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# RKL REGULATORY COMPLIANCE FOR FINANCIAL INSTITUTIONS >

March 2022

## Ethiopia Sanctions Regulations

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February 9, 2022

- The Department of the Treasury's Office of Foreign Assets Control (OFAC) is adding regulations to implement a September 17, 2021 Ethiopia-related Executive order. OFAC intends to supplement these regulations with a more comprehensive set of regulations, which may include additional interpretive guidance and definitions, general licenses and other regulatory provisions.
- Effective Date: February 9, 2022

[Additional Details](#)

## Chinese Military-Industrial Complex Sanctions Regulations

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February 16, 2022

- The Department of the Treasury's Office of Foreign Assets Control (OFAC) is adding regulations to implement a November 12, 2020 Executive order related to securities investments that finance Communist Chinese military companies, as amended by a June 3, 2021 Executive order related to the Chinese military-industrial complex and Chinese surveillance technology. OFAC intends to supplement these regulations with a more comprehensive set of regulations, which may include additional interpretive guidance and definitions, general licenses and other regulatory provisions.
- Effective Date: February 16, 2022

[Additional Information](#)

## Rules of Practice for Adjudication Proceedings

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February 22, 2022

- The Consumer Financial Protection Bureau (Bureau) is issuing this procedural rule to update its Rules of Practice for Adjudication Proceedings (Rules of Practice). This rule expands the opportunities for parties in adjudication proceedings to conduct depositions. It also contains various amendments regarding timing and deadlines, the content of answers, the scheduling conference, bifurcation of proceedings, the process for deciding dispositive motions and requirements for issue exhaustion, as well as other technical changes. Overall, the amendments will provide the parties with earlier access to relevant information and also foster greater procedural flexibility, which should ultimately contribute to more effective and efficient proceedings. The Bureau welcomes comments on this rule, and the Bureau may make further amendments if it receives comments warranting changes.
- Effective date: February 22, 2022

### [Additional Information](#)

## Multi-Family Housing (MFH) Direct Loan Programs

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March 1, 2022

- The Rural Housing Service (RHS or Agency), an agency in the United States Department of Agriculture (USDA) Rural Development Mission area, published a proposed rule in the Federal Register on September 23, 2020, to amend its regulations for the Multi-Family Housing Direct Loans and Grants Programs to implement changes related to the development of a sustainable plan for the Rental Assistance (RA) program. Through this action, RHS is adopting the changes as proposed. The regulation updates are intended to provide additional RA program flexibility and transparency, and to improve the efficiency of managing assets in the Direct Loan portfolio.
- Effective Date: March 31, 2022

[Additional Information](#)

## Russian Harmful Foreign Activities Sanctions Regulations

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March 1, 2022

- The Department of the Treasury's Office of Foreign Assets Control (OFAC) is adding regulations to implement an April 15, 2021 Russia-related Executive order. OFAC intends to supplement these regulations with a more comprehensive set of regulations, which may include additional interpretive guidance and definitions, general licenses and other regulatory provisions.
- Effective Date: March 1, 2022

[Additional Information](#)

## Amendments to Form PF to Require Current Reporting and Amend Reporting Requirements for Large Private Equity Advisers and Large Liquidity Fund Advisers

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February 17, 2022

- The Securities and Exchange Commission (“SEC” or “Commission”) is proposing to amend Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds to require current reporting upon the occurrence of key events. The proposed amendments also would decrease the reporting threshold for large private equity advisers and require these advisers to provide additional information to the SEC about the private equity funds they advise. Finally, we are proposing to amend requirements concerning how large liquidity advisers report information about the liquidity funds they advise. The proposed amendments are designed to enhance the Financial Stability Oversight Council's (“FSOC”) ability to monitor systemic risk as well as bolster the SEC's regulatory oversight of private fund advisers and investor protection efforts.
- Comments should be received on or before March 21, 2022.

