

RKL REGULATORY COMPLIANCE FOR FINANCIAL INSTITUTIONS >

March 2021

Higher-Priced Mortgage Loan Escrow Exemption (Regulation Z)

February 17, 2021

- The Bureau of Consumer Financial Protection is issuing this final rule to amend Regulation Z, which implements the Truth in Lending Act, as mandated by section 108 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The amendments exempt certain insured depository institutions and insured credit unions from the requirement to establish escrow accounts for certain higher-priced mortgage loans.
- New § 1026.35(b)(2)(vi) exempts 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, as described below in part V.^[6]
- Effective February 17, 2021

[Additional Information](#)

Loans to Executive Officers, Directors and Principal Shareholders of Member Banks

February 17, 2021

- On April 17 and July 15, 2020, the Board of Governors of the Federal Reserve System (Board) issued two interim final rules to except certain loans made through June 30 and August 8, 2020, respectively, that are guaranteed under the Small Business Administration's Paycheck Protection Program from the requirements of section 22(h) of the Federal Reserve Act and the Board's Regulation O.
- The Board is issuing this interim final rule to further extend this relief to PPP loans, including PPP second draw loans, made through March 31, 2021.
- Effective February 17, 2021

[Additional Information](#)

Role of Supervisory Guidance

February 12, 2021

- The Bureau of Consumer Financial Protection (CFPB) is adopting a final rule that codifies the Interagency Statement Clarifying the Role of Supervisory Guidance, issued by the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and the Bureau (collectively, the agencies) on September 11, 2018 (2018 Statement).
- By codifying the 2018 Statement, with amendments, the final rule confirms that CFPB will continue to follow and respect the limits of administrative law in carrying out its supervisory responsibilities. The 2018 Statement reiterated well-established law by stating that, unlike a law or regulation, supervisory guidance does not have the force and effect of law. As such, supervisory guidance does not create binding legal obligations for the public. Because it is incorporated into the final rule, the 2018 Statement, as amended, is binding on CFPB. The final rule adopts the rule as proposed without substantive change.
- Effective March 15, 2021

[Additional Information](#)

Credit Union Service Organizations (CUSOs)

February 26, 2021

- The NCUA Board is seeking comment on a proposed rule that would amend the NCUA's credit union service organization (CUSO) regulation. The proposed rule would accomplish two objectives:
 - Expanding the list of permissible activities and services for CUSOs to include originating any type of loan that a Federal credit union (FCU) may originate
 - Granting the Board additional flexibility to approve permissible activities and services.
- The NCUA is also seeking comment on broadening FCU investment authority in CUSOs.
- Comments due by: March 29, 2021

[Additional Information](#)

CFPB Issues Statement on Mandatory Compliance Date of General QM Final Rule and Possible Reconsideration of General QM Final Rule and Seasoned QM Final Rule

February 23, 2021

- CFPB is considering whether to initiate a rulemaking to revisit the Seasoned QM Final Rule. If CFPB decides to do so, it expects that it will consider in that rulemaking whether any potential final rule revoking or amending the Seasoned QM Final Rule should affect covered transactions for which an application was received during the period from March 1, 2021, until the effective date of such a final rule.
- CFPB also expects to issue shortly a proposed rule that would delay the July 1, 2021 mandatory compliance date of the General QM Final Rule. If such a proposed rule were finalized, creditors would be able to use either the current General QM loan definition or the revised General QM loan definition for applications received during the period from March 1, 2021, until the delayed mandatory compliance date.
- Furthermore, CFPB anticipates that the Temporary GSE QM loan definition will remain in effect until the new mandatory compliance date, in accordance with the October 20, 2020 final rule described above, except that the Temporary GSE QM loan definition would expire with respect to a GSE if that GSE ceases to operate under conservatorship prior to the new mandatory compliance date.

