

RKL REGULATORY COMPLIANCE FOR FINANCIAL INSTITUTIONS >

April 2020

FFIEC Updates BSA/AML Examination Manual

April 15, 2020

- The Agencies made revisions throughout the updated sections to ensure language clearly distinguishes between mandatory regulatory requirements and supervisory expectations set forth in guidance. The revisions also incorporate regulatory changes since the last update of the Manual in 2014.
- Many of the revisions are designed to emphasize and enhance the Agencies' risk-focused approach to BSA/AML supervision.
- Revised sections include: Risk Focused BSA/AML Supervision, Assessing the BSA/AML Compliance Program, BSA/AML Risk Assessment, and Developing Conclusions and Finalizing the Exam

[BSA/AML Manual Updates](#)

[Press Release and Informational Links](#)

Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Loan Programs

April 13, 2020

- Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board) and Federal Deposit Insurance Corporation (FDIC) issued an interim final rule to provide liquidity to small business lenders and the broader credit markets, to help stabilize the financial system and to provide economic relief to small businesses nationwide, the Board of Governors of the Federal Reserve System (Board) authorized each of the Federal Reserve Banks to participate in the Paycheck Protection Program Lending Facility (PPPL Facility), pursuant to section 13(3) of the Federal Reserve Act.
- Under the PPPL Facility, each of the Federal Reserve Banks will extend non-recourse loans to eligible financial institutions to fund loans guaranteed by the Small Business Administration under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). To facilitate use of this Federal Reserve facility, the Office of the Comptroller of the Currency, the Board and the Federal Deposit Insurance Corporation (together, the agencies) are adopting this interim final rule to allow banking organizations to neutralize the regulatory capital effects of participating in the facility. This treatment is similar to the treatment extended previously by the agencies in connection with the Federal Reserve's Money Market Mutual Fund Liquidity Facility.
- In addition, as mandated by section 1102 of the CARES Act, loans originated under the Small Business Administration's Paycheck Protection Program will receive a zero percent risk weight under the agencies' regulatory capital rule.

[Additional Information](#)

Regulation A: Extensions of Credit by Federal Reserve Banks

March 24, 2020

- The Board of Governors of the Federal Reserve System (Board) has adopted final amendments to its Regulation A to reflect the Board's approval of a decrease in the rate for primary credit at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically decreased by formula as a result of the Board's primary credit rate action.
- Effective March 24, 2020

[Additional Information](#)

Implementation of the Small Business 7(a) Lending Oversight Reform Act of 2018

March 16, 2020

- The Small Business Administration (SBA or Agency) is amending its business loan program regulations to implement the Small Business 7(a) Lending Oversight Reform Act of 2018 (Act) and make other amendments that will strengthen SBA's lender oversight and ensure the integrity of the business loan programs.
- The key amendments in this rule codify SBA's informal enforcement actions, new civil monetary penalties and certain appeal rights for 7(a) Lenders, clarify certain enforcement actions for Microloan Intermediaries and adopt statutory changes to the credit elsewhere test. The rule also makes other technical amendments, updates and conforming changes including clarifying oversight and enforcement related definitions.
- Effective April 15, 2020

[Additional Information](#)

Regulation D: Reserve Requirements of Depository Institutions

March 10, 2020

- The Board of Governors of the Federal Reserve System (Board) is amending Regulation D (Reserve Requirements of Depository Institutions) to revise the rate of interest paid on balances maintained to satisfy reserve balance requirements (IORR) and the rate of interest paid on excess balances (IOER) maintained at Federal Reserve Banks by or on behalf of eligible institutions. The final amendments specify that IORR is 1.10 percent and IOER is 1.10 percent, a 0.50 percentage point decrease from their prior levels. The amendments are intended to enhance the role of such rates of interest in maintaining the Federal funds rate in the target range established by the Federal Open Market Committee (FOMC or Committee).
- Effective March 10, 2020

[Additional Information](#)

OCC Proposes Amendments to Licensing Rules

April 2, 2020

- The Office of the Comptroller of the Currency (OCC) is proposing to amend its rules relating to policies and procedures for corporate activities and transactions involving national banks and Federal savings associations to update and clarify the policies and procedures, eliminate unnecessary requirements consistent with safety and soundness and make other technical and conforming changes.
- Comments due by May 4, 2020

[Additional Information](#)

CFPB Proposes to Amend Regulation F - Fair Debt Collection Practices Act (FDCPA)

March 3, 2020

- The Bureau of Consumer Financial Protection (Bureau) proposes to amend Regulation F, which implements the Fair Debt Collection Practices Act (FDCPA) and currently contains the procedures for state application for exemption from the provisions of the FDCPA.
- On May 21, 2019, the Bureau published in the **Federal Register** a proposed rule (May 2019 Proposed Rule) that would prescribe Federal rules governing the activities of debt collectors, as that term is defined in the FDCPA.
- This proposal supplements the May 2019 Proposed Rule by proposing to require debt collectors to make certain disclosures when collecting time-barred debts.

