

# RKL REGULATORY COMPLIANCE FOR FINANCIAL INSTITUTIONS >

August 2020

## Federal Deposit Insurance Corporation issues Final Rule on Interest Rate Authority

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July 22, 2020

- The Federal Deposit Insurance Corporation (FDIC) is issuing regulations clarifying the law that governs the interest rates state-chartered banks and insured branches of foreign banks (collectively, state banks) may charge. These regulations provide that State banks are authorized to charge interest at the rate permitted by the state in which the state bank is located, or one percent in excess of the 90-day commercial paper rate, whichever is greater. The regulations also provide that whether interest on a loan is permissible under section 27 of the Federal Deposit Insurance Act is determined at the time the loan is made, and interest on a loan permissible under section 27 is not affected by a change in state law, a change in the relevant commercial paper rate, or the sale, assignment or other transfer of the loan
- **Effective August 21, 2020**

### [Additional Information](#)

## CFPB Issues Final Rule Amending Regulations Governing Payday, Vehicle Title and Certain High-Cost Installment Loans

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July 22, 2020

- The Bureau of Consumer Financial Protection (Bureau) is issuing this final rule to amend its regulations governing payday, vehicle title and certain high-cost installment loans. Specifically, the Bureau is revoking provisions of those regulations that:
  - Provide that it is an unfair and abusive practice for a lender to make a covered short-term or longer-term balloon-payment loan, including payday and vehicle title loans, without reasonably determining that consumers have the ability to repay those loans according to their terms
  - Prescribe mandatory underwriting requirements for making the ability-to-repay determination
  - Exempt certain loans from the mandatory underwriting requirements
  - Establish related definitions, reporting, recordkeeping and compliance date requirements
- The Bureau is making these amendments to the regulations based on its reevaluation of the legal and evidentiary bases for these provisions.
- **Effective October 20, 2020**

[Additional Information](#)

## National Flood Insurance Program: Conforming Changes to Reflect the Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12) and the Homeowners Flood Insurance Affordability Act of 2014 (HFIAA) and Additional Clarifications for Plain Language

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July 20, 2020

- This final rule revises the National Flood Insurance Program (NFIP) regulations to codify certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, and to clarify certain existing NFIP rules relating to NFIP operations and the Standard Flood Insurance Policy.
- **Effective October 1, 2021**

### [Additional Information](#)

## Consumer Financial Protection Bureau amends Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA and Qualified Mortgages)

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July 17, 2020

- The Bureau of Consumer Financial Protection (Bureau) is issuing this final rule amending the regulation text and official interpretations for Regulation Z, which implements the Truth in Lending Act (TILA). The Bureau is required to calculate annually the dollar amounts for several provisions in Regulation Z; this final rule revises, as applicable, the dollar amounts for provisions implementing TILA and amendments to TILA, including under the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act), the Home Ownership and Equity Protection Act of 1994 (HOEPA) and the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The Bureau is adjusting these amounts, where appropriate, based on the annual percentage change reflected in the Consumer Price Index (CPI) in effect on June 1, 2020.
- **Effective January 1, 2021**

### [Additional Information](#)

## Federal Reserve System Interim Final Rule on Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks; Regulation O Exceptions Applied to PPP Loans

July 16, 2020

- On April 17, 2020, the Board issued an interim final rule to except certain loans made by June 30, 2020, that are guaranteed under the Small Business Administration's Paycheck Protection Program from the requirements of the Federal Reserve Act and the corresponding provisions of the Board's Regulation O. The Board is issuing this interim final rule to expand the exception to apply to PPP loans made through August 8, 2020.
- **Effective July 16, 2020**
- **Comments due by August 31, 2020**

[Additional Information](#)

## CFPB Request for Information on the Equal Credit Opportunity Act and Regulation B

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August 3, 2020

- The Bureau of Consumer Financial Protection (Bureau) seeks comments and information to identify opportunities to prevent credit discrimination, encourage responsible innovation, promote fair, equitable and nondiscriminatory access to credit, address potential regulatory uncertainty and develop viable solutions to regulatory compliance challenges under the Equal Credit Opportunity Act (ECOA) and Regulation B.
- **Comments due by October 2, 2020**

[Additional Information](#)

## CFPB Proposed Amendment to Regulation Z, Truth in Lending Act, regarding the requirement to establish escrow accounts for certain higher-priced mortgage loans

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July 22, 2020

- In the 2018 Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), Congress required the Bureau to issue regulations to add a new exemption from TILA's escrow requirement that exempts transactions by certain insured depository institutions and insured credit unions. The proposed rule would implement the EGRRCPA section 108 statutory directive, and would also remove certain obsolete text from the Official Interpretations to Regulation Z (commentary).
- New § 1026.35(b)(2)(vi) would exempt from the Regulation Z HPML escrow requirement any loan made by an insured depository institution or insured credit union and secured by a first lien on the principal dwelling of a consumer if (1) the institution has assets of \$10 billion or less; (2) the institution and its affiliates originated 1,000 or fewer loans secured by a first lien on a principal dwelling during the preceding calendar year; and (3) certain of the existing HPML escrow exemption criteria are met.
- **Comments due by September 21, 2020**

