



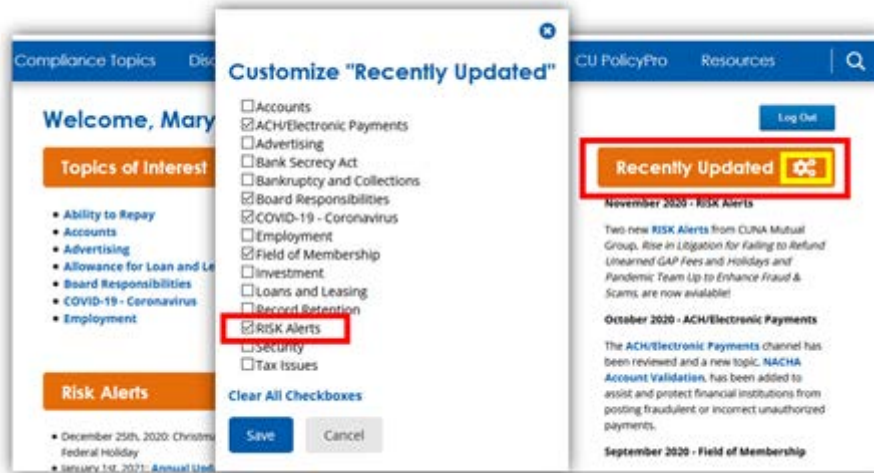
Compliance eNewsletter

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InfoSight News

Updates in InfoSight

As mentioned in the previous newsletter, **RISK Alerts & Resources** has been added to InfoSight. To make sure you are seeing the latest information, be sure to click on the “gear” in the Recently Updated box on your dashboard and check the RISK Alerts box:



We have also added a new Sample Telecommuting Agreement to the **Remote Work-Telecommuting** topic under the Employment channel and have added a link to Model Policy 2196: Telecommuting for additional reference.

Compliance and Advocacy News & Highlights

Revised Reg F published

The Consumer Financial Protection Bureau has published its [previously-announced final rule](#) revising Regulation F, which implements the [Fair Debt Collection Practices Act](#), at 85 FR 76734 of a recent Federal Register. The rule will become effective 11/30/2021.

Source: CFPB

Adverse Market Refinance Fee Implementation December 1

As [announced by the Federal Housing Finance Agency \(FHFA\) back in August](#), December 1, 2020 was the implementation date of the Adverse Market Refinance Fee by Fannie Mae and Freddie Mac (the Enterprises).

The Enterprises will exempt refinance loans with loan balances below \$125,000, nearly half of which are comprised of lower income borrowers at or below 80% of area median income. Affordable refinance products, Home Ready and Home Possible, are also exempt.

The fee is necessary to cover projected COVID-19 losses of at least \$6 billion at the Enterprises. Specifically, the actions taken by the Enterprises during the pandemic to protect renters and borrowers are conservatively projected to cost the Enterprises at least \$6 billion and could be higher depending on the path of the economic recovery.

Source: FHFA

Bureau issues Advisory Opinions Policy and two opinions

On Monday, November 30, 2020, the Consumer Financial Protection Bureau issued its [Consumer Financial Protection Bureau issued its final Advisory Opinions Policy](#). The policy is meant to provide a way to clarify ambiguities in the Bureau's regulations or in statutory requirements. The Bureau has said that the program "provides a mechanism through which the Bureau can more effectively carry out its statutory purposes and objectives by better enabling compliance in the face of regulatory and statutory uncertainty." [Information about the Advisory Opinions program](#) is available on the Bureau's website.

The Bureau also released its first two Advisory Opinion Letters on these topics:

- [Earned wage access](#)
- [Private education loans](#)

The two Advisory Opinion Letters will be effective upon publication in the Federal Register.

Source: CFPB

Lower BSA Transfer Threshold Would Substantially Burden CUs

A proposed reduction in the threshold for Bank Secrecy Act (BSA) regulatory information collection, retention and transmittal requirements for funds transfers would result in substantial burdens and costs for credit unions, [CUNA wrote](#) to the Federal Reserve and Financial Crimes

Enforcement Network (FinCEN). The two agencies proposed lowering the reporting thresholds for certain transfers and transmittals to \$250, well below the current \$3,000.

“It is critically important to strike the right balance between the imposition of compliance costs on leanly staffed, community-oriented credit unions and the potential benefits that BSA regulatory requirements may provide to law enforcement,” the letter reads. “In its current form, this proposed rule fails to strike that balance... Because the proposed rule contemplates a dramatic 91% reduction in the collection, retention and transmission threshold, CUNA believes that it will burden a larger number of credit unions, particularly those serving disadvantaged immigrant communities.”

