*When there is a deadline or effective date associated with an item, you will see this graphic:*

***'April, dressed in all its trim, hath put a spirit of youth in everything' — William Shakespeare***

**Department of the Treasury COVID-19 Resources**

**SBA Coronavirus (COVID-19): Small Business Guidance & Loan Resources**

# Joint federal agency issuances, actions and news

***Banker Webinar: Revised Statement on Loan Modifications and Reporting for Institutions Working with Customers Affected by the Coronavirus (04.16.2020)***

The FDIC, Board of Governors of the Federal Reserve, Office of the Comptroller of the Currency, and National Credit Union Administration (the agencies) will host a webinar for bankers on Friday, April 24, 2020, from 3:00 to 4:00 p.m. Eastern Daylight Time (EDT) to discuss the revised Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus. The webinar will address accounting and regulatory reporting questions and clarify the interaction between current accounting principles and Section 4013 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Statement of Applicability to Institutions with Total Assets under $1 Billion: This Financial Institution Letter (FIL) applies to all FDIC-supervised institutions.

**Highlights:**

The interagency webinar for bankers will address accounting and regulatory reporting considerations of the revised interagency statement issued on April 7, 2020, to include:

- Clarifying the interaction between current accounting principles and Section 4013 of the CARES Act;
- Supervisory considerations on past-due and nonaccrual regulatory reporting; and
- Regulatory capital considerations.
- Participants should preregister for the event at https://www.webcaster4.com/Webcast/Page/583/34317.
- To accommodate the participation of as many financial institutions as possible, we ask each institution register no more than two representatives to attend the live session.
- Participants are encouraged to email questions in advance to asktheregulators@stls.frb.org.

Webinar materials will be archived for future viewing and can be accessed after the webinar at the registration link.

Related Topics:

Frequently Asked Questions for Financial Institutions Affected by the Coronavirus Disease 2019 (Referred to as COVD-19)

FIL-36-2020, Revised Interagency Statement on Loan Modifications by Financial Institutions Working with Customers Affected by the Coronavirus

**Source** link.

***Comment: FIL-36-2020 indicates that financial institutions have broad discretion to implement prudent modification programs consistent with the framework included in the guidance. We recommend you develop a policy and/or procedure for these modifications and have it approved by your bank board. In addition, tracking and reporting mechanisms for these loans should be implemented.***

### *Federal and State Regulators Release Updates to BSA/AML Examination Manual (04.15.2020)*

The Federal Financial Institutions Examination Council (FFIEC) released several updates to the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) examination manual. The manual is used to evaluate compliance with the Bank Secrecy Act and anti-money laundering requirements.

The agencies are aware of the uncertainty faced by financial institutions during this unprecedented time. The manual update, which supports tailored examination work, has been in process for an extended period and should not be interpreted as new instructions or as a new or increased focus.

The updates offer further transparency into the examination process and establish no new requirements. The updates provide instructions to examiners for risk-focusing BSA/AML examinations and assessing a bank's BSA/AML compliance program.

The Federal Reserve Board, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the State Liaison Committee worked closely with Treasury's Financial Crimes Enforcement Network on the updates. Updates to other sections of the manual will be announced as they are completed.

Attachments:

FFIEC BSA/AML Examination Manual Updates (PDF)

Interagency Statement (PDF)

**Source** link.

***Comment: Specifically, the updated manual provides instructions to examiners for tailoring BSA/AML examinations to a bank's risk profile; assessing the adequacy of an institution's BSA/AML compliance program; assessing a bank's BSA/AML risk assessment processes; and developing conclusions and finalizing the exam. The agencies also made clarifications about the difference between mandatory regulatory requirements and supervisory expectations set forth in guidance.***

### *Federal Banking Agencies to Defer Appraisals and Evaluations for Real Estate Transactions Affected by COVID-19 (04.14.2020)*

The federal banking agencies issued an interim final rule to temporarily defer real estate-related appraisals and evaluations under the agencies' interagency appraisal regulations. The Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency are providing this temporary relief to allow regulated institutions to extend financing to creditworthy households and businesses quickly in the wake of the national emergency declared in connection with COVID-19.

The agencies are deferring certain appraisals and evaluations for up to 120 days after closing of residential or commercial real estate loan transactions. Transactions involving acquisition, development, and construction of real estate are excluded from this interim rule. These temporary provisions will expire on December 31, 2020, unless extended by the federal banking agencies.

The National Credit Union Administration (NCUA) will consider a similar proposal on Thursday, April 16.

In addition, the federal banking agencies, together with NCUA and the Consumer Financial Protection Bureau, in consultation with the Conference of State Bank Supervisors, issued a joint statement to address challenges relating to appraisals and evaluations for real estate-related financial transactions affected by COVID-19.

The interagency statement outlines other flexibilities in industry appraisal standards and in the agencies' appraisal regulations and describes temporary changes to Fannie Mae and Freddie Mac appraisal standards that can assist lenders during this challenging time. The agencies will continue to communicate with the industry, as appropriate, as this situation evolves.

**Attachments:**

Interim Final Rule

Interagency Statement

**Source** link.

***Comment: It is worth reminding banks that this is not an exception to the Interagency Appraisal and Evaluation Guidelines but a deferral of up to 120 days from the date of closing for completion of either an appraisal or evaluation. The 120-day deferral is designed to encourage banks to continue lending notwithstanding circumstances that prevent the physical site visits commonly conducted in preparing USPAP compliant appraisals. The Appraisal Foundation also published FAQs entitled Coronavirus and Appraisers: Your Questions Answered.***

### *Federal Bank Regulators Issue Interim Final Rule for Paycheck Protection Program Facility (04.09.2020)*

The federal bank regulatory agencies announced an interim final rule to encourage lending to small businesses through the Small Business Administration's Paycheck Protection Program, or PPP. The PPP was established by the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, and provides loans to small businesses so that they can keep their workers on the payroll during the disruptions caused by the coronavirus.

The interim final rule modifies the agencies' capital rules to neutralize the regulatory capital effects of participating in the Federal Reserve's PPP facility because there is no credit or market risk in association with PPP loans pledged to the facility. Consistent with the agencies' current capital rules and the CARES Act requirements, the interim final rule also clarifies that a zero percent risk weight applies to loans covered by the PPP for capital purposes.

The rule is effective immediately and comments will be accepted for 30 days after publication in the Federal Register.

**Attachment:**

Interim Final Rule on Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans

**Source** link.

***Comment: Under the PPPL Facility, each Federal Reserve Bank will extend non-recourse loans to institutions that are eligible to make PPP covered loans, including depository institutions subject to the agencies' capital rules. However, only loans that are guaranteed by the SBA under the Paycheck Protection Program with respect to both principal and interest may be pledged as collateral to the Federal Reserve Banks.***

### *Agencies Issue Revised Interagency Statement on Loan Modifications by Financial Institutions Working with Customers Affected by the Coronavirus (04.07.2020)*

The federal financial institution regulatory agencies (the agencies), in consultation with state financial regulators, issued a revised interagency statement encouraging financial institutions to work constructively with borrowers affected by COVID-19 and providing additional information regarding loan modifications. The revised statement also provides the agencies' views on consumer protection considerations.

The revised statement clarifies the interaction between the interagency statement issued on March 22, 2020, and the temporary relief provided by Section 4013 of the Coronavirus Aid, Relief, and Economic Security Act, which was signed into law on March 27, 2020. Section 4013 allows financial institutions to suspend the requirements to classify certain loan modifications as troubled debt restructurings (TDRs). The revised statement also provides supervisory interpretations on past due and nonaccrual regulatory reporting of loan modification programs and regulatory capital.

The agencies encourage financial institutions to work with borrowers and will not criticize institutions for doing so in a safe-and-sound manner. The agencies view prudent loan modification programs offered to financial institution customers affected by COVID-19 as positive and proactive actions that can manage or mitigate adverse impacts on borrowers, and lead to improved loan performance and reduced credit risk.

The agencies' examiners will exercise judgment in reviewing loan modifications, including TDRs, and will not automatically adversely risk rate credits that are affected by COVID-19, including those considered TDRs. Regardless of whether modifications are considered TDRs or are adversely classified, agency examiners will not criticize prudent efforts to modify terms on existing loans for affected customers.

**Attachment:**

Interagency Statement (Revised)

**Source** link.

***Comment: The agencies view loan modification programs as positive actions that can mitigate adverse effects on both the bank and borrowers due to COVID-19. In addition, the agencies state they will not criticize banks that mitigate credit risk through prudent actions consistent with safe and sound practices.***

### *Agencies Announce Changes to the Community Bank Leverage Ratio (04.06.2020)*

The federal bank regulatory agencies announced the issuance of two interim final rules to provide temporary relief to community banking organizations. The agencies are acting to implement Section 4012 of the Coronavirus Aid, Relief, and Economic Security Act, which requires the agencies to temporarily lower the community bank leverage ratio to 8 percent.

The two rules will modify the community bank leverage ratio framework so that:

Beginning in the second quarter 2020 and until the end of the year, a banking organization that has a leverage ratio of 8 percent or greater and meets certain other criteria may elect to use the community bank leverage ratio framework; and

Community banking organizations will have until January 1, 2022, before the community bank leverage ratio requirement is re-established at greater than 9 percent.

