

RKL REGULATORY COMPLIANCE FOR FINANCIAL INSTITUTIONS >

June 2020

CFPB Revises Regulation E Remittance Rules

June 5, 2020

- The Bureau of Consumer Financial Protection (Bureau) is issuing a final rule amending Regulation E and the official interpretations of Regulation E Remittance Transfer Rules to provide tailored expectations to address compliance challenges that insured institutions may face in certain circumstances upon the expiration of a statutory exception that allows insured institutions to disclose estimates instead of exact amounts to consumers. That exception expires on July 21, 2020. In addition, the Bureau is increasing a safe harbor threshold in the rule related to whether a person makes remittance transfers in the normal course of its business.
- Effective Date July 1, 2020.

[Additional Information](#)

OCC Issues Final Rule on Permissible Interest on Loans That Are Sold, Assigned or Otherwise Transferred

June 5, 2020

- The OCC Bureau of Consumer Financial Protection (Bureau) is issuing a final rule to codify its conclusion that when a national bank or savings association (bank) sells, assigns or otherwise transfers a loan, interest permissible before the transfer continues to be permissible after the transfer.
- Effective August 3, 2020

[Additional Information](#)

OCC Issues Final Rule to Strengthen and Modernize the Community Reinvestment Act (CRA)

June 5, 2020

- The OCC issued a final rule that makes changes in four areas of the CRA framework. Specifically, the final rule: (1) Clarifies and expands the bank lending, investment and services (collectively, qualifying activities or CRA activities) that qualify for positive CRA consideration; (2) updates how banks delineate the assessment areas in which they are evaluated; (3) provides additional methods for evaluating CRA performance in a consistent and objective manner; and (4) requires reporting that is timely and transparent.
- The new framework incentivizes banks to achieve specific performance goals; this is in contrast to the previous rule, under which banks received ratings based primarily on a curve compared to their peers' performance. Timely and transparent CRA data, including CRA performance evaluations (CRA PEs), will provide meaningful information to all stakeholders, rather than to relatively few experts.
- Effective October 1, 2020, January 1 2023, or January 1, 2024 , as applicable

[Additional Information](#)

CFPB Proposes Amendments to Facilitate the LIBOR Transition (Regulation Z)

June 4, 2020

- The Bureau of Consumer Financial Protection (Bureau) is proposing to amend Regulation Z, which implements the Truth in Lending Act, generally to address the sunset of LIBOR, expected to be discontinued after 2021. The proposal is to facilitate creditors' transition away from using LIBOR as an index for variable-rate consumer credit products. The Bureau is proposing changes to certain open-end and closed-end provisions to provide examples of replacement indices for LIBOR indices that meet certain Regulation Z standards. The Bureau also is proposing changes to certain open-end provisions restricting index changes, requiring change-in-terms notices, and addressing how credit card rate reevaluation requirements apply.
- In addition to this proposed rule, the Bureau issued a set of [Frequently Asked Questions \(FAQs\)](#) to address other LIBOR transition topics and regulatory questions under the existing rule. The FAQs deal with issues related to general implementation considerations, and restate requirements for adjustable-rate mortgage servicing notices, adjustable-rate mortgage and HELOC origination disclosures, and requirements under AMTPA.

[Additional Information](#)

Federal Deposit Insurance Corporation (FDIC) Proposed Rule to Mitigate the Deposit Insurance Assessment Effects of Participating in the Paycheck Protection Program (PPP)

June 4, 2020

- The Federal Deposit Insurance Corporation is seeking comment on a proposed rule that would mitigate the deposit insurance assessment effects of participating in the Paycheck Protection Program (PPP) established by the Small Business Administration (SBA), and the Paycheck Protection Program Lending Facility (PPPLF) and Money Market Mutual Fund Liquidity Facility (MMLF) established by the Board of Governors of the Federal Reserve System.
- The proposed changes would remove the effect of participation in the PPP and PPPLF on various risk measures used to calculate an insured depository institution's (IDI) assessment rate, remove the effect of participation in the PPPLF and MMLF programs on certain adjustments to an IDI's assessment rate, provide an offset to an IDI's assessment for the increase to its assessment base attributable to participation in the MMLF and PPPLF, and remove the effect of participation in the PPPLF and MMLF programs when classifying insured depository institutions as small, large or highly complex for assessment purposes.

[Additional Information](#)

CFPB Notice of Availability of Revised Consumer Information Publication (CHARM Booklet)

June 4, 2020

- The Bureau of Consumer Financial Protection (Bureau) announces the availability of an updated consumer publication, the Consumer Handbook on Adjustable Rate Mortgages booklet, also known as the CHARM booklet, required under the Real Estate Settlement Procedures Act (RESPA) implemented by Regulation X and the Truth in Lending Act (TILA) implemented by Regulation Z. This version of the CHARM booklet is updated to align with the Bureau's educational efforts, to be more concise and to improve readability and usability.
- Supplies of existing booklets may be used until exhausted.
- Link to new booklet https://files.consumerfinance.gov/f/documents/cfpb_charm_booklet.pdf

[Additional Information](#)

FDIC Responds to Exception Requests Pursuant to Recordkeeping for Timely Deposit Insurance Determination

