency (HFA) program. These entities frequently make mortgage loans using flexible underwriting criteria that are not compatible with the TILA ability-to-repay requirements. To ensure continued borrower access to these loan programs, the CFPB exempted these loans from the TILA ability-to-repay requirement and, as a result, such loans are unable to be made as QMs. Similarly, the agencies provided a separate exemption for these loans from the risk retention requirement. The agencies justified this exemption by citing the ''strong underwriting procedures to maximize affordability and borrower success in keeping their homes'' and noted that the exemption ''serve[s] the public interest because these entities have stated public mission purposes to make safe, sustainable loans available primarily to [low-to moderate-income] communities.'' [18] In the years since adoption of the Credit Risk Retention Regulations, only a few CDFIs have used this exemption.[19] While HFAs have not used this exemption, discussions with market participants revealed that private securitization could become a more attractive option if a state HFA needed to issue bonds in excess of its tax-exempt allotment. Therefore, the agencies, at this time, are not proposing to amend the exemption for community-focused residential mortgages.

Three-to-Four Unit Residential Mortgages

Mortgages that are collateralized by three-to-four-unit properties are defined as ''business purpose'' loans rather than consumer credit transactions under TILA, and as such are not subject to the ability-to-repay requirement, and are unable to qualify as QMs. The agencies recognized that securitization markets typically pool mortgages collateralizing three-to-four-unit residential mortgages with other residential mortgage loans. The agencies also provided an exemption for three-to-four-unit residential mortgages that otherwise would qualify as QMs to ensure that credit did not contract to this part of the market. The number of mortgages collateralized by three-to-four-unit properties, and the percentage of such mortgages funded through private-label securitizations, is small.[20] The exemption also does not appear to be spurring any significant speculative activity in the securitization market and, at the same time, these properties are a source of affordable housing. Therefore, the agencies are not proposing to amend this exemption at this time.

Michael J. Hsu,

Acting Comptroller of the Currency.

By order of the Board of Governors of the Federal Reserve System.

Ann E. Misback,

Secretary of the Board.

Federal Deposit Insurance Corporation.

By order of the Board of Directors.

Dated at Washington, DC, on December 14, 2021.

James P. Sheesley,

Assistant Executive Secretary.

Dated: December 14, 2021.

By the Securities and Exchange Commission.

Vanessa A. Countryman,

Secretary.

Sandra L. Thompson,

Acting Director, Federal Housing Finance Agency.

By the Department of Housing and Urban Development.

Lopa P. Kolluri,

Principal Deputy Assistant Secretary for Housing, Federal Housing Commissioner.

[FR Doc. 2021–27561 Filed 12–17–21; 8:45 am]

BILLING CODE 4210–67;4810–33; 6210–01; 6714–01;2011–018070–01–P

FEDERAL RESERVE SYSTEM

12 CFR Part 228

[Regulation BB; Docket No. R–1763]

RIN 7100–AG 25

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 345

RIN 3064–AF79

Community Reinvestment Act Regulations

AGENCY: Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC).

ACTION: Joint final rule; technical amendment.

SUMMARY: The Board and the FDIC (collectively, the Agencies) are amending their Community Reinvestment Act (CRA) regulations to adjust the asset-size thresholds used to define ''small bank'' and ''intermediate small bank.'' As required by the CRA regulations, the adjustment to the threshold amount is based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI–W).

DATES: Effective January 1, 2022.

FOR FURTHER INFORMATION CONTACT:

Board: Amal S. Patel, Counsel, (202) 912–7879, or Cathy Gates, Senior Project Manager, (202) 452–2099, Division of Consumer and Community Affairs; or Gavin L. Smith, Senior Counsel, (202) 452–3474, or Cody M. Gaffney, Attorney, (202) 452–2674, Legal Division, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551.

FDIC: Patience R. Singleton, Senior Policy Analyst, Supervisory Policy Branch, Division of Depositor and Consumer Protection, (202) 898–6859; or Richard M. Schwartz, Counsel, Legal

[16] These securitizations are typically collateralized by jumbo mortgages that are ineligible for purchase by the Enterprises because they exceed the conventional loan limits set by the FHFA and by prime loans that are offered to highly qualified borrowers. These mortgages typically meet the QRM standards.

[17] *See, e.g.,* ''On the Rise: Trading Desks Focusing on Non-QM Paper.'' *Inside MBS & ABS,* Inside Mortgage Finance Publications, 2019.30, 6.

[18] 79 FR 77602, 77694 (December 24, 2014).

[19] The agencies identified seven securitizations that relied upon this exemption since 2019; these securitizations funded approximately $610 million in community-focused residential mortgages.

[20] Based on data reported under the Home Mortgage Disclosure Act (HMDA), there were about 35,000 such purchase originations in 2018 and 2019 combined, and of these, less than 2 percent appear to have been funded through private-label securitizations.