Under the interim final rules, the community bank leverage ratio will be 8 percent beginning in the second quarter and for the remainder of calendar year 2020, 8.5 percent for calendar year 2021, and 9 percent thereafter. The interim final rules also maintain a two-quarter grace period for a qualifying community banking organization whose leverage ratio falls no more than 1 percent below the applicable community bank leverage ratio.

The agencies are providing community banking organizations with a clear and gradual transition back to the 9 percent leverage ratio requirement previously established by the agencies. This transition will allow community banking organizations to focus on supporting lending to creditworthy households and businesses given the recent strains on the U.S. economy caused by the coronavirus.

The changes will be effective as of the publication of the rules in the Federal Register and the agencies will accept comments on the interim final rules for 45 days after publication.

**Attachments:**

Regulatory Capital Rule: Temporary Changes to the Community Bank Leverage Ratio Framework

Regulatory Capital Rule: Transition for the Community Bank Leverage Ratio Framework

**Source** link.

***Comment: This change is required by Section 4012 the CARES Act. The federal banking agencies temporarily lowered the community bank leverage ratio, issuing these two interim final rules to set the CLBR at 8 percent and then gradually re-establish it at 9 percent.***

### *Federal Agencies Encourage Mortgage Servicers to Work with Struggling Homeowners Affected by COVID-19 (04.03.2020)*

The federal financial institution regulatory agencies and the state financial regulators issued a joint policy statement providing needed regulatory flexibility to enable mortgage servicers to work with struggling consumers affected by the Coronavirus Disease (referred to as COVID-19) emergency. The actions announced by the agencies inform servicers of the agencies' flexible supervisory and enforcement approach during the COVID-19 pandemic regarding certain communications to consumers required by the mortgage servicing rules. The policy statement and guidance issued will facilitate mortgage servicers' ability to place consumers in short-term payment forbearance programs such as the one established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Under the CARES Act, borrowers in a federally backed mortgage loan experiencing a financial hardship due, directly or indirectly, to the COVID-19 pandemic, may request forbearance by making a request to their mortgage servicer and affirming that they are experiencing a financial hardship during the COVID–19 pandemic. In response, servicers must provide a CARES Act forbearance, that allows borrowers to defer their mortgage payments for up to 180-days and possibly longer.

The policy statement clarifies that the agencies do not intend to take supervisory or enforcement action against mortgage servicers for delays in sending certain early intervention and loss mitigation notices and taking certain actions relating to loss mitigation set out in the mortgage servicing rules, provided that servicers are making good faith efforts to provide these notices and take these actions within a reasonable time.

To further enable short-term payment forbearance programs or short-term repayment plans, mortgage servicers offering these programs or plans will not have to provide an acknowledgement notice within 5 days of receipt of an incomplete application, provided the servicer sends the acknowledgment notice before the end of the forbearance or repayment period.

The guidance also reminds servicers that there is existing flexibility in the rules with respect to the content of certain notices. Finally, to assist servicers experiencing high call volumes from consumers seeking help, the policy statement also confirms that the agencies do not intend to take supervisory or enforcement action against mortgage servicers for delays in sending annual escrow statements, provided that servicers are making good faith efforts to provide these statements within a reasonable time.

**Attachment:**

Joint Statement on Supervisory and Enforcement Practices Regarding the Mortgage Servicing Rules in Response to the COVID-19 Emergency and the CARES Act

**Source** link.

***Comment: Remember that "small servicers" are not subject to most of the servicing (mitigation) procedures of Regulation X.***

### *Credit Concentrations: Joint Statement on Adjustment to the Calculation for Credit Concentration Ratios Used in the Supervisory Approach (03.30.2020)*

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) published the "Joint Statement on Adjustment to the Calculation for Credit Concentration Ratios Used in the Supervisory Approach" on March 30, 2020. This joint statement is in response to changes in the type of capital information available after the implementation of the Community Bank Leverage Ratio (CBLR) rule. The joint statement provides a consistent approach for calculating credit concentrations for all banking organizations. The calculation in the joint statement is consistent with current OCC bank supervision processes.

**Highlights**

The joint statement explains that:

- As of March 31, 2020, the agencies will consistently calculate credit concentrations using tier 1 capital plus the appropriate allowance for loan and lease losses (ALLL) or allowance for credit losses (ACL) as the denominator, as reported on the Consolidated Reports of Condition and Income.

- This approach applies only to supervisory calculations for credit concentration ratios and does not affect the calculation of total capital used for other purposes.

**Source** link.

***Comment: These approaches are expected to provide a consistent methodology for calculating these ratios at all banks and to approximate the agencies' historical methodology for calculating credit concentration ratios. For banking organizations that have not adopted CECL, the agencies' examiners will calculate credit concentration ratios using tier 1 capital plus the entire allowance for loan and lease losses as the denominator. This adjustment, which provides a consistent supervisory approach for all banking organizations, applies only to supervisory calculations for credit concentration ratios and does not affect the calculation of total capital for other purposes.***

***Agencies Announce Two Actions to Support Lending to Households and Businesses (03.27.2020)***

The federal bank regulatory agencies announced two actions to support the U.S. economy and allow banking organizations to continue lending to households and businesses:

Allowing early adoption of a new methodology on how certain banking organizations are required to measure counterparty credit risk derivatives contracts; and

Providing an optional extension of the regulatory capital transition for the new credit loss accounting standard.

The "standardized approach for measuring counterparty credit risk" rule, also known as SA-CCR, was finalized by the agencies in November 2019, with an effective date of April 1. It reflects improvements made to the derivatives market since the 2007-2008 financial crisis, such as central clearing and margin requirements. To help improve current market liquidity and smooth disruptions, the agencies will permit banking organizations to early adopt SA-CCR for the reporting period ending March 31.

Additionally, the agencies issued an interim final rule that allows banking organizations to mitigate the effects of the "current expected credit loss," or CECL, accounting standard in their regulatory capital. Banking organizations that are required under U.S. accounting standards to adopt CECL this year can mitigate the estimated cumulative regulatory capital effects for up to two years. This is in addition to the three-year transition period already in place. Alternatively, banking organizations can follow the capital transition rule issued by the banking agencies in February 2019.

The changes will be effective immediately and the agencies will accept comments on the CECL interim final rule for 45 days.

**Attachments:**

Standardized Approach for Calculating the Exposure Amount of Derivative Contracts

Regulatory Capital Rule: Revised Transition of the Current Expected Credit Losses Methodology for Allowances

**Source** link.

***Federal Agencies Encourage Banks, Savings Associations and Credit Unions to Offer Responsible Small-Dollar Loans to Consumers and Small Businesses Affected by COVID-19 (03.26.2020)***

Five federal financial regulatory agencies issued a joint statement encouraging banks, savings associations and credit unions to offer responsible small-dollar loans to consumers and small businesses in response to COVID-19.

The statement of the Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation, National Credit Union Administration, and Office of the Comptroller of the Currency recognizes that responsible small-dollar loans can play an important role in meeting customers' credit needs because of temporary cash-flow imbalances, unexpected expenses, or income disruptions during periods of economic stress or disaster recoveries. Such loans can be offered through a variety of structures including open-end lines of credit, closed-end installment loans, or appropriately structured single payment loans.

The agencies state that loans should be offered in a manner that provides fair treatment of consumers, complies with applicable laws and regulations, and is consistent with safe and sound practices.

For borrowers who experience unexpected circumstances and cannot repay a loan as structured, banks, savings associations and credit unions are further encouraged to consider workout strategies designed to help borrowers to repay the principal of the loan while mitigating the need to re-borrow.

This statement follows other actions taken by the agencies to encourage financial institutions to meet the financial services needs of their customers and members who have been affected by COVID-19. For example, the federal banking agencies issued a joint statement on March 19 informing institutions that the agencies will favorably consider retail banking and lending activities that meet the needs of affected low- and moderate-income individuals, small businesses, and small farms for Community Reinvestment Act purposes, that are consistent with safe and sound banking practices and applicable laws, including consumer protection laws.

In addition to the statement, the agencies are working on future guidance and lending principles for responsible small-dollar loans to facilitate the ability of banks, credit unions, and saving associations to more effectively meet the ongoing credit needs of their customers, members, and communities.

**Attachment:**

Interagency Statement

**Source** link.

***Comment: In structuring such programs, consider offering these at low interest rates as part of the accommodation. See Joint Statement on CRA Considerations below.***

### *Agencies Provide Additional Information to Encourage Financial Institutions to Work with Borrowers Affected by COVID-19 (03.22.2020)*

The federal financial institution regulatory agencies and the state banking regulators issued an interagency statement encouraging financial institutions to work constructively with borrowers affected by COVID-19 and providing additional information regarding loan modifications.

The agencies encourage financial institutions to work with borrowers, will not criticize institutions for doing so in a safe and sound manner, and will not direct supervised institutions to automatically categorize loan modifications as troubled debt restructurings (TDRs). The joint statement also provides supervisory views on past-due and nonaccrual regulatory reporting of loan modification programs.

The agencies view prudent loan modification programs offered to financial institution customers affected by COVID-19 as positive and proactive actions that can manage or mitigate adverse impacts on borrowers, and lead to improved loan performance and reduced credit risk.