[Additional Information](#)

Paycheck Protection Program FAQs

April 14, 2020

- The Small Business Administration (SBA), in consultation with the Department of the Treasury, intends to provide timely additional guidance to address borrower and lender questions concerning the implementation of the Paycheck Protection Program (PPP), established by section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act or the Act).
- Borrowers and lenders may rely on the guidance provided in this document as SBA's interpretation of the CARES Act and of the Paycheck Protection Program Interim Final Rule (PPP Interim Final Rule).
- The U.S. government will not challenge lender PPP actions that conform to this guidance, and to the PPP Interim Final Rule and any subsequent rulemaking in effect at the time.

[Interim Final Rule – 4.9.2020](#)

[FAQ - 4.14.2020](#)

[Interim Final Rule - 4.14.2020](#)

Community Development Financial Institutions Fund

April 3, 2020

- Notice of Funds Availability (NOFA) inviting Applications for the Fiscal Year (FY) 2020 Funding Round of the Bank Enterprise Award Program (BEA Program).
- This NOFA is issued in connection with the FY 2020 funding round of the Bank Enterprise Award Program (BEA Program). The BEA Program is administered by the U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund). Through the BEA Program, the CDFI Fund awards formula-based grants to depository institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) for increasing their levels of loans, investments, Service Activities and technical assistance to residents and businesses in the most economically Distressed Communities, and financial assistance and technical assistance to certified Community Development Financial Institutions (CDFIs) through equity investments, equity-like loans, grants, stock purchases, loans, deposits and other forms of assistance, during a specified period.

Additional Information

Joint Statement on Supervisory Enforcement Practices Regarding Mortgage Servicing Rules in Response to COVID-19 and the CARES Act

April 3, 2020

- The Consumer Financial Protection Bureau (Bureau), Board of Governors of the Federal Reserve System (Federal Reserve), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the State Banking Regulators (collectively, the agencies) recognize the serious impact the Coronavirus Disease (referred to as COVID-19) emergency may have on consumers and on the operations of many supervised entities, including mortgage servicers.
- Mortgage servicers play a vital role in assisting consumers when they face challenges in paying their mortgages, and the agencies understand that the current crisis could pose temporary business disruptions and challenges for mortgage servicers, including staffing challenges, that could impede their ability to assist consumers at this critical time. The agencies also recognize that there is the potential for consumer confusion about how to seek help or how to respond to some of the options that mortgage servicers may be offering at this time.

[Additional Information](#)

Effective Date	Implementing Rule/Regulation	Additional Details
April 1, 2019	Prepaid Rule	<ul style="list-style-type: none"> • Rule • Compliance Guide
July 1, 2019	Mandatory acceptance of certain private flood insurance	<ul style="list-style-type: none"> • Rule
August 12, 2019	Reg D – Reserve Requirements of Depository Institutions	<ul style="list-style-type: none"> • Rule
August 12, 2019	Reg A – Extensions of Credit by Federal Reserve Banks	<ul style="list-style-type: none"> • Rule
August 19, 2019	Small Business Size Standards	<ul style="list-style-type: none"> • Rule
September 20, 2019	Assessment of Fees	<ul style="list-style-type: none"> • Rule
October 1, 2019	Regulatory Capital Rule	<ul style="list-style-type: none"> • Rule
October 1, 2019	Recordkeeping for Timely Deposit Insurance Determination	<ul style="list-style-type: none"> • Rule
October 9, 2019	OCC, Federal Reserve System and FDIC Rule on Real Estate Appraisals	<ul style="list-style-type: none"> • Rule
October 22, 2019	NCUA Rule on Real Estate Appraisals	<ul style="list-style-type: none"> • Rule
December 2, 2019	NCUA Payday Alternative Loans	<ul style="list-style-type: none"> • Rule

Effective Date	Implementing Rule/Regulation	Additional Details
December 28, 2019	Taxpayer First Act	• Rule
January 1, 2020	Simplify “Volcker Rule”	• Rule
January 1, 2020	CRA Asset Size Adjustment for Small and Intermediate Small Institutions	• Rule
January 1, 2020	HMDA Adjustment to Asset Size Exemption Threshold	• Rule
July 1, 2020	Final Amendments to Reg. CC Funds Availability	• Rule
November 1, 2020	New URLA Required Use	• Issuance
November 19, 2020	Payday, Vehicle Title, and Certain High-Cost Installment Loans; Delay of Compliance Date	• Issuance



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