[Additional Information](#)

Agency Information Collection Activities: Submission for OMB Review, Comment Request

February 17, 2021

- The FDIC, as part of its obligations under the Paperwork Reduction Act of 1995, invites the general public and other Federal agencies to take this opportunity to comment on the request to approve a new information collections for its seventh biennial survey of households, which has been renamed the Survey of Household Use of Banking and Financial Services (Household Survey).
- This survey was previously named the FDIC National Survey of Unbanked and Underbanked Households and was assigned OMB Control No. 3064-0167. FDIC is seeking a new OMB Control Number for this version of the survey. The Household Survey is scheduled to be conducted in partnership with the U.S. Census Bureau as a supplement to its June 2021 Current Population Survey (CPS).
- The survey collects information on U.S. households' use of bank accounts and other transaction accounts including prepaid cards, online payment services, nonbank financial transaction services, and bank and nonbank credit. The results of these ongoing surveys will be published in the FDIC's *How America Banks* reports which help inform policymakers, bankers, and researchers about how households use, or don't use, the banking system.
- On December 2, 2020, the FDIC requested comment for 60 days on the proposed information collection. No comments were received. The FDIC hereby gives notice of its plan to submit to OMB a request to approve this information collection, and again invites comment on the information collection.
- Comments due by March 19, 2021 [Additional Information](#)

HUD Implements Executive Order – Memo on FHA Prohibits Discrimination Because of Sexual Orientation and Gender Identity

February 11, 2021

- On January 20, 2021, President Biden issued Executive Order 13988 on Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation.
- HUD’s Director stated in memo “directing HUD’s Office of Fair Housing and Equal Opportunity (FHEO) to take the actions outlined in this memo to administer and fully enforce the Fair Housing Act to prohibit discrimination because of sexual orientation and gender identity. “
- Effective immediately, FHEO shall accept for filing and investigate all complaints of sex discrimination, including discrimination because of gender identity or sexual orientation, that meet other jurisdictional requirements.

[Additional Information](#)

FinCEN Republishes PPP FAQs

February 1, 2021

- The Small Business Administration (SBA), in consultation with the U.S. Department of the Treasury, has been issuing FAQs regarding implementation of the Paycheck Protection Program (PPP).
- Specifically, some of those FAQs involve explaining the requirements under the Bank Secrecy Act (BSA), and how lenders can meet those requirements when issuing a PPP loan.
- As the administrator of the BSA, the Financial Crimes Enforcement Network (FinCEN) is re-publishing those FAQs in this document. FinCEN will update this document with any additional BSA-related FAQs involving the PPP.

[Additional Information](#)

COMPLIANCE CALENDAR

Effective Date	Implementing Rule/Regulation	Additional Details
December 28, 2019	Taxpayer First Act	<ul style="list-style-type: none"> • Rule
January 1, 2020	Simplify “Volcker Rule”	<ul style="list-style-type: none"> • Rule
January 1, 2020	CRA Asset Size Adjustment for Small and Intermediate Small Institutions	<ul style="list-style-type: none"> • Rule
January 1, 2020	HMDA Adjustment to Asset Size Exemption Threshold	<ul style="list-style-type: none"> • Rule
July 1, 2020	Final Amendments to Reg. CC Funds Availability	<ul style="list-style-type: none"> • Rule
November 1, 2020	New URLA Required Use – POSTPONED DUE TO COVID-19	<ul style="list-style-type: none"> • Issuance
November 19, 2020	Payday, Vehicle Title, and Certain High-Cost Installment Loans; Delay of Compliance Date	<ul style="list-style-type: none"> • Issuance
January 1, 2021	Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA and Qualified Mortgages)	<ul style="list-style-type: none"> • Rule
January 1, 2021	CRA Asset Size Adjustment for Small and Intermediate Small Institutions	<ul style="list-style-type: none"> • Rule
January 1, 2021	HMDA Adjustment to Asset Size Exemption Threshold	<ul style="list-style-type: none"> • Rule
March 1, 2021	New URLA Required Use	<ul style="list-style-type: none"> • Issuance
November 30, 2021	Final rule creating implementing regulations for the Fair Debt Collection Practices Act	<ul style="list-style-type: none"> • Rule
January 1, 2022	Reg C Final rule establishing 200 loans as the permanent HMDA data reporting threshold for open-end lines of credit	<ul style="list-style-type: none"> • Rule

DID YOU KNOW?

The **Equal Credit Opportunity Act (ECOA)** was signed into law by President Gerald Ford on October 28, 1974.

- ECOA prohibits discrimination on the basis of race, color, religion, national origin, sex, marital status, or age in credit transactions.
- The act requires creditors to inform an applicant of their credit decision, approval or denial, within 30 days of receiving an application. The law also requires creditors to provide a reason if credit is denied.
- Lenders may be sued for violating ECOA – actual damages, punitive damages up to \$10,000 for individual lawsuits and \$500,000 or 1% of the lender's net worth in class action suits.



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