The statement reminds institutions that not all modifications of loan terms result in a TDR. Short-term modifications made on a good faith basis in response to COVID-19 to borrowers who were current prior to any relief are not TDRs. This includes short-term -- for example, six months -- modifications such as payment deferrals, fee waivers, extensions of repayment terms, or other delays in payment that are insignificant.

The agencies' examiners will exercise judgment in reviewing loan modifications, including TDRs, and will not automatically adversely risk rate credits that are affected, including those considered TDRs. Regardless of whether modifications are considered TDRs or are adversely classified, agency examiners will not criticize prudent efforts to modify terms on existing loans for affected customers.

**Attachment:**

Interagency Statement

**Source** link.

***Comment: A modification which does not replace the existing note is not a "refinancing" under Truth in Lending and does not require subsequent disclosures for consumer transactions. The only caveat would be if the modification added a variable rate feature not previously disclosed.***

***Federal Bank Regulatory Agencies Issue Interim Final Rule for Money Market Liquidity Facility (03.19.2020)***

To support the flow of credit to households and businesses, the federal bank regulatory agencies announced an interim final rule to ensure that financial institutions will be able to effectively use a liquidity facility recently launched by the Federal Reserve Board.

The Board launched the Money Market Mutual Fund Liquidity Facility, or MMLF, yesterday to enhance the liquidity and functioning of money markets and to support the economy. The interim final rule modifies the agencies' capital rules so that financial institutions receive credit for the low risk of their MMLF activities, reflecting the fact that institutions would be taking no credit or market risk in association with such activities. The change only applies to activities with the MMLF.

The rule is effective immediately and comments will be accepted for 45 days after publication in the Federal Register.

Attachment:

Final Rule

**Source** link.

***Comment: Note that there are several liquidity options that have recently been developed.***

***Joint Statement on CRA Consideration for Activities in Response to the COVID-19 (03.19.2020)***

The Federal Reserve Board, the FDIC, and the Office of the Comptroller of the Currency (the agencies) recognize the potential for the Coronavirus Disease (referred to as COVID-19) to adversely affect the customers and operations of financial institutions. The agencies encourage financial institutions to work with affected customers and communities, particularly those that are low- and moderate-income. Pursuant to the Community Reinvestment Act (CRA), the agencies will provide favorable consideration of certain retail banking services, retail lending activities, and community development activities related to this national emergency.

Statement of Applicability to Institutions with Total Assets under $1 Billion: This Financial Institution Letter applies to all FDIC-supervised financial institutions.

**Highlights:**

- The agencies recognize that financial institutions working with affected customers during disasters and national emergencies serves the long-term interests of these communities and the financial system, when consistent with safe and sound banking practices and applicable laws, including consumer protection laws.
- Pursuant to the CRA, the agencies will favorably consider retail banking services and retail lending activities in a financial institution's assessment areas that are responsive to the needs of low- and moderate-income individuals, small businesses, and small farms affected by COVID-19 consistent with safe and sound banking practices.
- In light of the declaration of a national emergency, the attached interagency statement clarifies that financial institutions will receive CRA consideration for community development (CD) activities.
- Qualifying CD activities include those that help to revitalize or stabilize low- or moderate-income geographies as well as distressed underserved non-metropolitan middle income geographies, and that support community services targeted to low- or moderate-income individuals.
- Favorable consideration will be given to CD activities located in a broader statewide or regional area that includes a bank's CRA Assessment Area and that help to stabilize communities affected by the COVID-19, provided that such institutions are responsive to the CD needs and opportunities that exist in their own assessment area(s).

This statement shall be effective through the six-month period after the national emergency declaration is lifted, unless extended by the agencies.

Attachment:

Joint Statement on CRA Consideration for Activities in Response to COVID-19

**Source** link.

***Comment: Consider waiving overdraft and foreign ATM fees as part of this program.***

# CFPB actions and news

### *Consumer Financial Protection Bureau Advisory Committees to Meet on May 1, 2020 (04.20.2020)*

**WASHINGTON, D.C.** – The Consumer Financial Protection Bureau (Bureau) announced that the Consumer Advisory Board (CAB), Community Bank Advisory Council (CBAC), the Credit Union Advisory Council (CUAC), and the Academic Research Council (ARC) will meet jointly on May 1st from 2:00 to 4:15 pm ET via conference call. The call will be open to the public.

The meeting will focus on the COVID-19 pandemic, including a snap-shot of consumer complaints as a result of the pandemic, and the impact of the pandemic on consumers, including servicemembers, students, older Americans, and the underserved.

The CAB is mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to advise and consult with the Bureau's Director on a variety of consumer financial issues. In 2012, the Bureau also created three additional discretionary committees: the CBAC, CUAC, and ARC. The CBAC and CUAC advise and consult with the Bureau on consumer financial issues related to community banks and credit unions. The ARC advises the Bureau on its strategic research planning process and research agenda and provides feedback on research methodologies, data collection strategies, and methods of analysis, including methodologies and strategies for quantifying the costs and benefits of regulatory actions.

"Consumers are confronting unprecedented challenges as a result of the COVID-19 pandemic with many of them experiencing a loss of income, reduced work hours, or caring for a family member. During the advisory committee meetings we will delve into the impact this pandemic is having on consumers and our work to ensure consumers are protected during this time," said Consumer Financial Protection Bureau Director Kathleen L. Kraninger.

Members of the public interested in listening to the meeting must RSVP by noon, April 30, 2020 via this link: https://surveys.consumerfinance.gov/jfe/form/SV_9n9ID9YIWCehylL.

The meeting agenda can be found here: https://www.consumerfinance.gov/about-us/events/may-2020-joint-advisory-committees-meeting/.

**Source** link.

***Home Mortgage Disclosure (Regulation C) (04.16.2020)***

The Bureau of Consumer Financial Protection (Bureau) is amending Regulation C to increase the threshold for reporting data about closed-end mortgage loans, so that institutions originating fewer than 100 closed-end mortgage loans in either of the two preceding calendar years will not have to report such data effective July 1, 2020. The Bureau is also setting the threshold for reporting data about open-end lines of credit at 200 open-end lines of credit effective January 1, 2022, upon the expiration of the current temporary threshold of 500 open-end lines of credit.

The Bureau is releasing for this final rule an unofficial, informal redline to assist industry and other stakeholders in reviewing the changes that this final rule makes to Regulation C.

FINAL RULE

View pdf

**Source** link.

***Comment: Make note that the HELOC threshold is being reduced!***

***Consumer Financial Protection Bureau Announces Guidance on Remittance Transfers During COVID-19 Pandemic (04.10.2020)***

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (Bureau) took steps to ensure that consumers will be able to continue to send remittance transfers without disruption during the COVID-19 pandemic.

The pandemic is having a significant impact on consumers' finances, both here and around the world, and many consumers rely on remittance transfers to send money from the United States to their families and friends abroad. In order to minimize the impact of the pandemic on the remittances market, the Bureau issued a policy statement that will enable insured institutions to continue to focus on the immediate needs of their customers by taking a flexible approach to the Bureau's supervision and enforcement of remittance transfers.

The Bureau proposed amendments to the Remittance Rule in December 2019 in part to address the effects of the expiration of that temporary exception and expects to issue a final rule in May. Section 919 of the Electronic Fund Transfer Act (EFTA), as implemented by the Bureau's Remittance Rule, requires a remittance transfer provider to disclose certain information to consumers who send remittance transfers, including information related to the exact costs of a transfer. The statute also provides insured institutions a temporary exception to that requirement which allows them to disclose estimated exchange rates and certain third-party fees, instead of exact amounts, in some circumstances. By statute, that temporary exception will expire on July 21 of this year.

The Bureau expects that after the temporary exception expires, some insured institutions that currently disclose estimates under the temporary exception may have challenges disclosing actual costs and thus without intervention may cease providing remittance services to their customers.

For international remittance transfers that occur on or after July 21, 2020 and before Jan. 1, 2021, the policy statement states that the Bureau will neither cite supervisory violations nor initiate enforcement actions against insured institutions for continuing to provide estimates to consumers under the temporary exception, instead of actual amounts.

The Statement on Supervisory and Enforcement Practices Regarding the Remittance Rule in Light of the COVID-19 Pandemic is available at: https://files.consumerfinance.gov/f/documents/cfpb_policy-statement_remittances-covid-19_2020-04.pdf

**Source** link.

***Comment: Be sure to set a 'tickler' for the termination date on this temporary exception.***

### *CFPB Issues Credit Reporting Guidance During COVID-19 Pandemic (04.01.2020)*

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (Bureau) released a policy statement outlining the responsibility of credit reporting companies and furnishers during the COVID-19 pandemic. In response to the pandemic, many lenders are being flexible when it comes to consumers' making payments. The Bureau's statement underscores that consumers benefit if lenders report accurate information about these arrangements to credit bureaus so that the credit reports of consumers are accurate.

"During this time of uncertainty, we are providing clarity to ensure the consumer reporting industry can continue to function," said Director Kraninger. "Consumers rely on their credit report to purchase a new car, their new home, or to finance their college education. An effective consumer reporting system is critical in promoting fair and efficient access to credit in the consumer financial services market."

As lenders continue to offer struggling borrowers payment accommodations, Congress last week passed the CARES Act. The Act requires lenders to report to credit bureaus that consumers are current on their loans if consumers have sought relief from their lenders due to the pandemic. The Bureau's statement informs lenders they must comply with the CARES Act. The Bureau's statement also encourages lenders to continue to voluntarily provide payment relief to consumers and to report accurate information to credit bureaus relating to this relief. The continuation of reporting such accurate payment information produces substantial benefits for consumers, users of consumer reports, and the economy as a whole.