### [Additional Information](#)

## OCC Proposed Rule on National Banks and Federal Savings Associations as Lenders

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July 22, 2020

- The Office of the Comptroller of the Currency (OCC) is proposing a regulation to determine when a national bank or Federal savings association (bank) makes a loan and is the “true lender” in the context of a partnership between a bank and a third party, such as a marketplace lender. Under this proposal, a bank makes a loan if, as of the date of origination, it is named as the lender in the loan agreement or funds the loan.
- **Comments due by September 3, 2020**

[Additional Information](#)

## Federal Deposit Insurance Corporation (FDIC) Proposed Rule to amend its application requirements for establishment and relocation of branches and offices

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July 10, 2020

- The FDIC proposes to amend its application requirements for the establishment and relocation of branches and offices so that such applications would no longer require statements regarding the compliance of such proposals with the National Historic Preservation Act of 1966 (NHPA) and the National Environmental Policy Act of 1969 (NEPA).
- **Comments due by August 10, 2020**

[Additional Information](#)

## Bureau of Consumer Financial Protection (CFPB) Extends Sunset Date for Qualified Mortgage Definition Under the Truth In Lending Act (Regulation Z)

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July 10, 2020

- The Bureau proposes to amend Regulation Z to replace the sunset date of the Temporary GSE QM loan definition with a provision that extends the Temporary GSE QM loan definition to expire upon the effective date of final amendments to the General QM loan definition. The Bureau is not proposing to amend the provision stating that the Temporary GSE QM loan category would expire if the GSEs exit conservatorship. The Bureau is proposing to extend the Temporary GSE QM loan definition to ensure that responsible, affordable mortgage credit remains available to consumers who may be affected if the Temporary GSE QM loan definition expires before the amendments to the General QM loan definition take effect.
- **Comments due by August 10, 2020**

### [Additional Information](#)

## Small Business Administration (SBA) releases FAQs on forgiveness for Paycheck Protection Program (PPP) loans

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August 4, 2020

- The Small Business Administration (SBA) released a new set of FAQs focused solely on forgiveness for Paycheck Protection Program (PPP) loans. National Association of Federally-Insured Credit Unions (NAFCU) continues to urge the SBA and Congress to simplify the loan forgiveness process for smaller loans and is fighting to have these provisions included in the Phase 4 coronavirus relief package.
- The new FAQs provide guidance for PPP lenders and borrowers and provide examples of situations that could impact the forgivable amount of the loan.

### [Additional Information](#)

## CFPB updates Home Mortgage Disclosure Act (HMDA) FAQs to add two items regarding multiple data points

July 31, 2020

- The CFPB recently updated its Home Mortgage Disclosure Act (HMDA) [FAQs](#) to add two items regarding multiple data points.
- In one FAQ, the CFPB confirms that a lender must report the credit score, debt-to-income (DTI) ratio and combined loan-to-value (CLTV) ratio if they were a factor relied on in making a credit decision, even if the data was not the dispositive factor. The CFPB provides an example of a requirement to report the consumer's credit score when the score was relied on in making a credit decision, even if the lender denied the application because the application did not satisfy one or more underwriting requirements other than the credit score.
- In the other FAQ, the CFPB advises that a lender must report the consumer's income and the property value relied on in making a credit decision, even if they were not the dispositive factor. The CFPB explains the requirement to report the data is based on the income or property value being relied on in making the credit decision, and not whether the income or property value is a dispositive factor. The CFPB notes that under the HMDA rules, the relied-on standard applies to income and property value "in a similar way to credit score, DTI and CLTV."

### [Additional Information](#)

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

Effective Date	Implementing Rule/Regulation	Additional Details
December 28, 2019	Taxpayer First Act	• <a href="#">Rule</a>
January 1, 2020	Simplify “Volcker Rule”	• <a href="#">Rule</a>
January 1, 2020	CRA Asset Size Adjustment for Small and Intermediate Small Institutions	• <a href="#">Rule</a>
January 1, 2020	HMDA Adjustment to Asset Size Exemption Threshold	• <a href="#">Rule</a>
July 1, 2020	Final Amendments to Reg. CC Funds Availability	• <a href="#">Rule</a>
November 1, 2020	New URLA Required Use – POSTPONED DUE TO COVID-19	• <a href="#">Issuance</a>
November 19, 2020	Payday, Vehicle Title, and Certain High-Cost Installment Loans; Delay of Compliance Date	• <a href="#">Issuance</a>
January 1, 2021	Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA and Qualified Mortgages)	• <a href="#">Rule</a>
March 1, 2021	New URLA Required Use	• <a href="#">Issuance</a>
January 1, 2022	Reg C Final rule establishing 200 loans as the permanent HMDA data reporting threshold for open-end lines of credit	• <a href="#">Rule</a>



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