June 3, 2020

- The FDIC is providing notice to covered institutions that it has granted the following time-limited exceptions:
- The information technology system requirements and general recordkeeping requirements for certain accounts that require data cleanup, system update or customer outreach to make a deposit insurance determination
- The information technology system requirements and general recordkeeping requirements for certain internal (work-in-process) accounts that require an additional 24 hours (48 hours in total) post failure to obtain beneficial ownership information from internal business lines necessary to make a deposit insurance determination.
- The FDIC's grants of exception relief were effective May 28, 2020

[Additional Information](#)

FDIC Financial Institution Letter Regarding Annual Survey of Branch Deposits as of June 30, 2020

June 3, 2020

- The Summary of Deposits (SOD) is the annual survey of branch office deposits as of June 30 for all FDIC-insured institutions, including insured U.S. branches of foreign banks. All institutions with branch offices are required to submit the survey; institutions with only a main office are exempt. All survey responses are required by July 31, 2020. No filing extensions will be granted.
- **Statement of Applicability to Institutions with Total Assets under \$1 Billion:** This Financial Institution Letter (FIL) applies to all FDIC-insured institutions.
- **Highlights:** By June 30, 2020, institutions should review their current branch office information using the FDIC's [BankFind](#) website and submit changes through [FDICconnect](#) (FCX). Details on how to use FCX are provided in the SOD reporting instructions. Changes that cannot be submitted through FCX should be included in the SOD survey.

FDIC Financial Institution Letter Regarding Annual Survey of Branch Deposits as of June 30, 2020 *(continued)*

June 3, 2020

- Beginning July 1, 2020, institutions may submit their SOD survey. All survey responses are required by July 31, 2020. No extensions will be granted for submitting SOD data.
- Institutions must either complete the survey directly in the [Central Data Repository](#) (CDR) or use vendor software to prepare and submit their survey responses to the CDR. Software vendors available to assist with the SOD filing are listed under "Filing Procedures" on page 3 of this FIL.
- Reporting instructions are available on the FDIC's [Summary of Deposits](#) website.
- No later than September 30, 2020, SOD survey results will be published on the FDIC's [Deposit Market Share](#) website.

[Additional Information](#)

FDIC Releases Statement Concerning Agency's Joint Proposed Rulemaking with OCC to Modernize Community Reinvestment Act (CRA)

May 20, 2020

- The CRA proposal the OCC and the FDIC issued last December was a culmination of a multi-year effort by the prudential banking regulators to modernize CRA regulations for the first time in a quarter of a century. There are many provisions in the final rule that will greatly benefit low- and moderate-income communities, and provide greater clarity to banks on CRA expectations.
- “While the FDIC strongly supports the efforts to make the CRA rules clearer, more transparent, and less subjective, the agency is not prepared to finalize the CRA proposal at this time. The FDIC recognizes the herculean effort community banks are making to support America’s small businesses and families during this challenging time and encourages financial institutions to work constructively with borrowers affected by COVID-19.”

[Additional Information](#)

Federal Agencies Share Principles for Offering Responsible Small-Dollar Loans

May 20, 2020

- Recognizing the important role small-dollar credit products can play in addressing consumers' cash-flow imbalances or budget shortfalls, the Federal Deposit Insurance Corporation, Federal Reserve Board, National Credit Union Administration, and Office of the Comptroller of the Currency today issued guidance to financial institutions to encourage them to offer responsible small-dollar loans.
- This guidance supplements the March 26, 2020 joint press release encouraging banks, savings associations and credit unions to offer responsible small-dollar loans to consumers and small businesses in response to COVID-19.

[Additional Information](#)

CFPB Publishes Factsheet for Transaction coverage under the ECOA Valuations Rule

May 14, 2020

- The factsheet explains the coverage requirements under ECOA and addresses FAQs the Bureau has received since the rule went into effect in 2013.
- See page 4 of the factsheet for important information on requirements for denied or withdrawn loan applications.

[Additional Information](#)

NCUA Interim Final Rule Allows Temporary Deferral Of Requirements For Appraisals and Valuations

April 17, 2020

- The deferrals apply to both residential and commercial real estate related financial transactions, excluding transactions for acquisition, development, and construction of real estate. The Board is excluding transactions for acquisition, development, and construction of real estate because these loans present heightened risks not associated with financing existing real estate.
- Under the interim final rule, credit unions may close a real estate loan without a contemporaneous appraisal or written estimate of market value, subject to a requirement that credit unions obtain the appraisal or written estimate of market value, as would have been required under the appraisal regulations without the deferral, within a grace period of 120 days after closing of the transaction.
- While appraisals and written estimates of market value can be deferred, the Board expects credit unions to use best efforts and available information to develop a well-informed estimate of the collateral value of the subject property. In addition, the Board continues to expect credit unions to adhere to internal underwriting standards for assessing borrowers' creditworthiness and repayment capacity, and to develop procedures for estimating the collateral's value for the purposes of extending or refinancing credit.

Effective April 17, 2020 and expires December 31, 2020

[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 – POSTPONED DUE TO COVID-19 | • Issuance |
| November 19, 2020 | Payday, Vehicle Title, and Certain High-Cost Installment Loans; Delay of Compliance Date | • Issuance |
| March 1, 2021 | New URLA Required Use | • Issuance |



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BARRY PELAGATTI

Partner & Leader, Financial Services Industry Group

BPelagatti@rklcpa.com

JULIYA KOFMAN GREENFIELD

Principal, Financial Services Industry Group

JKofmanGreenfield@RKLcpa.com

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