In addition, in response to staffing and resources constraints on lenders and credit bureaus due to the pandemic, the Bureau's statement also provides flexibility for lenders and credit bureaus in the time they take to investigate disputes. The Bureau specifically states that it does not intend to cite in an examination or bring an enforcement action against firms who exceed the deadlines to investigate such disputes as long as they make good faith efforts during the pandemic to do so as quickly as possible.

Earlier this month, the Bureau provided consumers with resources to protect their credit. The Bureau's blog outlines the steps consumers should take if they cannot make a payment, how to dispute inaccurate information on their credit report, and how to obtain a free copy of their credit report. The blog can be found here.

Statement on Supervisory and Enforcement Practices Regarding the Fair Credit Reporting Act and Regulation V in Light of the CARES Act/

**Source** link.

***Comment: Throughout the policy statement, the CFPB emphasizes the importance of furnishing and reporting information as accurately as possible during the COVID-19 pandemic, as "[c]onsumer report information is critical to consumers and industry in determining who obtains credit, insurance, and housing, and at what price, and who obtains employment in many cases." Therefore, banks and reporters should ensure they are complying with the CARES Act and reporting consumer information accurately.***

***HMDA Modified Loan Application Registers Released (03.29.2020)***

WASHINGTON, D.C. — The Home Mortgage Disclosure Act (HMDA) Modified Loan Application Registers (LARs) data were published for approximately 5,400 financial institutions. This is the first year in which additional data reported by certain institutions under the 2015 HMDA rule will be available. The Modified LARs contains loan level information for 2018 on individual HMDA filers, modified to protect privacy. For guidance as to how submitted data is modified to protect privacy, please see https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-announces-policy-guidance-disclosure-home-mortgage-data/.

Later this year, additional information will be published related to HMDA, including: a complete loan level dataset and HMDA aggregate and disclosure reports. These data products will be accompanied by a Data Point article highlighting key trends. The information to be released this year will include certain new data points, which can provide more insights into the mortgage lending practices of institutions. The CFPB anticipates applying particular rigor and analysis to address data anomalies, including in the new data points and describing the context in which the data may be best understood.

The HMDA statute requires that the Modified LARs be available by March 31st. The 2015 HMDA rule eliminated the need for individual financial institutions to make their Modified LARs available to members of the public who may request them. This is the second year that all Modified LARs have been publicly available on ffiec.cfpb.gov. The 2018 HMDA Modified LARs are available here: https://ffiec.cfpb.gov/data-publication/modified-lar.

**Source** link.

***Statement on Supervisory and Enforcement Practices Regarding Quarterly Reporting Under the Home Mortgage Disclosure Act (03.26.2020)***

The Bureau of Consumer Financial Protection (Bureau) recognizes the serious impact that the COVID-19 pandemic is having on consumers and the operations of many entities. The Bureau also recognizes that mortgage lenders play a vital role in ensuring that consumers have access to credit. This access is especially critical in responding to the dramatic effects on the finances of consumers as a result of the coronavirus crisis. The Bureau is therefore issuing this policy statement (Policy Statement) in order to provide lenders with flexibility and reduce administrative burden, allowing them to focus their time and attention on making sure consumers continue to have such access.

Effective January 1, 2020, under the Home Mortgage Disclosure Act (HMDA), 12 U.S.C. 2801 through 2810, and Regulation C, 12 CFR 1003.5(a)(1)(ii), financial institutions that report for the preceding calendar year at least 60,000 covered loans and applications (excluding purchased loans) must report their HMDA data quarterly (except for the fourth quarter) in addition to annually. The first quarterly submissions in 2020 are due by May 30.

As of March 26, 2020 and until further notice, the Bureau does not intend to cite in an examination or initiate an enforcement action against any institution for failure to report its HMDA data quarterly.

At a later date, the Bureau will provide information as to how and when it expects institutions under its jurisdiction to resume quarterly HMDA data submissions. Entities should continue collecting and recording HMDA data in anticipation of making annual data submissions. Entities may continue making quarterly HMDA data submissions even though the Bureau does not intend to cite or take any actions against them if they do not do so.

**Source** link.

# FDIC actions and news

***Technical Corrections to the Revised Transition of the Current Expected Credit Losses Methodology for Allowances (04.22.2020)***

The Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and Board of Governors of the Federal Reserve System (the agencies) published a technical correction, final rule in the Federal Register that corrects errors in and clarifies the March 31, 2020 interim final rule (IFR) that provides a five-year transition period for the impact of the current expected credit loss methodology (CECL) on regulatory capital.

This Financial Institution Letter is applicable to banks that were required (as of January 1, 2020) to adopt CECL under U.S. generally accepted accounting principles.

**Source** link.

***FDIC to Postpone Effort to Modernize Agency's Signage & Advertising Requirements (04.16.2020)***

WASHINGTON – The Federal Deposit Insurance Corporation (FDIC) announced it will temporarily postpone its efforts to modify its signage and advertising requirements. The agency remains committed to modernizing these rules at a future date to better reflect how banks and savings associations are transforming their business models to take deposits via physical branches, digital, and mobile banking channels.

On February 26, 2020, the FDIC published a Request for Information in the Federal Register seeking input regarding potential changes to its sign and advertising rules. Last month, agency extended the comment period to April 20, 2020.

**Source** link.

### *FDIC Extends Comment Period on Modernizing Brokered Deposit Restrictions (04.03.2020)*

WASHINGTON – In light of the challenges associated with COVID-19, the Federal Deposit Insurance Corporation (FDIC) announced that it will extend the public comment period for its proposed rule to modernize its brokered deposit regulations by 60 days. Interested parties responding to FDIC's Notice of Proposed Rulemaking on Brokered Deposit Restrictions Applicable to Less Than Well Capitalized Banks may now submit comments through June 9, 2020. Read FDIC's notice.

On December 12, 2019, the FDIC Board of Directors approved and published on its website proposed revisions to its regulations relating to the brokered deposits restrictions that apply to less than well capitalized insured depository institutions. Through this proposed rule, the FDIC would establish a new framework for analyzing whether deposits placed through deposit placement arrangements qualify as brokered deposits.

An extension of the comment period will allow interested parties additional time to analyze the issues and to prepare comments to address the questions posed by the FDIC. Therefore, the FDIC is extending the end of the comment period from April 10, 2020, to June 9, 2020.

**Source** link.

***Comment: As reported earlier, the proposed changes create significant concerns for community banks, which rely on third parties for consumer information. As drafted, the rule would make a variety of normal activities the "facilitation" of obtaining deposits!***

### *FDIC Chairman Addresses FSOC; Underscores Banks and Deposits Remain Safe (03.26.2020)*

WASHINGTON—Federal Deposit Insurance Corporation (FDIC) Chairman Jelena McWilliams addressed the Financial Stability Oversight Council (FSOC), highlighting the agency's ongoing efforts to provide the necessary flexibility to both banks and their customers in response to the coronavirus (COVID-19) pandemic.
"I want to underscore that our banks are safe," said Chairman McWilliams. "Your FDIC-insured deposits are safe. […] The FDIC was born out of a crisis, and it has witnessed many crises. We will get through this one together. Since 1933, no depositor has lost a penny of insured deposits in an FDIC bank, and that will not change."

The full text of the Chairman's remarks at the FSOC meeting can be found here. The FDIC continues to work closely with other financial regulators to provide regular updates and guidance to banks and consumers.
The agency's existing guidance and statements related to COVID-19 include:

- Press Release: Agencies Provide Additional Information to Encourage Financial Institutions to Work with Borrowers Affected by COVID-19 (March 22, 2020)
- Press Release: FDIC Chairman Urges FASB to Delay Certain Accounting Rules Amid Pandemic (March 19, 2020)
- Press Release: FDIC: Insured Bank Deposits Are Safe; Beware of Potential Scams Using the Agency's Name (March 18, 2020)
- Press Release: Federal Banking Agencies Provide Banks Additional Flexibility to Support Households and Businesses (March 17, 2020)
- Press Release: FDIC Announces Steps to Protect Banks and Consumers and to Continue Operations (March 16, 2020)
- FIL-22-2020: Interagency Statement on Loan Modifications by Financial Institutions Working with Customers Affected by the Coronavirus
- FIL-21-2020: Regulatory Capital Rule: Eligible Retained Income
- FIL-20-2020: Regulatory Capital Rule: Clarification on the Use of Buffers
- FIL-19-2020: Joint Statement on CRA Consideration for Activities in Response to the COVID-19
- FIL-18-2020: Frequently Asked Questions: For Financial Institutions and Consumers Affected by the Coronavirus
- FIL-17-2020: Regulatory Relief: Working with Customers Affected by the Coronavirus

**Source** link.

***FDIC Chairman Urges FASB to Delay Certain Accounting Rules Amid Pandemic (03.19.2020)***

WASHINGTON – Federal Deposit Insurance Corporation (FDIC) Chairman Jelena McWilliams sent a letter to the Financial Accounting Standards Board (FASB) urging a delay in transitions to and exclusions from certain accounting rules, including:

- Excluding COVID-19-related modifications from being considered a concession when determining a troubled debt restructuring (TDR) classification;
- Permitting financial institutions currently subject to the current expected credit losses (CECL) methodology an option to postpone implementation of CECL given the current economic environment; and
- Imposing a moratorium on the effective date for those institutions that are not currently required to implement CECL to allow these financial institutions to focus on immediate business challenges relating to the impacts of the current pandemic and its effect on the financial system.

