

RKL REGULATORY COMPLIANCE FOR FINANCIAL INSTITUTIONS >

July 2020

CFPB Issues Interim Final Rule to Amend Regulation X – Forbearance Programs Offered Directly or Indirectly to the COVID-19 Emergency

June 30, 2020

- The Bureau of Consumer Financial Protection (Bureau) is issuing this interim final rule to amend Regulation X. The amendments temporarily permit mortgage servicers to offer certain loss mitigation options based on the evaluation of an incomplete loss mitigation application. Eligible loss mitigation options, among other things, must permit borrowers to delay paying certain amounts until the mortgage loan is refinanced, the mortgaged property is sold, the term of the mortgage loan ends, or, for a mortgage insured by the Federal Housing Administration (FHA), the mortgage insurance terminates. These amounts include, without limitation, all principal and interest payments forborne through payment forbearance programs made available to borrowers experiencing financial hardships due, directly or indirectly, to the COVID-19 emergency, including a payment forbearance program offered pursuant to section 4022 of the Coronavirus Aid, Relief, and Economic Security Act. These amounts also include principal and interest payments that are due and unpaid by borrowers experiencing financial hardships due, directly or indirectly, to the COVID-19 emergency.
- Effective July 1, 2020. Comments must be received on or before August 14, 2020.

[Additional Information](#)

FDIC Issues Final Rule Mitigating the Deposit Insurance Assessment Affect of Participation in the Paycheck Protection Program (PPP)

June 26, 2020

- On June 22, 2020, the FDIC Board of Directors authorized publication of a final rule that mitigates the deposit insurance assessment effects of participating in the Paycheck Protection Program (PPP) established by the U.S. Small Business Administration and the Paycheck Protection Program Liquidity Facility (PPPLF) and Money Market Mutual Fund Liquidity Facility (MMLF) established by the Board of Governors of the Federal Reserve System. To ensure that the changes are applied to assessments starting in the second quarter of 2020, the final rule will be effective immediately upon publication in the *Federal Register* with an application date of April 1, 2020.

[Additional Information](#)

Federal Housing Finance Agency (FHFA) Amends Federal Home Loan Bank Housing Goals regulation

June 25, 2020

- The Federal Housing Finance Agency (FHFA) is amending the existing Federal Home Loan Bank (Bank) Housing Goals regulation. The final rule replaces the existing regulation's four separate retrospective housing goals with a single prospective mortgage purchase housing goal with a target level of 20 percent. The final rule also establishes a separate small member participation housing goal with a target level of 50 percent. The final rule provides that a Bank may request FHFA approval of alternative target levels for either or both of the goals. The final rule also establishes that housing goals apply to each Bank that acquires any Acquired Member Assets (AMA) mortgages during a year, eliminating the existing \$2.5 billion volume threshold that previously triggered the application of housing goals for each Bank. Enforcement of the final rule will phase in over three years.
- The final rule is effective August 24, 2020. Written requests from banks proposing alternative target levels are due by September 15, 2020. The enforcement phase-in period applies to calendar years 2021, 2022 and 2023.

[Additional Information](#)

OCC Issues Interim Final Rule to Reduce Assessments in Response to the National Emergency – COVID-19

June 24, 2020

- The Office of the Comptroller of the Currency (OCC) is adopting an interim final rule to reduce assessments in response to the national emergency declared in connection with coronavirus disease 2019 (COVID-19). Under the interim final rule, assessments due on September 30, 2020, for national banks, Federal savings associations, and Federal branches and agencies of foreign banks (collectively, banks under the jurisdiction of the OCC) will be calculated using the December 31, 2019, “Consolidated Reports of Condition and Income” (Call Report) for each institution, rather than the June 30, 2020 Call Report. This will result in lower assessments for most banks under the jurisdiction of the OCC. In the event a bank's assets as reported on the June 30, 2020, Call Report are lower than on the December 31, 2019, Call Report, the OCC will calculate the assessment due on September 30, 2020, for the institution using the June 30, 2020, Call Report.
- The interim final rule is effective from June 24, 2020 through October 15, 2020. Comments on the interim final rule must be received no later than July 24, 2020.

