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RKL REGULATORY COMPLIANCE FOR FINANCIAL INSTITUTIONS >

May 2022

Small Business Size Standards: Transportation and Warehousing; Information; Finance and Insurance; Real Estate and Rental and Leasing

March 31, 2022

- The U.S. Small Business Administration (SBA) is increasing its receipts-based small business size definitions (commonly referred to as “size standards”) for North American Industry Classification System (NAICS) sectors related to Transportation and Warehousing, Information, Finance and Insurance, and Real Estate and Rental and Leasing. Specifically, SBA is increasing the size standards for 45 industries in those sectors, including 18 industries in NAICS Sector 48-49 (Transportation and Warehousing), eight industries in NAICS Sector 51 (Information), 10 industries in NAICS Sector 52 (Finance and Insurance), and nine industries in NAICS Sector 53 (Real Estate and Rental and Leasing).
- Effective date: May 2, 2022

[Additional Information](#)

Regulation D: Reserve Requirements of Depository Institutions

April 18, 2022

- The Board of Governors of the Federal Reserve System (“Board”) has adopted final amendments to its regulations to revise the rate of interest paid on balances (“IORB”) maintained at Federal Reserve Banks by or on behalf of eligible institutions. The final amendments specify that IORB is 0.40 percent, a 0.25 percentage point increase from its prior level. The amendment is intended to enhance the role of IORB in maintaining the federal funds rate in the target range established by the Federal Open Market Committee (“FOMC” or “Committee”).
- Effective date: The amendments to part 204 (Regulation D) are effective April 18, 2022.
- Applicability date: The IORB rate change was applicable on March 17, 2022.

[Additional Information](#)

Regulation A: Extensions of Credit by Federal Reserve Banks

April 18, 2022

- The Board of Governors of the Federal Reserve System (“Board”) has adopted final amendments to its regulations to reflect the Board's approval of an increase in the rate for primary credit at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically increased by formula as a result of the Board's primary credit rate action.
- Effective Date: April 18, 2022

[Additional Information](#)

Ukraine-/Russia-Related Sanctions Regulations

May 2, 2022

- The Department of the Treasury's Office of Foreign Assets Control (OFAC) is changing the heading of the Ukraine Related Sanctions Regulations to the Ukraine-/Russia-Related Sanctions Regulations, and replacing the Ukraine Related Sanctions Regulations that were published in abbreviated form on May 8, 2014, with a more comprehensive set of regulations that includes additional interpretive and definitional guidance, general licenses and other regulatory provisions that will provide further guidance to the public. Among other things, this amendment implements the Ukraine-/Russia-related Executive order of December 19, 2014, and provisions of the Ukraine Freedom Support Act of 2014, the Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014, and the Countering America's Adversaries Through Sanctions Act. In addition, this amendment incorporates four directives regarding sectoral sanctions issued pursuant to the Ukraine-/Russia-related Executive order of March 20, 2014, and six general licenses that have until now appeared only on OFAC's website, as well as seven new general licenses.
- Effective date: May 2, 2022

[Additional Information](#)

FDIC Consumer Compliance Supervisory Highlights Looks at Unauthorized EFTs, Overdraft Programs, Re-Presentation of Unpaid Transactions and Fair Lending

March 2022

- The FDIC has issued the March 2022 edition of *Consumer Compliance Supervisory Highlights* which includes a description of some of the most significant consumer compliance issues identified by FDIC examiners during consumer compliance examinations conducted in 2021.

[Additional Information](#)

CFPB Encourages Mortgage Servicer Participation in HAF Programs

March 21, 2022

- The CFPB published a blog post, stating that it “strongly encourages” mortgage servicers to participate in Homeowner Assistance Fund (HAF) programs. The Bureau asserts that it “remains focused on preventing avoidable foreclosures to the maximum extent possible and expects mortgage servicers to do the same.”
- The CFPB states that while servicer participation in HAF programs is voluntary, accepting HAF funds can be pivotal in resolving delinquencies and avoiding foreclosures in some instances. The Bureau encourages servicers to train customer service personnel regarding the availability of HAF programs, and reminds the industry of the requirement to provide accurate information to borrowers regarding loss mitigation. For servicers participating in HAF programs, the blog post notes the requirement to maintain policies and procedures reasonably designed to ensure proper loss mitigation evaluation, incorporating HAF procedures as applicable. The CFPB states, in particular, that servicers must ensure that borrowers are not improperly referred to foreclosure, while the servicer is working with a borrower during the HAF application process or waiting for payment of HAF funds.

[Additional Information](#)

Prohibition on Inclusion of Adverse Information in Consumer Reporting in Cases of Human Trafficking (Regulation V)

April 8, 2022

- The Consumer Financial Protection Bureau (Bureau) seeks comment on regulations implementing amendments to the Fair Credit Reporting Act (FCRA) that assist consumers who are victims of trafficking. The proposed rule, which would implement a recent amendment to the FCRA, would establish a method for a victim of trafficking to submit documentation to consumer reporting agencies, including information identifying any adverse item of information about the consumer that resulted from certain types of human trafficking, and prohibit the consumer reporting agencies from furnishing a consumer report containing the adverse item(s) of information. The Bureau is taking this action as mandated by the National Defense Authorization Act for Fiscal Year 2022 and to assist consumers who are victims of trafficking in building or rebuilding financial stability and personal independence.
- Comments should be received on or before May 9, 2022.

[Additional Information](#)

HUD Offers 40-Year Mortgage Modification

April 21, 2022

- On April 18, HUD issued [Mortgage Letter 2022-07](#), which establishes a 40-year loan modification as part of the Covid-19 Recovery Loss Mitigation Options. According to HUD, the new option is “designed to help those borrowers who cannot achieve a minimum targeted 25 percent reduction in the Principal and Interest portion of their mortgage payment through FHA’s existing 30-year mortgage modification with a partial claim.” Mortgage servicers may start implementing the new 40-year modification with partial claim option immediately; however, servicers must offer this solution to eligible borrowers with FHA-insured Title II forward mortgages, except those funded through Mortgage Revenue Bonds under certain circumstances, within 90 calendar days. HUD published a proposed rule to increase the maximum term limit allowable on loan modifications for FHA-insured mortgages from 360 to 480 months.
- Comments are due by May 31, 2022.

[Additional Information](#)

CFPB Invokes Dormant Authority to Examine Nonbank Companies Posing Risks to Consumers

April 25, 2022

- The Consumer Financial Protection Bureau (CFPB) announced that it is invoking a largely unused legal provision to examine nonbank financial companies that pose risks to consumers. The CFPB believes that utilizing this dormant authority will help protect consumers and level the playing field between banks and nonbanks.
- The CFPB is also issuing a procedural rule to increase the transparency of the risk-determination process. Unlike other provisions of law regarding nonbank supervision, entities subject to supervision based on risk are given notice and an opportunity to respond. In order to provide greater guidance to the marketplace on how the CFPB will make determinations, the CFPB is updating an aspect of its procedures for risk determinations to authorize the release of certain information about any final determinations made. The company involved will have an opportunity to provide input to the CFPB on what information is released to the public.

[Additional Information](#)

Effective Date	Implementing Rule/Regulation	Additional Details
November 1, 2020	New URLA Required Use	<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	Extended URLA Implementation Timeline	<ul style="list-style-type: none"> • Issuance
November 30, 2021	Final Rule Implementing Regulations for the Fair Debt Collection Practices Act	<ul style="list-style-type: none"> • Rule
January 1, 2022	Regulation 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
October 1, 2022	Mandatory Compliance for QM Definitions under Regulation Z	<ul style="list-style-type: none"> • Rule



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