"Today we are confronting new and uncertain challenges in view of the worldwide pandemic," Chairman McWilliams wrote. "The nation's banking industry is responding to rapidly evolving business conditions that are unprecedented in our history. To support the industry's efforts to focus on their employees and customers, I encourage FASB to take these much needed actions to allow banks to help their communities at this time of need."

Read the full letter here.

**Source** link.

***FDIC Approves the Deposit Insurance Application for Square Financial Services, Inc., Salt Lake City, Utah (03.18.2020)***

he Board of Directors of the Federal Deposit Insurance Corporation (FDIC) approved the deposit insurance application submitted by Square, Inc., San Francisco, California, to create a de novo industrial bank.

The bank, Square Financial Services, Inc., will originate commercial loans to merchants that process card transactions through Square, Inc.'s payments system. Square Financial Services, Inc. will operate from a main office located in the Salt Lake City, Utah.

Square, Inc., was formed in 2009 as a payment services provider to enable businesses to accept card payments. The platform has been expanded to include point-of-sale payments, financing, and other services.

Applications for deposit insurance are evaluated under a framework of seven factors that include: the financial history and condition of the institution; the adequacy of the institution's capital structure; the future earnings prospects of the institution; the general character and fitness of the management of the institution; the risk presented by the institution to the Deposit Insurance Fund; the convenience and needs of the community to be served by the institution; and whether the institution's corporate powers are consistent with the purposes of the Federal Deposit Insurance Act.

Square Financial Services, Inc. is awaiting approval from the Utah Department of Financial Institutions. The approval for deposit insurance requires the bank to be established within 12 months.

Attachment:

Approval Order for Deposit Insurance

Chairman McWilliams' Statement

**Source** link.

***Comment: San Francisco-based Square, subsequently also received charter approval from the Utah Department of Financial Institutions and is expected to launch its bank next year. The new bank will be based in Salt Lake City, support Square Capital's commercial lending business and offer deposit products. The same day, the FDIC also approved the deposit insurance application submitted by Nelnet, Inc., Lincoln, Nebraska, to create a de novo industrial bank. Nelnet Bank will originate and service private student loans and other consumer loans. As an internet-only bank, Nelnet Bank will operate from a main office located in the Salt Lake City, Utah area.***

### *Frequently Asked Questions for Financial Institutions and Consumers Affected by the Coronavirus (03.19.2020)*

The FDIC understands that financial institutions and consumers may have questions about the potential impact of the Coronavirus Disease 2019 (referred to as COVID-19). In response, the FDIC is providing two sets of frequently asked questions (FAQs), one for financial institutions and one for consumers. The FAQs address a variety of issues that may arise as financial institutions work with customers and communities affected by COVID-19. The FDIC recognizes that such efforts can be accomplished in a manner that is consistent with safe and sound banking practices, compliant with applicable laws (including consumer protection laws), and in the public interest. The FDIC will continue to add FAQs to the initial list, as needed, to address additional questions and issues that arise.

**Highlights:**

- The FDIC understands that this unique and evolving situation could pose significant temporary financial disruptions.
- The FDIC is providing FAQs to financial institutions and consumers affected by COVID-19 that address some of the questions received to-date, and will continue to update these FAQs, as needed.
- Financial institutions that have questions about the potential impact of COVID-19 are encouraged to contact their FDIC Regional Office.
- Financial institutions can advise customers to contact the FDIC toll free at 1-877-ASK-FDIC or 1-877-275-3342 with questions about deposit insurance or accessing bank accounts.
- The FDIC encourages financial institutions to work with customers affected by COVID-19 in a prudent manner, especially borrowers from industry sectors particularly vulnerable to the volatility in the current economic environment and small businesses and independent contractors that are reliant on affected industries.
- A financial institution's prudent efforts to modify the terms on existing loans for affected customers will not be subject to examiner criticism.
- The FAQs and additional information regarding COVID-19 are available on the FDIC's COVID-19 webpage.

**Source** link.

# OCC actions and news

***Comptroller of the Currency Statement on FFIEC BSA/AML Manual (04.15.2020)***

WASHINGTON—Comptroller of the Currency Joseph M. Otting issued the following statement regarding the publication of the Federal Financial Institutions Examination Council (FFEIC) Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Examination Manual.

*"Today, the FFIEC agencies published updates to the BSA/AML Examination Manual that represent a significant step forward in our efforts to improve how we ensure banks have effective programs to safeguard the banking system against financial crime, particularly money laundering and terrorist financing.*

*Publication of the manual continues a two-year process to evaluate BSA/AML effectiveness and improve how banks comply with related laws and regulations, while meeting the needs of law enforcement and protecting the nation's banking system from being misused for illegal purposes. Interagency staff meet weekly and principals continue to meet monthly to discuss ways to update the nearly 50-year-old BSA/AML regime to better counter today's criminal threats and promote the use of modern technology to protect the U.S. financial system from illicit activity. Those conversations have included stakeholders, including those from the banking industry, to gather additional feedback and insight.*

*As a result of these efforts, the agencies have issued statements clarifying the risk-focused approach to BSA/AML supervision, encouraging institutions to use new and creative technology approaches to ensure BSA compliance, and providing information on ways that lower-risk community banks can share resources related to their BSA compliance programs. The agencies also issued the first exemption in the nearly 20-year history of the Customer Identification Program rule. Today's updates to the manual will improve and clarify the risk-focus of BSA examinations by providing more focused instructions to examiners.*

*Our interagency work to make compliance with BSA/AML laws and regulations more effective and efficient is not over. The agencies continue to collaborate with law enforcement on informational needs to support the fight against criminal activities. The agencies also continue to work on updates to other sections of the manual, as* *well as additional guidance for the industry. Enhancing the ability of the BSA/AML regime to protect our banking system from criminal activities remains a top priority for the OCC."*

**Related Link**

OCC Bulletin 2020-39

**Source** link.

# Federal Reserve actions and news

***Federal Reserve Board Announces Rule Change to Bolster the Effectiveness of the Small Business Administration's Paycheck Protection Program (04.17.2020)***

The Federal Reserve Board on Friday announced a rule change to bolster the effectiveness of the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The change will temporarily modify the Board's rules so that certain bank directors and shareholders can apply for PPP loans for their small businesses.

To prevent favoritism, Board rules limit the types and quantity of loans that bank directors, shareholders, officers, and businesses owned by these persons can receive from their related banks. These requirements have prevented some small business owners from accessing PPP loans—especially in rural areas.

The SBA recently clarified that PPP lenders can make PPP loans to businesses owned by their directors and certain shareholders, subject to certain limits and without favoritism. The Board's change will allow those individuals to apply for PPP loans, consistent with SBA's rules and restrictions. The change only applies to PPP loans.

The Board is providing the temporary change to allow banks to make PPP loans to a broad range of small businesses within their communities. The SBA explicitly has prohibited banks from favoring in processing time or prioritization a PPP loan application from a director or equity holder, and the Board will administer its rule change accordingly.

The rule change is effective immediately and will be in place while the PPP is active. Comments will be accepted for 45 days after publication in the Federal Register.

**Source** link.

***Comment: The exception—which applies only to PPP loans—takes effect immediately. The Fed added that any PPP loans extended to bank directors and shareholders must conform to SBA's recent guidance, which states that the eligible business must follow the same process as any similarly situated customer or account holder and must not receive favoritism from the bank.***

***Federal Reserve Announces its Paycheck Protection Program Liquidity Facility is Fully Operational and Available to Provide Liquidity to Eligible Financial Institutions (04.16.2020)***

The Federal Reserve on Thursday announced that its Paycheck Protection Program Liquidity Facility is fully operational and available to provide liquidity to eligible financial institutions, which will help support small businesses.

The Small Business Administration's Paycheck Protection Program, or PPP, guarantees loans extended by qualified lenders to small businesses so that those businesses can keep workers employed. The Federal Reserve's facility will support the effectiveness of the PPP by extending credit to financial institutions that make PPP loans, using such loans as collateral. Supplying financial institutions with additional liquidity will help increase their capacity to make PPP loans.

Additional information on the facility, which is managed by the Federal Reserve Bank of Minneapolis on behalf of the Federal Reserve System, can be found here.

**Source** link.

***Beige Book (04.15.2020)***

Commonly known as the Beige Book, this report is published eight times per year. Each Federal Reserve Bank gathers anecdotal information on current economic conditions in its District through reports from Bank and Branch directors and interviews with key business contacts, economists, market experts, and other sources. The Beige Book summarizes this information by District and sector. An overall summary of the twelve district reports is prepared by a designated Federal Reserve Bank on a rotating basis.