[Additional Information](#)

Joint Agency Notice and Request for Comment on Loans in Areas Having Special Flood Hazards; Interagency Q&A Regarding Flood Insurance

July 6, 2020

- The OCC, Board, FDIC, FCA and NCUA (collectively, the Agencies) propose to reorganize, revise and expand the Interagency Questions and Answers Regarding Flood Insurance and solicit comment on all aspects of the amendments. To help lenders meet their responsibilities under Federal flood insurance law and to increase public understanding of their flood insurance regulations, the Agencies have prepared proposed new and revised guidance addressing the most frequently asked questions and answers about flood insurance. Significant topics addressed by the proposed revisions include the effect of major amendments to flood insurance laws with regard to the escrow of flood insurance premiums, the detached structure exemption and force-placement procedures.
- **DATES:** Comments on the proposed questions and answers must be submitted on or before September 4, 2020.

[Additional Information](#)

CFPB Issues Proposed Rule on Qualified Mortgage Definition Under the Truth in Lending Act (Regulation Z): Extension Sunset Date

June 10, 2020

- The Bureau established this category of QMs (Temporary GSE QM loans) as a temporary measure that is set to expire no later than January 10, 2021 (the sunset date) or when the GSEs exit conservatorship.
- With certain exceptions, Regulation Z requires creditors to make a reasonable, good faith determination of a consumer's ability to repay any residential mortgage loan, and loans that meet Regulation Z's requirements for "qualified mortgages" (QMs) obtain certain protections from liability. One category of QMs consists of loans that are eligible for purchase or guarantee by either the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, government-sponsored enterprises, or GSEs), while operating under the conservatorship or receivership of the Federal Housing Finance Agency (FHFA). The GSEs are currently under Federal conservatorship.
- Comments must be received on or before August 10, 2020.

[Additional Information](#)

CFPB Issues Proposed Rule on Qualified Mortgage Definition Under the Truth in Lending Act (Regulation Z): General QM Loan Definition

June 10, 2020

- With certain exceptions, Regulation Z requires creditors to make a reasonable, good faith determination of a consumer's ability to repay any residential mortgage loan, and loans that meet Regulation Z's requirements for “qualified mortgages” (QMs) obtain certain protections from liability. One category of QMs is the General QM loan category. For General QM loans, the ratio of the consumer's total monthly debt to total monthly income (DTI ratio) must not exceed 43 percent. In this notice of proposed rulemaking, the Bureau proposes certain amendments to the General QM loan definition in Regulation Z. Among other things, the Bureau proposes to remove the General QM loan definition's 43 percent DTI limit and replace it with a price-based threshold.
- Comments must be received on or before September 8, 2020.

[Additional Information](#)

FDIC Updates its Enforcement Actions Manual for Flood Insurance Civil Money Penalties

June 18 , 2020

- The FDIC has updated its Formal and Informal Enforcement Actions Manual (manual) regarding the assessment of mandatory civil money penalties (CMPs) for certain pattern and practice violations of the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973, as revised, 42 U.S.C. § 4012a (Flood Act) and Part 339 of the FDIC Regulations. The manual provides direction for professional staff related to the work necessary to pursue formal and informal enforcement actions. It is also intended to support the work of field office, regional office, and Washington office staff involved in processing and monitoring enforcement actions.

[Additional Information](#)

FDIC Issues Annual Report on Efforts to Preserve and Promote Minority Depository Institutions

June 10 , 2020

- Press Release: The Federal Deposit Insurance Corporation (FDIC) today issued a report submitted to Congress that chronicles the efforts the agency made to preserve and promote Minority Depository Institutions (MDIs) in 2019. The report provides a summary profile of MDIs as of the end of 2019, a description of the FDIC's MDI program, and detailed information on the FDIC's 2019 initiatives supporting these institutions. [Read FDIC's annual report to Congress](#)

[Additional Information](#)

Interagency Guidance on Credit Risk Review Systems

June 1, 2020

- The OCC, the Board, the FDIC and (collectively, the agencies) are issuing final guidance for credit risk review (final guidance). This guidance is relevant to all institutions supervised by the agencies and replaces Attachment 1 of the 2006 Interagency Policy Statement on the Allowance for Loan and Lease Losses. The final guidance discusses sound management of credit risk, a system of independent, ongoing credit review, and appropriate communication regarding the performance of the institution's loan portfolio to its management and board of directors.
- The final guidance is available on June 1, 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
January 1, 2022	Reg C Final rule establishing 200 loans as the permanent HMDA data reporting threshold for open-end lines of credit	• Rule



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