Division, (202) 898–7424, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

Background and Description of the Joint Final Rule

The Agencies' CRA regulations establish CRA performance standards for small and intermediate small banks. The CRA regulations define small and intermediate small banks by reference to asset-size criteria expressed in dollar amounts, and they further require the Agencies to publish annual adjustments to these dollar figures based on the year-to-year change in the average of the CPI–W, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million. 12 CFR 228.12(u)(2) and 345.12(u)(2). This adjustment formula was first adopted for CRA purposes by the Board, the Office of the Comptroller of the Currency (OCC), and the FDIC on August 2, 2005, effective September 1, 2005. 70 FR 44256 (Aug. 2, 2005). At that time, the Agencies noted that the CPI–W is also used in connection with other federal laws, such as the Home Mortgage Disclosure Act. *See* 12 U.S.C. 2808; 12 CFR 1003.2. On March 22, 2007, and effective July 1, 2007, the former Office of Thrift Supervision (OTS), the agency then responsible for regulating savings associations, adopted an annual adjustment formula consistent with that of the other federal banking agencies in its CRA rule previously set forth at 12 CFR part 563e. 72 FR 13429 (Mar. 22, 2007).

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act),[1] effective July 21, 2011, CRA rulemaking authority for federal and state savings associations was transferred from the OTS to the OCC, and the OCC subsequently republished, at 12 CFR part 195, the CRA regulations applicable to those institutions.[2] In addition, the Dodd-Frank Act transferred responsibility for supervision of savings and loan holding companies and their non-depository subsidiaries from the OTS to the Board, and the Board subsequently amended its CRA regulation to reflect this transfer of supervisory authority.[3]

The OCC has determined that it will adjust the asset-size criteria for institutions that are subject to OCC-issued CRA regulations, including national banks and federal and state savings associations, by a means separate from this rulemaking process.

The threshold for small banks was revised most recently in December 2020 and became effective January 1, 2021. 85 FR 83747 (Dec. 23, 2020). The current CRA regulations provide that banks that, as of December 31 of either of the prior two calendar years, had assets of less than $1.322 billion are small banks. Small banks with assets of at least $330 million as of December 31 of both of the prior two calendar years and less than $1.322 billion as of December 31 of either of the prior two calendar years are intermediate small banks. 12 CFR 228.12(u)(1) and 345.12(u)(1). This joint final rule revises these thresholds.

During the 12-month period ending November 2021, the CPI–W increased by 4.73 percent. As a result, the Agencies are revising 12 CFR 228.12(u)(1) and 345.12(u)(1) to make this annual adjustment. Beginning January 1, 2022, banks that, as of December 31 of either of the prior two calendar years, had assets of less than $1.384 billion are small banks. Small banks with assets of at least $346 million as of December 31 of both of the prior two calendar years and less than $1.384 billion as of December 31 of either of the prior two calendar years are intermediate small banks. The Agencies also publish current and historical asset-size thresholds on the website of the Federal Financial Institutions Examination Council at *http://www.ffiec.gov/cra/.*

Administrative Procedure Act and Effective Date

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.

The amendments to the regulations to adjust the asset-size thresholds for small and intermediate small banks result from the application of a formula established by a provision in the respective CRA regulations that the Agencies previously published for comment. *See* 70 FR 12148 (Mar. 11, 2005), 70 FR 44256 (Aug. 2, 2005), 71 FR 67826 (Nov. 24, 2006), and 72 FR 13429 (Mar. 22, 2007). As a result, §§ 228.12(u)(1) and 345.12(u)(1) of the Agencies' respective CRA regulations are amended by adjusting the asset-size thresholds as provided for in §§ 228.12(u)(2) and 345.12(u)(2).

Accordingly, the Agencies' rules provide no discretion as to the computation or timing of the revisions to the asset-size criteria. For this reason, the Agencies have determined that publishing a notice of proposed rulemaking and providing opportunity for public comment are unnecessary. The effective date of this joint final rule is January 1, 2022. Under 5 U.S.C. 553(d)(3) of the APA, the required publication or service of a substantive rule shall be made not less than 30 days before its effective date, except, among other things, as provided by the agency for good cause found and published with the rule. Because this rule adjusts asset-size thresholds consistent with the procedural requirements of the CRA rules, the Agencies conclude that it is not substantive within the meaning of the APA's delayed effective date provision. Moreover, the Agencies find that there is good cause for dispensing with the delayed effective date requirement, even if it applied, because their current rules already provide notice that the small and intermediate small asset-size thresholds will be adjusted as of December 31 based on 12-month data as of the end of November each year.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) does not apply to a rulemaking when a general notice of proposed rulemaking is not required. 5 U.S.C. 603 and 604. As noted previously, the Agencies have determined that it is unnecessary to publish a general notice of proposed rulemaking for this joint final rule. Accordingly, the RFA's requirements relating to an initial and final regulatory flexibility analysis do not apply.

Paperwork Reduction Act of 1995

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521) states that no agency may conduct or sponsor, nor is the respondent required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The Agencies have determined that this final rule does not create any new, or revise any existing, collections of information pursuant to the Paperwork Reduction Act. Consequently, no information collection request will be submitted to the OMB for review.

Riegle Community Development and Regulatory Improvement Act of 1994

Section 302 of the Riegle Community Development and Regulatory Improvement Act of 1994 (RCDRIA) (12 U.S.C. 4802) requires that each Federal banking agency, in determining the effective date and administrative

[1] Public Law 111–203, 124 Stat. 1376 (2010).