- Federal Reserve Bank of Boston
- Federal Reserve Bank of New York
- Federal Reserve Bank of Philadelphia
- Federal Reserve Bank of Cleveland
- Federal Reserve Bank of Richmond
- Federal Reserve Bank of Atlanta
- Federal Reserve Bank of Chicago
- Federal Reserve Bank of St. Louis
- Federal Reserve Bank of Minneapolis
- Federal Reserve Bank of Kansas City
- Federal Reserve Bank of Dallas
- Federal Reserve Bank of San Francisco

**Overall Economic Activity**

Economic activity contracted sharply and abruptly across all regions in the United States as a result of the COVID-19 pandemic. The hardest-hit industries—because of social distancing measures and mandated closures—were leisure and hospitality, and retail aside from essential goods. Most Districts reported declines in manufacturing, but cited significant variation across industries. Producers of food and medical products reported strong demand but faced both production delays, due to infection-prevention measures, and supply chain disruptions. Some other manufacturing industries, such as autos, mostly shut down. The energy sector, suffering from low prices, reduced investment and output. Districts reporting on loan demand said it was high, both from companies accessing credit lines and from households refinancing mortgages. All Districts reported highly uncertain outlooks among business contacts, with most expecting conditions to worsen in the next several months.

**Employment and Wages**

Employment declined in all Districts, steeply in many cases, as the COVID-19 pandemic affected firms in many sectors. Employment cuts were most severe in the retail and leisure and hospitality sectors, where most Districts reported widespread mandatory closures and steep falloffs in demand. Many Districts said severe job cuts were widespread, including the manufacturing and energy sectors. Contacts in several Districts noted they were cutting employment via temporary layoffs and furloughs that they hoped to reverse once business activity resumes. The near-term outlook was for more job cuts in coming months. No District reported upward wage pressures. Most cited general wage softening and salary cuts except for high-demand sectors such as grocery stores that were awarding temporary "hardship" or "appreciation" pay increases.

**Prices**

The general direction of price inflation was down for both selling prices and non-labor input prices, as Districts reported either slowing price growth, flat prices, or modest to moderate declines in prices on balance. These trends were seen as reflecting weaker demand for many goods and services in the wake of the COVID-19 pandemic. Four Districts also reported further declines in energy prices. In contrast, supply chain disruptions and shifts in the composition of demand led to significant price increases for some essential services—such as freight—and some agricultural commodities and consumer goods. While expectations concerning agriculture prices were mixed, the outlook calls for further downward pressure on prices on average.

**Source** link.

### *Federal Reserve Will Establish a Facility to Facilitate Lending to Small Businesses Via the Small Business Administration's Paycheck Protection Program (PPP) by Providing Term Financing Backed by PPP Loans (04.06.2020)*

To facilitate lending to small businesses via the Small Business Administration's Paycheck Protection Program (PPP), the Federal Reserve will establish a facility to provide term financing backed by PPP loans. Additional details will be announced this week.

**Source** link.

### *Federal Reserve Board Accepting Applications for its Community Advisory Council (04.06.2020)*

The Federal Reserve Board announced that it is accepting applications from individuals who wish to be considered for membership on the Community Advisory Council (CAC). The CAC was formed in 2015. It advises the Board on issues affecting consumers and communities and complements two of the Board's other advisory councils whose members represent depository institutions — the Federal Advisory Council and the Community Depository Institutions Advisory Council.

The CAC is made up of a diverse group of experts and representatives of consumer and community development organizations and interests, including affordable housing, community and workforce development, small business, and asset and wealth building. CAC members meet semiannually with members of the Board of Governors in Washington to provide a range of perspectives on the economic circumstances and financial services needs of consumers and communities, with a particular focus on the concerns of low- and moderate-income consumers and communities.

The Board expects to announce the appointment of CAC members in the fall of 2020. Applicants from previous years are encouraged to re-apply in 2020. Additional information about the selection process, including instructions for submitting an application, can be found in the attached Federal Register Notice.

**Source** link.

## Other federal action and news

***Coronavirus Stimulus Payment Scams: What You Need to Know (04.20.2020)***

We know there's been a flood of information and updates about the government's economic impact payments, or so-called stimulus checks, lately. But quickly and safely moving massive amounts of money into the hands of those who need it is a big job with a lot of moving parts.

We also know that the more you know about the process, the less likely you're going to be tripped up by calls, text messages, or emails from scammers trying to steal your money or personal information.

Here's what you need to know about the stimulus payments and how to avoid scams related to these payments.

**Source** link.

***CSBS COVID-19 Financial System Update (04.17.2020)***

*First it was their regulators, then it was the industry themselves, and now it is members of Congress: there's increasing agreement that something needs to be done to help mortgage servicers while a record number of unemployed are seeking mortgage forbearance. America is now at 22 million unemployment claims in four weeks. We talk about the new jobless claims and how community banks play a role in understanding the economy. And, a reminder to consumers to watch out for common scams as they receive their stimulus checks.*

*It's Friday, April 17, this is Matt Longacre, and here's the latest as of 11 a.m. Eastern:*

***Headline Economic News Today***

*The U.S. Department of Labor announced that weekly initial jobless claims were at 5.2 million. With revisions to previous weeks' numbers, the total jobless claims for the past four weeks now tops 22 million.*

*Community bankers voiced their concerns about the future of the economy in the most recent Community Bank Sentiment Index. The Index is presented in a single number, where 100 means a neutral sentiment, and below 100 would be a negative sentiment. In Q1 2020, the Sentiment Index number was 91, a 34 point drop from Q4 2019.*

***CSBS Senior Economist Tom Siems explains…***

*State regulators are keenly aware of the challenges facing these community banks in helping their customers. CSBS Senior Executive Vice President Mike Stevens gives some insight…*

**Source** link.

***FFIEC Federal Disclosure Computational Tools (04.16.2020)***

Annual Percentage Rate (APR)

The online Annual Percentage Rate program is a tool for verifying annual percentage rates and reimbursement adjustments. This program includes relevant finance charge and APR tolerances for verifying the accuracy of annual percentage rates and finance charges on loans secured by real estate or a dwelling. The online APR program also is a tool for verifying Military Annual Percentage Rates (MAPR) for loans subject to the Military Lending Act.

APR Tool

Annual Percentage Yield (APY)

The online Annual Percentage Yield program is a tool for verifying annual percentage yields pursuant to the Truth in Savings Act and its implementing regulation.

APY Tool

Additional Information

Both programs do not retain any entered information. Although great care has been taken in the preparation of these programs, the FFIEC makes no warranty of complete accuracy. Further, the FFIEC does not recommend this program over other methods to calculate annual percentage rate or yields.

**Source** link.

***ACH Network Rules Pandemic-Related Frequently Asked Questions (04.16.2020)***

Updated April 16, 2020

Nacha has developed the following FAQs based on information it has provided, information it has learned, and inquiries posed to Nacha by industry participants. Newly added or revised FAQs appear at the top of the list.

Additional ACH Operations Bulletins:

ACH Operations Bulletin #6-2020: Nacha Provides Relief on Return Rate Levels

ACH Operations Bulletin #5-2020: Nacha Provides Relief of RDFIs on Signature Requirements of Written Statements of Unauthorized Debit

ACH Operations Bulletin #4-2020: Nacha Extends Effective Dates of Data Security Rule; Affirms Effective Dates of Other Rules

ACH Operations Bulletin #3-2020: Nacha Provides Relief from Deadlines Related to Certain Required Records

ACH Operations Bulletin: #2-2020: Nacha Issues Reminder on ACH Responsibilities to Financial Institutions Potentially Impacted by Coronavirus

**Source** link.

***Comment: Nacha and ePayRespources are providing valuable information on stimulus payment handling and on the ACH Network during the national emergency. See ePayResources COVID-19 Resource Center here.***

***TIGTA Announces Creation of Web Page and Reporting Form for Coronavirus Relief Payment Scams (04.16.2020)***

WASHINGTON - The Treasury Inspector General for Tax Administration (TIGTA) announced a new website providing information concerning IRS-related coronavirus scams. Taxpayers can visit the Coronavirus page on

TIGTA's public website to learn about scams involving the economic stimulus payments or other IRS-related coronavirus scams. In addition, taxpayers may report potential coronavirus scams to TIGTA at: tips.tigta.gov.

Last week, J. Russell George, the Treasury Inspector General for Tax Administration, warned taxpayers to "be on high alert" for potential scams related to government assistance to taxpayers impacted by the coronavirus.

A graphic containing the information can also be found on the Coronavirus page.

**Source** link.

***FinCEN Paycheck Protection Program Frequently Asked Questions (FAQs) (04.13.2020)***

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), established by section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act or the Act). 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.

As stated in the FAQs issued by the SBA, borrowers and lenders may rely on the guidance provided in this document as SBA's interpretation of the CARES Act and of the PPP Interim Final Rule ("PPP Interim Final Rule") (link). The U.S. government will not challenge lender PPP actions that conform to this guidance, and to the PPP Interim Final Rule and any subsequent rulemaking in effect at the time.

