



Compliance eNewsletter

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Pandemic Resources

Updates are still 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 has had the following updates this week:

- New Model Policy "Sample Policy for Loan Modifications and Reporting (COVID-19)" added to Model Policies
- All 6 Model Policies provided were updated, although some had only minor changes
- Additional Resources Links and FAQs from FinCEN
- Sample PPP Procedures, added to CARES Act

Hopefully you are finding this information timely and helpful!

Compliance and Advocacy News & Highlights

Federal Banking Agencies to Defer Appraisals and Evaluations for Real Estate Transactions Affected by COVID-19

On April 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 was expected to 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.

Source: NCUA

NACHA Publishes Pandemic-Related Frequently Asked Questions

NACHA issued the [ACH Network Rules Pandemic-Related Frequently Asked Questions](#) (FAQs) based on information it has provided, information it has learned, and inquiries posed to NACHA, including questions about the Economic Impact Payments.

Source: NACHA

FinCEN mirrors SBA PPP FAQs on Beneficial Ownership

FinCEN has posted a [Paycheck Protection Program FAQs](#) document that mirrors two of the SBA's FAQs regarding implementation of the Paycheck Protection Program (PPP) that involve explaining the requirements under the Bank Secrecy Act (BSA), and how lenders can meet those requirements when issuing a PPP loan.

Source: FinCEN

CFPB Publishes Guide to Economic Stimulus Relief Payments

Americans are increasingly feeling the impact of the coronavirus, both on their everyday lives and their financial well-being. As a result of the [recently signed CARES Act](#), the majority of Americans will start to see some financial relief in April through economic impact payments being issued by the Internal Revenue Service.

The CFPB has published a [guide to COVID-19 economic stimulus relief](#) which may address some of the commonly asked questions.

Source: CFPB

NCUA Increases Coronavirus Assistance to Credit Unions

The NCUA will increase its assistance to eligible low-income credit unions to offset the impact of the coronavirus crisis by an additional \$575,000, the agency announced Monday.

The announcement means that the agency will be providing those credit unions with a total of \$1.375 million in grants to help them face [the challenges of helping members through the crisis](#).

"The NCUA recognizes that federally insured credit unions will face unpredictable challenges and costs as a result of the COVID-19 pandemic," NCUA Chairman Rodney Hood said. "The increase in available grant funding will help more low-income credit unions to continue offering quality and affordable financial services to their members and communities."

Eligible credit unions will have until May 22 to apply for the assistance, which has a maximum award of \$10,000. Agency officials said the grants will be made on a first-come, first-serve basis, but priorities will be given to minority credit unions and those with less than \$100 million in assets.

The grants may be used for such purposes as:

- Offering rental, mortgage and utility payment assistance to members;
- Providing loan payment relief to members;
- Developing a new product for affected members; and
- Covering the costs associated with moving credit union operations to remote locations.

The funding is intended to supplant the traditional Community Development Revolving Loan grant categories, agency officials said. They added that funding for the minority depository institutions mentoring program will be made available later this year.

Source: CU Times

NCUA Concerns over Cybersecurity and Remote Work

The NCUA sent out a [risk alert](#) suggesting cybersecurity considerations for remote work at home.

"Credit union employees working remotely should adhere to their organizations' information security- and privacy-related policies and procedures. Policies and procedures should effectively address remote work by preparing employees to prevent security incidents and including provisions for responding to any incidents that do occur. Controls over remote work and use of personal devices should be based on an institution's risk assessment, and commensurate with the size and complexity of the institution."

Source: NCUA

Russian white supremacist group and leaders designated

The State Department [announced yesterday](#) the designation of Russian Imperial Movement, or RIM, and members of its leadership as specially designated global terrorists – the first time in the history that the department has designated a racially or ethnically motivated terrorist group.

Coordinator for Counterterrorism Ambassador Nathan Sales said that RIM is a "terrorist group that provides paramilitary-style training to neo-Nazis and white supremacists, and it plays a prominent role in trying to rally likeminded Europeans and Americans into a common front against their perceived enemies." He went on to say "this designation denies RIM and its leaders and its members access to the United States financial system. Any assets that they had in the United States or that are subject to U.S. jurisdiction are now frozen. We think that that's going to make it substantially more difficult for them to move money throughout the international financial system."

Source: US Department of State

Articles of Interest

- [NCUA Board approves changes to Central Liquidity Facility](#)
- [CFPB Paves Way for Consumers to Receive Economic Impact Payments Quicker](#)

CUNA's Advocacy Resources:

- [This week in Washington \(YouTube\)](#)
- [CUNA Advocacy Issues - COVID-19](#)
- [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