### [Additional Information](#)

## Asset Threshold for Determining the Appropriate Supervisory Office

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February 17, 2022

- The NCUA Board (Board) is proposing to amend its regulations to revise the \$10 billion asset threshold used for assigning supervision of consumer federally insured credit unions (FICUs) to the Office of National Examinations and Supervision (ONES). The proposed rule would only apply to FICUs whose assets are \$10 billion or more (covered credit unions). The proposed rule would provide that covered credit unions with less than \$15 billion in total assets (tier I covered credit unions) not currently supervised by ONES will be supervised by the appropriate NCUA Regional Office. Tier I covered credit unions currently supervised by ONES and covered credit unions with \$15 billion and more in total assets (tier II and tier III covered credit unions) would continue to be supervised by ONES. The proposed rule would not alter any regulatory requirements for covered credit unions.
- Comments should be received by May 2, 2022.

### [Additional Information](#)

## Consumer Financial Protection Bureau Outlines Options to Prevent Algorithmic Bias in Home Valuations

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February 23, 2022

- The Consumer Financial Protection Bureau released an outline of options to strengthen oversight of computer models used to help determine home valuations.
- The CFPB said both in-person appraisals and automated valuation models that use data to value homes appear to be susceptible to bias and inaccuracy without regulatory safeguards.
- Automated valuation models can pose fair lending risks, particularly if flawed versions of these models digitally redline certain neighborhoods and further perpetuate disparities, the agency said.
- The CFPB said it is working to ensure confidence in automated estimates, protect against data manipulation, avoid conflicts of interest, require random sample testing and reviews, and address any other relevant factors.
- The CFPB said it will convene a Small Business Review Panel under the Small Business Regulatory Enforcement Fairness Act to collect advice and recommendations from small entities that would be affected by a proposed rulemaking, which ultimately will be issued jointly with other regulators.

### [Additional Information](#)

## CFPB Issues Qualified Mortgages Fact Sheet on Certain Adjustable-Rate Loans

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February 23, 2022

- Creditors that wish to make qualified mortgages (QMs) under the price-based General QM definition must calculate the annual percentage rate (APR) for loans to determine whether they satisfy the price-based General QM definition. The priced-based General QM definition contains a special rule for calculating the APR for loans where the interest rate may or will change within the first five years after the date on which the first regular periodic payment will be due. These loans are sometimes referred to as “short-reset” adjustable-rate mortgages (ARMs) and step-rate loans. This factsheet describes the interest rate that is used for calculating prepaid interest for purposes of this special APR calculation rule.
- This special rule also applies for the purpose of determining whether the loan receives a conclusive or a rebuttable presumption of compliance with the ability-to-repay requirement.

[Additional Information](#)

## Shortening the Securities Transaction Settlement Cycle

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February 24, 2022

- The Securities and Exchange Commission (“Commission”) proposes rules to shorten the standard settlement cycle for most broker-dealer transactions from two business days after the trade date (“T+2”) to one business day after the trade date (“T+1”). To facilitate a T+1 standard settlement cycle, the Commission also proposes new requirements for the processing of institutional trades by broker-dealers, investment advisers and certain clearing agencies. These requirements are designed to protect investors, reduce risk and increase operational efficiency. The Commission proposes to require compliance with a T+1 standard settlement cycle, if adopted, by March 31, 2024. The Commission also solicits comment on how best to further advance beyond T+1.
- Comments should be received on or before April 11, 2022.

### [Additional Information](#)

## CFPB Issues Compliance Bulletin on Auto Repossessions

February 28, 2022

- In a compliance bulletin issued February 28, the CFPB signaled that it will hold auto loan holders and servicers “accountable for [unfair, deceptive or abusive acts and practices] related to the repossession of consumers’ vehicles.” The bulletin reminds lenders and servicers of existing laws regarding auto repossessions and provides examples of types of conduct that might violate the law.
- The CFPB said that auto lenders, loan holders and servicers should consider reviewing their policies and procedures regarding repossession and cancellation of repossession; ensure prompt communications between the servicer and the repossession service providers when a repossession is canceled and monitor compliance with cancellations; incorporate the monitoring of wrongful repossessions in regular audits of customer communications; and ensure they have corrective action programs in place to address any violations and reimburse consumers for costs incurred as a result of unlawful repossessions.
- Firms should also review their payment allocation policies, any fees that are charged and consumer complaints regarding repossessions. They should also conduct regular reviews of service providers and monitor any force-placed collateral protection insurance programs to ensure that consumers are not charged for unnecessary force-placed insurance.