**Source** link.

***CSBS Podcast #21 - COVID-19 and Community Bankers: A Data-Driven Dialogue Between Banker and Regulator (04.08.2020)***

*You don't need me to tell you what the economic data is saying right now. All over the country, businesses are closed, workers are being furloughed or laid off, and businesses and consumers alike are looking at what they have saved and trying to figure out how much longer they can go in lockdown.*

*I want to focus on the local economic aspect of the pandemic today as seen through the lens of the primary lenders to small businesses and rural and suburban communities. What are community bankers saying about their local economies and future business activity? What are they telling their regulators? And what do the regulators have to say back?*

*I'm Matt Longacre, and this is Simply Stated.*

**Source** link.

***FinCEN Provides Further Information to Financial Institutions in Response to the Coronavirus Disease 2019 (COVID-19) Pandemic (04.03.2020)***

This notice updates the Financial Crimes Enforcement Network's (FinCEN's) March 16, 2020 COVID-19 Notice, provides additional information to assist financial institutions in complying with their Bank Secrecy Act (BSA) obligations during the COVID-19 pandemic, and announces a direct contact mechanism for urgent COVID-19-

related issues. FinCEN recognizes financial institutions face challenges related to the COVID-19 pandemic. In addition, FinCEN is committed to promoting the success of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), including the need to facilitate expeditious disbursal of CARES Act funds. Accordingly, FinCEN will issue further information, as appropriate, as the CARES Act is implemented and questions arise.

**Source** link.

***Comment: This notice provides helpful information on a number of issues. Note that FinCEN has also issued guidance on the application of beneficial ownership verification of PPP borrowers, concluding that banks need not re-verify existing customers.***

***Community Bankers Forecast Concern for Local Economies, Index Shows (04.02.2020)***

Washington, D.C. – Community banks are concerned about the future of their local economy as the novel coronavirus has shifted to a pandemic, according to the most recent CSBS Community Bank Sentiment Index (CBSI).

The CBSI showed a dramatic drop in banker sentiment in the first quarter 2020 results, falling 32 points to 91 from 123 at the end of last year. It is the first significant decline since CSBS started the index in the second quarter of 2019.

Notably, the CBSI declined throughout the month of March as survey responses came in, from an average 98 points at the beginning of March to an average 71 by the end of the month. Six of the seven CBSI components declined relative to the last survey, with five components dropping more than 35 percentage points each.

"As the COVID-19 virus became more widespread, community bankers quickly started to see the local impact," said CSBS President and CEO John Ryan. "Fortunately, these banks are well positioned to work with their customers in a potential downturn."

Key findings from the first quarter 2020 results include:

- 47% of bankers believe business conditions will be the same (40%) or better (7%), down significantly from 85% in the fourth quarter 2020 index (74% same and 11% better)
- 45% of banks expect the same (26%) or better (19%) profits, down significantly from 77% (45% same and 32% better) in the previous survey
- 20% of banks believe they will see a decrease in franchise value, up significantly from 3%

The CBSI captures on a quarterly basis what community bankers nationwide think about the future on seven key areas: business conditions, monetary policy, regulatory burden, capital expenditures, operations expansion, profitability and franchise value.

Participant answers are analyzed and compiled into a single number; an index reading of 100 indicates a neutral sentiment. Anything above 100 indicates a positive sentiment, and anything below 100 indicates a negative sentiment.

**Source** link.

***CSBS COVID-19 Resource Page (04.02.2020)***

The novel coronavirus (COVID-19) pandemic has fundamentally disrupted the U.S. economy, leaving millions of Americans without the income they rely on to buy groceries, pay bills, and care for their families.

On this page consumers will find a collection of resources designed to help them maintain their financial health, from information on temporary government relief programs to examples of common COVID-19-related scams and tips on how to avoid them.

**State Relief Programs**

Over the past several weeks, state regulators have issued guidance to consumers and financial services providers on temporary measures introduced to provide economic relief and slow the spread of COVID-19. The following chart contains guidance issued by each state agency and provides links to further resources. The chart is updated with the latest data each Friday.

The state tracker can be filtered by state, and contains useful consumer information on topics such as mortgage forbearance, modification of loan terms, stays on evictions, restrictions on overdraft fees, and more. The tracker also provides state-specific websites dedicated to the COVID-19 pandemic under the "State COVID website" column. Consumers are encouraged to review these websites for detailed information including how to file any complaints.

**Source** link.

# Publications, articles, reports, studies, testimony & speeches

***Bloomberg: Fed's Kaplan on Virus Pandemic's Impact on Economy, Oil Industry (04.16.2020)***

Dallas Fed President Rob Kaplan discusses the impact of the coronavirus pandemic on the U.S. economy and oil industry with Bloomberg's David Westin.

**Source** link.

***Industrial Production and Capacity Utilization - G.17 (04.15.2020)***

Total industrial production fell 5.4 percent in March, as the COVID-19 (coronavirus disease 2019) pandemic led many factories to suspend operations late in the month. Manufacturing output fell 6.3 percent; most major industries posted decreases, with the largest decline registered by motor vehicles and parts. The decreases for total industrial production and for manufacturing were their largest since January 1946 and February 1946, respectively. The indexes for utilities and mining declined 3.9 percent and 2.0 percent, respectively. At 103.7 percent of its 2012 average, the level of total industrial production in March was 5.5 percent lower than a year earlier. Capacity utilization for the industrial sector decreased 4.3 percentage points to 72.7 percent in March, a rate that is 7.1 percentage points below its long-run (1972–2019) average.

The estimates in this release incorporated data on stay-at-home orders as well as other information on industrial activity for late in the month. An explanation of the methods used to construct the estimates is available on the Federal Reserve Board's website at www.federalreserve.gov/releases/g17/g17_technical_qa.htm#covid2020

***Source link.***

***COVID-19 and the Economy - Chair Jerome H. Powell (04.09.2020)***

*Good morning. The challenge we face today is different in scope and character from those we have faced before. The coronavirus has spread quickly around the world, leaving a tragic and growing toll of illness and lost lives. This is first and foremost a public health crisis, and the most important response is coming from those on the front lines in hospitals, emergency services, and care facilities. We watch in collective awe and gratitude as these dedicated individuals put themselves at risk in service to others and to our nation.*

*Like other countries, we are taking forceful measures to control the spread of the virus. Businesses have shuttered, workers are staying home, and we have suspended many basic social interactions. People have been asked to put their lives and livelihoods on hold, at significant economic and personal cost. We are moving with alarming speed from 50-year lows in unemployment to what will likely be very high, although temporary, levels.*

*All of us are affected, but the burdens are falling most heavily on those least able to carry them. It is worth remembering that the measures we are taking to contain the virus represent an essential investment in our individual and collective health. As a society, we should do everything we can to provide relief to those who are suffering for the public good.*

*The recently passed Cares Act is an important step in honoring that commitment, providing $2.2 trillion in relief to those who have lost their jobs, to low- and middle-income households, to employers of all sizes, to hospitals and health-care providers, and to state and local governments. And there are reports of additional legislation in the works. The critical task of delivering financial support directly to those most affected falls to elected officials, who use their powers of taxation and spending to make decisions about where we, as a society, should direct our collective resources.*

*The Fed can also contribute in important ways: by providing a measure of relief and stability during this period of constrained economic activity, and by using our tools to ensure that the eventual recovery is as vigorous as possible.*

***Source link.***

***Fed's Kaplan Sees U.S. Growth Returning in Second Half, But Consumers Staying Cautious (04.08.2020)***

SAN FRANCISCO (Reuters) - The U.S. economy is headed for a return to growth in the second half of the year after a steep decline this quarter, Dallas Federal Reserve Bank President Robert Kaplan said on Wednesday.

But even after infections of the coronavirus crest and the economy begins to reopen, he said, consumers may not spend as freely as before the crisis, not only because of worries about their health if they shop or dine out, but also because of concerns about their jobs and their savings.

Their caution will mute the strength of the rebound and leave the world’s largest economy about 4% to 5% smaller at the end of 2020 than it was at the end of last year, he said.

“Because of the shock of this... will consumer behavior just be more cautious?” Kaplan said in a phone interview with Reuters. “It’s not just the safety concerns... it’s also financial and potentially job insecurity which might cause them to save more and spend less.”

**Source** link.

# Selected federal rules – proposed

Proposed rules are included only when community banks may want to comment. Date posted may not be the same as the Federal Register Date.

| PROPOSED DATE | SUMMARY OF PROPOSED RULE |
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| 02.10.2020 | Request for Comments on Unsafe and Unsound Banking Practices: Brokered Deposit Restrictions - The FDIC is inviting comment on proposed revisions to its regulations relating to the brokered deposits restrictions that apply to less than well capitalized insured depository institutions. The proposed rule would create a new framework for analyzing certain provisions of the "deposit broker" definition, including "facilitating" and "primary purpose." The proposed rule would also establish an application and reporting process with respect to the primary purpose exception. The application process would be available to insured depository institutions and third parties that wish to utilize the exception. **Comments must be received by the FDIC no later than April 10, 2020.** |

# Selected federal rules – upcoming effective dates

Not all final rules are included. Only rules affecting community banks are reported, but we make no guarantees that these are all the final rules your bank needs to know.