[2] *See* OCC interim final rule, 76 FR 48950 (Aug. 9, 2011).

[3] *See* Board interim final rule, 76 FR 56508 (Sept. 13, 2011).

compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions (IDIs), consider, consistent with principles of safety and soundness and the public interest, any administrative burdens that such regulations would place on depository institutions, including small depository institutions, and customers of depository institutions, as well as the benefits of such regulations.[4] In addition, new regulations and amendments to regulations that impose additional reporting, disclosures, or other new requirements on IDIs generally must take effect on the first day of a calendar quarter that begins on or after the date on which the regulations are published in final form.[5]

Because the final rule does not impose additional reporting, disclosure, or other requirements on IDIs, section 302 of RCDRIA does not apply. Nevertheless, the requirements of section 302 of RCDRIA, and the administrative burdens and benefits of the final rule, were considered as part of the overall rulemaking process.

Congressional Review Act

FDIC

For purposes of Congressional Review Act, the OMB makes a determination as to whether a final rule constitutes a ''major'' rule.[6] If a rule is deemed a ''major rule'' by the OMB, the Congressional Review Act generally provides that the rule may not take effect until at least 60 days following its publication.[7]

The Congressional Review Act defines a ''major rule'' as any rule that the Administrator of the Office of Information and Regulatory Affairs of the OMB finds has resulted in or is likely to result in—(A) an annual effect on the economy of $100,000,000 or more; (B) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies or geographic regions, or (C) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.[8] As required by the Congressional Review Act, the FDIC will submit the final rule and other appropriate reports to Congress and the Government Accountability Office for review.

List of Subjects

12 CFR Part 228

Banks, Banking, Community development, Credit, Investments, Reporting and recordkeeping requirements.

12 CFR Part 345

Banks, Banking, Community development, Credit, Investments, Reporting and recordkeeping requirements.

Federal Reserve System

12 CFR Chapter II

For the reasons set forth in the common preamble, the Board of Governors of the Federal Reserve System amends part 228 of chapter II of title 12 of the Code of Federal Regulations as follows:

PART 228—COMMUNITY REINVESTMENT (REGULATION BB)

■ 1. The authority citation for part 228 continues to read as follows:

Authority: 12 U.S.C. 321, 325, 1828(c), 1842, 1843, 1844, and 2901 *et seq.*

■ 2. Section 228.12 is amended by revising paragraph (u)(1) to read as follows:

§ 228.12 Definitions.

* * * * *

(u) * * *

(1) *Definition. Small bank* means a bank that, as of December 31 of either of the prior two calendar years, had assets of less than $1.384 billion. *Intermediate small bank* means a small bank with assets of at least $346 million as of December 31 of both of the prior two calendar years and less than $1.384 billion as of December 31 of either of the prior two calendar years.

* * * * *

Federal Deposit Insurance Corporation

12 CFR Chapter III

Authority and Issuance

For the reasons set forth in the common preamble, the Board of Directors of the Federal Deposit Insurance Corporation amends part 345 of chapter III of title 12 of the Code of Federal Regulations to read as follows:

PART 345—COMMUNITY REINVESTMENT

■ 3. The authority citation for part 345 continues to read as follows:

Authority: 12 U.S.C. 1814–1817, 1819–1820, 1828, 1831u and 2901–2908, 3103–3104, and 3108(a).

■ 4. Section 345.12 is amended by revising paragraph (u)(1) to read as follows:

§ 345.12 Definitions.

* * * * *

(u) * * *

(1) *Definition. Small bank* means a bank that, as of December 31 of either of the prior two calendar years, had assets of less than $1.384 billion. *Intermediate small bank* means a small bank with assets of at least $346 million as of December 31 of both of the prior two calendar years and less than $1.384 billion as of December 31 of either of the prior two calendar years.

* * * * *

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority.

Ann E. Misback,

Secretary of the Board.

Federal Deposit Insurance Corporation.

By order of the Board of Directors.

Dated at Washington, DC, on December 14, 2021.

James P. Sheesley,

Assistant Executive Secretary.

[FR Doc. 2021–27439 Filed 12–17–21; 8:45 am]

BILLING CODE 6210–01– 6714–01– P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2021–0214; Project Identifier 2018–CE–064–AD; Amendment 39–21839; AD 2021–24–18]

RIN 2120–AA64

Airworthiness Directives; Viking Aircraft Limited Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: The FAA is adopting a new airworthiness directive (AD) for all Viking Air Limited Model DHC–3 airplanes. This AD results from mandatory continuing airworthiness information (MCAI) originated by an aviation authority of another country to identify and correct an unsafe condition on an aviation product. The MCAI identifies the unsafe condition as fatigue damage of the wing strut lug fitting components and the fuselage to wing strut attachment (tie-bar). This AD requires determining service life limits

[4] 12 U.S.C 4802(a).

[5] 12 U.S.C 4802(b).

[6] 5 U.S.C. 801 *et seq.*

[7] 5 U.S.C. 801(a)(3).

[8] 5 U.S.C. 804(2).