



Compliance eNewsletter

April 10, 2020 Vol. 14, Issue 14

Pandemic Resources

As mentioned in prior newsletters, updates are being made to InfoSight in lightning speed, as the COVID-19 resources are being provided by various regulatory agencies. The **Pandemic Preparedness** topic in the Security Channel continues to be the place to look for these updates, and beginning April 6, 2020, we began adding a date so can easily spot what's new.

Also included in the Pandemic Preparedness topic is a Model Policies section, which contains the following new or updated policies (which will be added to CU PolicyPro in the next update), in Word format for your use:

- **Model Policy 1515: Families First Coronavirus Response Act Policy**
- **Model Policy 7436: CARES Act – Small Business Administration (SBA) Loans**
- **Model Policy 2190: Disaster Contingency Planning**
- **Model Policy 2195: Pandemic Preparedness & Response**

And be sure to check the CARES Act section for the recent updates to SBA lending and the Payment Protection Program (PPP).

We're doing our best to keep you updated with the most current information, so check this topic often!

Compliance and Advocacy News & Highlights

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

FinCEN provided relief on several reporting and customer identification obligations during the coronavirus (COVID-19) pandemic.

FinCEN will not require institutions to identify beneficial owners of existing accounts applying for financial assistance under the CARES Act's Paycheck Protection Program. Ordinarily, institutions must verify information on certain persons with significant control or ownership of an entity account at a financial institution when that entity opens any new account, even if that entity is an existing accountholder. Financial institutions may still collect this information if collection is

required under its BSA policies and must still collect it for new all accountholders with no prior relationship with the institution.

In addition, FinCEN announced several changes to currency transaction reporting (CTR) for the duration of the pandemic. These include flexibility for institutions that experience delays in meeting CTR reporting timeframes and suspended implementation of a February 2020 final rule that changed reporting requirements on sole proprietorship and DBA (doing business as) accounts. Institutions that have already made changes to comply with the rule change may continue to report CTRs in accordance with the suspended ruling.

For COVID-19 related concerns, FinCEN has opened up an online contact mechanism available on its website. This portal is available at www.FinCEN.gov, under a link for “Need Assistance.” Persons using this portal should select the “COVID19” subject in the drop-down box.

[See the notification for additional information.](#)

Source: Cornerstone Credit Union League/FinCEN

NCUA Provides Letter (20-CU-06) - Small Business Administration Loan Programs to Help Small Businesses and Members During the COVID-19 Pandemic

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. The CARES Act provides \$349 billion in assistance to small businesses, many of which are facing economic difficulty due to social distancing, shelter-in-place orders, and other measures designed to stem the pandemic. This letter provides an overview of the PPP and information about the SBA’s Economic Injury Disaster Loan (EIDL) program. Please refer to the [interim final rule](#) for more details.

The U.S. Small Business Administration (SBA) issued an [interim final rule](#) that outlines the key provisions of the [Paycheck Protection Program \(PPP\)](#) on April 2, 2020. While the interim rule is effective upon publication in the Federal Register, the SBA will consider public comments submitted during the 30-day comment period, and may revise the rule based on feedback. Small businesses may [apply for PPP loans](#) beginning April 3, 2020. Independent contractors and self-employed individuals may apply beginning April 10, 2020.

[Read the Letter to Credit Unions](#)

NCUA Provides Letter (20-CU-07) – Summary of the Coronavirus Aid, Relief, and Economic Security (CARES) Act

The Coronavirus Aid, Relief, and Economic Security Act was signed into law by President Trump on March 27, 2020. The CARES Act contains numerous provisions to help workers, families, and businesses, including unemployment insurance benefits and loan guarantee programs. It also

contains provisions that assist severely distressed sectors of the economy. Some of the CARES Act provisions that affect credit unions are [within this letter issued on April 7, 2020](#).

Source: NCUA

Temporary rule under FFCRA published

The Wage and Hour Division of the Department of Labor has published [\[85 FR 19326\] temporary regulations](#) to implement public health emergency leave under Title I of the Family and Medical Leave Act (FMLA), and emergency paid sick leave to assist working families facing public health emergencies arising out of Coronavirus Disease 2019 (COVID-19) global pandemic. The leave is created by a time-limited statutory authority established under the Families First Coronavirus Response Act, Public Law 116-127 (FFCRA), and is set to expire on December 31, 2020. The FFCRA and this temporary rule do not affect the FMLA after December 31, 2020. The rule is effective from April 2 through December 31, 2020, and became operational on April 1, 2020.

Source: Department of Labor

PPP information for lenders

The SBA has published [Form 3506](#), which non-SBA lenders must submit to receive delegated authority to issue 7(a) loans under the Paycheck Protection Program. Completed forms should be submitted via email to delegatedauthority@sba.gov.

During the weekend, the SBA issued an [FAQ](#) confirming that faith-based organizations (including churches, mosques, synagogues and other houses of worship) may apply for PPP loans. Treasury also issued an [FAQ document on the PPP](#), which will be updated from time to time, and [guidance](#) on applicable PPP affiliation rules.

Source: SBA

Agencies encourage mortgage servicers to work with homeowners

The Federal Reserve Board, Conference of State Bank Supervisors, CFPB, FDIC, NCUA and OCC have issued a [joint policy statement](#) providing needed regulatory flexibility to enable mortgage servicers to work with struggling consumers affected by the Coronavirus Disease (COVID-19) emergency. The actions announced Friday 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 Friday 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.

Source: CFPB/NCUA

Articles of Interest

- [NCUA Marks National Financial Capability Month, Military Saves Month](#)
- [Revised Interagency statement on Loan Modifications](#)
- [CUNA COVID-19 Resources](#)
- [CUNA COVID-19 Response FAQ](#)

CUNA's Advocacy Resources:

- [This week in Washington](#)
- [CUNA Advocacy Issues](#)
- [CUNA Advocacy page](#)

Compliance Calendar

- April 26th, 2020: 5300 Call Report Due to NCUA
- May 25th, 2020: Memorial Day - Federal Holiday
- June 30th, 2020: Supplementing Data Security Requirements (Effective Date)
- July 1st, 2020: Regulation CC – Monetary Limit Threshold Changes
- July 3rd, 2020: Independence Day - Federal Holiday