| EFFECTIVE DATE: | SUMMARY OF FINAL RULE: |
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| 09.03.2019 | Availability of Funds and Collection of Checks (Regulation CC) - The Board and the Bureau (Agencies) are amending Regulation CC, which implements the Expedited Funds Availability Act (EFA Act), to implement a statutory requirement in the EFA Act to adjust the dollar amounts under the EFA Act for inflation. The Agencies are also amending Regulation CC to incorporate the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) amendments to the EFA Act, which include extending coverage to American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam, and making certain other technical amendments. This rule is effective September 3, 2019, except for the amendments to 12 CFR 229.1, 229.10, 229.11, 229.12(d), 229.21, **and appendix E to part 229, which are effective July 1, 2020.** |
| 04.01.2020 | Regulatory Capital Treatment for High Volatility Commercial Real Estate (HVCRE) Exposures - The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) are adopting a final rule to revise the definition of "high volatility commercial real estate (HVCRE) exposure" in the regulatory capital rule. This final rule conforms this definition to the statutory definition of "high volatility commercial real estate acquisition, development, or construction (HVCRE ADC) loan," in accordance with section 214 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The final rule also clarifies the capital treatment for loans that finance the development of land under the revised HVCRE exposure definition. DATES: The final rule is effective on April 1, 2020. |
| 04.06.2020 | Regulatory Capital Rule: Temporary Changes to the Community Bank Leverage Ratio Framework - This interim final rule makes temporary changes to the community bank leverage ratio framework, pursuant to section 4012 of the Coronavirus Aid, Relief, and Economic Security Act (statutory interim final rule). As of the second quarter 2020, a banking organization with a leverage ratio of 8 percent or greater (and that meets other qualifying criteria) may elect to use the community bank leverage ratio framework. The statutory interim final rule also establishes a two-quarter grace period for a qualifying community banking organization whose leverage ratio falls below the 8-percent community bank leverage ratio requirement, so long as the banking organization maintains a leverage ratio of 7 percent or greater. The temporary changes to the community bank leverage ratio framework implemented by this statutory interim final rule will cease to be effective as of the earlier of the termination date of the national emergency concerning the coronavirus disease declared by the President on March 13, 2020, under the National Emergencies Act, or December 31, 2020. To provide clarity to banking organizations, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation issued concurrently an interim final rule that provides a transition from the temporary 8-percent community bank leverage ratio requirement to a 9-percent community bank leverage ratio requirement. The interim final rule is effective upon publication in the federal register. |
| 04.06.2020 | Regulatory Capital Rule: Transition for the Community Bank Leverage Ratio Framework - Transition for the Community Bank Leverage Ratio Framework - This interim final rule provides a graduated transition to a community bank leverage ratio requirement of 9 percent from the temporary 8-percent community bank leverage ratio requirement (transition interim final rule). When the requirements in the transition interim final rule become applicable, the community bank leverage ratio will be |

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| | 8 percent beginning in the second quarter of calendar year 2020, 8.5 percent through calendar year 2021, and 9 percent thereafter. The transition interim final rule also maintains a two-quarter grace period for a qualifying community banking organization whose leverage ratio falls no more than 1 percentage point below the applicable community bank leverage ratio requirement. The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (together, the agencies) issued concurrently an interim final rule that established an 8-percent community bank leverage ratio, as mandated under the Coronavirus Aid, Relief, and Economic Security Act. The agencies are issuing the transition interim final rule to provide community banking organizations with sufficient time and clarity to meet the 9 percent leverage ratio requirement under the community bank leverage ratio framework while they also focus on supporting lending to creditworthy households and businesses given the recent strains on the U.S. economy caused by the coronavirus disease emergency. The interim final rule is effective upon publication in the federal register. |
| 04.13.2020 | Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Program Loan - To provide liquidity to small business lenders and the broader credit markets, to help stabilize the financial system, and to provide economic relief to small businesses nationwide, the Board of Governors of the Federal Reserve System (Board) authorized each of the Federal Reserve Banks to participate in the Paycheck Protection Program Lending Facility (PPPL Facility), pursuant to section 13(3) of the Federal Reserve Act. Under the PPPL Facility, each of the Federal Reserve Banks will extend non-recourse loans to eligible financial institutions to fund loans guaranteed by the Small Business Administration under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). To facilitate use of this Federal Reserve facility, the Office of the Comptroller of the Currency, the Board, and the Federal Deposit Insurance Corporation (together, the agencies) are adopting this interim final rule to allow banking organizations to neutralize the regulatory capital effects of participating in the facility. This treatment is similar to the treatment extended previously by the agencies in connection with the Federal Reserve's Money Market Mutual Fund Liquidity Facility. In addition, as mandated by section 1102 of the CARES Act, loans originated under the Small Business Administration's Paycheck Protection Program will receive a zero percent risk weight under the agencies' regulatory capital rule. DATES: The interim final rule is effective on April 13, 2020. |
| 04.17.2020 | Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks - In light of recent disruptions in economic conditions caused by the Coronavirus Disease 2019 and current strains in U.S. financial markets, the Board is issuing an interim final rule that excepts certain loans 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 corresponding provisions of the Board's Regulation O. The interim final rule is effective upon publication in the federal register. |
| 04.17.2020 | Real Estate Appraisals - The OCC, Board, and FDIC (collectively, the agencies) are adopting an interim final rule to amend the agencies' regulations requiring appraisals of real estate for certain transactions. The interim final rule defers the requirement to obtain an appraisal or evaluation for up to 120 days following the closing of a transaction for certain residential and commercial real estate transactions, excluding transactions for acquisition, development, and construction of real estate. Regulated institutions should make best efforts to obtain a credible valuation of real property collateral before the loan closing, and otherwise underwrite loans consistent with the principles in the agencies' Standards for Safety and Soundness and Real Estate Lending Standards. The agencies are providing this relief to allow regulated institutions to expeditiously extend liquidity to creditworthy households and businesses in light of recent strains on the U.S. economy as a result of the National Emergency declared in connection with coronavirus disease 2019 (COVID-19). The interim final rule is effective April 17, 2020 through December 31, 2020. Comments on the interim final rule must be received no later than June 1, 2020. |
| 07.01.2020 | Home Mortgage Disclosure (Regulation C) - The Bureau of Consumer Financial Protection (Bureau) is amending Regulation C to increase the threshold for reporting data about closed-end mortgage loans, so that institutions originating fewer than 100 closed-end mortgage loans in either of the two preceding calendar years will not have to report such data effective July 1, 2020. The Bureau is also setting the threshold for reporting data about open-end lines of credit at 200 open-end lines of credit effective January 1, 2022, upon the expiration of the current temporary threshold of 500 open-end lines of credit. |

# Common words, phrases and acronyms

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| APOR | "Average Prime Offer Rates" are derived from average interest rates, points, and other pricing terms offered by a representative sample of creditors for mortgage transactions that have low-risk pricing characteristics. |
| CFPB | Consumer Financial Protection Bureau |
| CARD Act | Credit Card Accountability Responsibility and Disclosure Act of 2009 |

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| CFR | Code of Federal Regulations. Codification of rules and regulations of federal agencies. |
| CRA | Community Reinvestment Act. This Act is designed to encourage loans in all segments of communities. |
| CRE | Commercial Real Estate |
| CSBS | Conference of State Bank Supervisors |

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| CTR | Currency Transaction Report. Filed for each deposit, withdrawal, exchange of currency that involves a transaction in currency of more than $10,000. |
| Dodd-Frank Act | The Dodd–Frank Wall Street Reform and Consumer Protection Act |
| DOJ | Department of Justice |
| FDIC | Federal Deposit Insurance Corporation |
| EFTA | Electronic Fund Transfer Act |
| Federal bank regulatory agencies | FDIC, FRB, and OCC |
| Federal financial institution regulatory agencies | BFCP, FDIC, FRB, NCUA, and OCC |
| FEMA | Federal Emergency Management Agency |
| FFIEC | Federal Financial Institutions Examination Council |
| FHFA | Federal Housing Finance Agency |
| FHA | Federal Housing Administration |
| FinCEN | Financial Crime Enforcement Network |
| FR | Federal Register. U.S. government daily publication that contains proposed and final administrative regulations of federal agencies. |
| FRB, Fed or Federal Reserve | Federal Reserve Board |
| FSOC | Financial Stability Oversight Council |
| FTC | Federal Trade Commission |
| GAO | Government Accountability Office |
| HARP | Home Affordable Refinance Program |
| HAMP | Home Affordable Modification Program |
| HMDA | Home Mortgage Disclosure Act |

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| HOEPA | Home Ownership and Equity Protections Act of 1994 |
| HPML | Higher Priced Mortgage Loan |
| HUD | U.S. Department of Housing and Urban Development |
| IRS | Internal Revenue Service |
| MLO | Mortgage Loan Originator |
| MOU | Memorandum of Understanding |
| NFIP | National Flood Insurance Program. U.S. government program to allow the purchase of flood insurance from the government. |
| NMLS | National Mortgage Licensing System |
| OCC | Office of the Comptroller of the Currency |
| OFAC | Office of Foreign Asset Control |
| OREO | Other Real Estate Owned |
| QRM | Qualified Residential Mortgage |
| Reg. B | Equal Credit Opportunity |
| Reg. C | Home Mortgage Disclosure |
| Reg. DD | Truth in Savings |
| Reg. E | Electronic Fund Transfers |
| Reg. G | S.A.F.E. Mortgage Licensing Act |
| Reg. P | Privacy of Consumer Financial Information |
| Reg. X | Real Estate Settlement Procedures Act |
| Reg. Z | Truth in Lending |
| RESPA | Real Estate Settlement Procedures Act |
| SAR | Suspicious Activity Report – Report financial institutions file with the U.S. government (FinCEN) regarding activity that may be criminal in nature. |
| SDN | Specially Designated National |
| TILA | Truth in Lending Act |
| TIN | Tax Identification Number |
| Treasury | U.S. Department of Treasury |