### [Additional Information](#)

## FinCEN Advises Increased Vigilance for Potential Russian Sanctions Evasion Attempts

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March 7, 2022

- FinCEN has issued FIN-2022-Alert001 to all financial institutions to be vigilant against efforts to evade the expansive sanctions and other U.S.-imposed restrictions implemented in connection with the Russian Federation's further invasion of Ukraine. The report provides 13 select red flags to assist in identifying potential sanctions evasion activity and reminds financial institutions of their Bank Secrecy Act (BSA) reporting obligations, including with respect to convertible virtual currency (CVC).
- It is critical that all financial institutions, including those with visibility into CVC flows, such as CVC exchangers and administrators, identify and quickly report suspicious activity associated with potential sanctions evasion, and conduct appropriate risk-based customer due diligence or, where required, enhanced due diligence. FinCEN also strongly encourages all financial institutions to make full use of their ability to share information consistent with Section 314(b) of the USA PATRIOT Act, and consider how the use of innovative tools and solutions may assist in identifying hidden Russian and Belarusian assets.
- If an institution files a SAR related to this alert, it should include "FIN-2022-RUSSIASANCTIONS" in SAR field 2 and in the narrative.

### [Additional Information](#)

## Cybersecurity Risk Management for Investment Advisers, Registered Investment Companies and Business Development Companies

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March 9, 2022

- The Securities and Exchange Commission is proposing new rules under the Investment Advisers Act of 1940 (“Advisers Act”) and the Investment Company Act of 1940 (“Investment Company Act”) to require registered investment advisers (“advisers”) and investment companies (“funds”) to adopt and implement written cybersecurity policies and procedures reasonably designed to address cybersecurity risks. The Commission also is proposing a new rule and form under the Advisers Act to require advisers to report significant cybersecurity incidents affecting the adviser, or its fund or private fund clients, to the Commission. With respect to disclosure, the Commission is proposing amendments to various forms regarding the disclosure related to significant cybersecurity risks and cybersecurity incidents that affect advisers and funds and their clients and shareholders. Finally, we are proposing new recordkeeping requirements under the Advisers Act and Investment Company Act.
- Comments should be received by April 11, 2022.

### [Additional Information](#)

## American Bankers Association Unveils Webpage Providing Updates on Russian Invasion of Ukraine

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March 1, 2022

- ABA has created a new webpage on aba.com where bankers can find announcements, alerts and guidance affecting the banking sector as a result of Russia's invasion of Ukraine. The page includes updates on potential cyber threats, sanctions announcement from the federal government and other important news from the White House and various government agencies.
- Amid growing concerns about potential Russian cyberattacks on critical infrastructure entities, including banks, ABA has also prepared talking points and communications resources to help bankers talk to their customers and assure them that their money remains safe in a U.S. financial institution. ABA has also made available its ransomware toolkit, a resource banks can use to help ensure they are prepared to respond to a potential attack.

[Access the Webpage](#)

Effective Date	Implementing Rule/Regulation	Additional Details
November 1, 2020	New URLA Required Use	• <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>
January 1, 2021	CRA Asset-Size Adjustment for Small and Intermediate Small Institutions	• <a href="#">Rule</a>
January 1, 2021	HMDA Adjustment to Asset-Size Exemption Threshold	• <a href="#">Rule</a>
March 1, 2021	Extended URLA Implementation Timeline	• <a href="#">Issuance</a>
November 30, 2021	Final Rule Implementing Regulations for the Fair Debt Collection Practices Act	• <a href="#">Rule</a>
January 1, 2022	Regulation C Final Rule Establishing 200 Loans as the Permanent HMDA Data Reporting Threshold for Open-End Lines of Credit	• <a href="#">Rule</a>
October 1, 2022	Mandatory Compliance for QM Definitions under Regulation Z	• <a href="#">Rule</a>



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