The proposal states the revisions would impact at least 5,236 credit unions, 4,681 of which are federally regulated small credit unions.

CUNA also stated that the proposal does not adequately consider alternative approaches.

“CUNA has consistently advocated for minimizing the duplication of various BSA regulations and improving feedback on SARs to ensure they are truly beneficial to law enforcement,” the letter adds.

Source: CUNA

BSA due diligence for charities and non-profits clarified

The [Federal Banking Agencies and FinCEN](#) have issued a [joint fact sheet](#) to provide clarity to banks and credit unions on how to apply a risk-based approach to charities and other non-profit organizations. The fact sheet highlights the importance of ensuring that legitimate charities have access to financial services and can transmit funds through legitimate and transparent channels, especially during the current COVID-19 pandemic. It also reminds banks to apply a risk-based approach to customer due diligence requirements when developing the risk profiles of charities and other non-profit customers, and reaffirms that the application of a risk-based approach is consistent with existing customer due diligence and other Bank Secrecy Act/Anti-Money Laundering compliance requirements.

Source: FinCEN

Unchanged thresholds for Regs M and Z

The [Consumer Financial Protection Bureau has announced](#) that the dollar thresholds for exemptions from coverage in section 1013.2(e) of Regulation M (Consumer Leasing), section 226.3(b) of the Board's Regulation Z (Truth in Lending), and section 1026.3(b) of the Bureau's Regulation Z (Truth in Lending) will remain unchanged at \$58,300 for calendar year 2021.

Source: CFPB

House Prices Climbing

The [Federal Housing Finance Agency \(FHFA\) has announced](#) U.S. house prices rose 3.1 percent in the third quarter of 2020, up 7.8 percent from the third quarter of 2019—the fastest year-over-year rate of appreciation since 2006. FHFA's seasonally adjusted monthly index for September was up 1.7 percent from August.

Source: FHFA

CFPB Updates 2021 HMDA FIG

The Bureau has made an [update to the HMDA Filing Instructions Guide \(FIG\) for data collected in 2021](#) (for submission in 2022). Edits Q656 and Q657 in Table 8 (Macro Quality Edits for Loan/Application Register) have been reclassified and moved to Table 7 (Quality Edits for Loan/Application Register).

Source: CFPB

IRS 2020 Criminal Investigation Report Released

The IRS has released its [Criminal Investigation Division's Annual Report](#), highlighting the agency's successes and criminal enforcement actions taken in fiscal year 2020, the majority of which occurred during the COVID-19 pandemic. A key achievement was the identification of over \$10 billion in tax fraud and other financial crimes. The 2020 report is interactive, summarizes a wide variety of investigative activity during the year and features examples of cases from each field office on a wide range of financial crimes. The federal fiscal year begins October 1 and ends on September 30.

Source: IRS

NCUA Announces Relief Measures for Meeting Flexibility in 2021

In its latest letter to federal credit unions, the NCUA announced that the relief measures pertaining to annual meeting flexibility issued earlier this year because of COVID-19 will also be applicable in 2021. In addition, the measures providing flexibility for annual and special meetings also now extends to regular meetings of the credit union's board of directors.

For credit unions to take advantage of the relief measures for virtual annual meetings without an in-person quorum requirement for the upcoming 2021 year, a federal credit union will need to adopt an [Article IV bylaw amendment](#) by a two-thirds vote of its board of directors (with no additional approval from NCUA). The language for the amendment is provided in [NCUA's letter to federal credit unions, #20-FCU-04](#). The language for regular meetings of the credit union's board of directors is optional; if the credit union only wants the language to apply to annual/special

meetings, then the credit union would omit the underlined language from the amendment when presented to the board for the two-thirds vote.

Once the amendment is adopted, federal credit unions can choose to invoke the provision at any time in 2021, if the majority of the credit union's board of directors chooses to do so for such meeting.

Source: NCUA

Articles of Interest

- [CFPB Announces Refreshed Website with new Interactive Enforcement Database](#)
- [Mobile banking app operators sued by FTC](#)
- [World Council Announces Virtual Format for 2021 World Credit Union Conference](#)

CUNA's Advocacy Resources:

- [Happenings in Washington](#)
- [CUNA Advocacy Issues - COVID-19](#)

WOCCU Advocacy Resources:

- [Telegraph](#)
- [Advocate Blog](#)

Compliance Calendar

- December 25th, 2020: Christmas Day - Federal Holiday
- January 1st, 2021: **Annual Updates**
- January 1st, 2021: **Annual Reg Z Inflation Adjustments - Effective Date**
- January 1st, 2021: **NACHA – Enforcement**
- January 10th, 2021: **CFPB – GSE Qualified Mortgage - Extension of Sunset**