



## Compliance eNewsletter

May 15, 2020 Vol. 14, Issue 19

### InfoSight News

#### New COVID-19 Channel!

To combine all the resources related to the coronavirus and COVID-19 pandemic, we decided to create a separate channel: **COVID-19 – Coronavirus**. You'll find it at the top of the list of the *Compliance Topics* menu option.

You'll see the topics you've previously found under the Security Channel, gathered together under this new channel:

[Home](#) > [Compliance Topics](#) > [COVID-19 - Coronavirus](#)

[View/Print All](#)

#### COVID-19 - Coronavirus

COVID-19 is the short name for Coronavirus Disease 2019. COVID-19 is a new disease and was named by the World Health Organization on February 11, 2020. On March 11, 2020 COVID-19 was declared a pandemic. This channel provides guidance for credit unions based on the numerous publications by agencies, relief measures and the CARES Act that implements many programs for credit unions to be aware of.

Additional general information can be found in the [Business Continuity](#) and [Pandemic Preparedness](#) topics.

The following topics are covered in the COVID-19 - Coronavirus Channel:

- [CARES Act](#)
- [Coronavirus Resources for Employers](#)
- [Fraud Alerts and Prevention](#)
- [General Coronavirus Resources](#)
- [Main Street Lending Program](#)
- [Paycheck Protection Program](#)
- [Regulatory Relief Measures](#)

We hope you find this an easier way to navigate to the resources you will need to help your members and staff during this time.

### Compliance and Advocacy News & Highlights

#### IRS proposes regs for estates and trusts

The IRS has [announced](#) it is issuing [proposed regulations](#) to provide guidance for estates and trusts clarifying that certain deductions of estates and non-grantor trusts are not miscellaneous itemized deductions. The Tax Cuts and Jobs Act prohibits individual taxpayers from claiming miscellaneous itemized deductions for any taxable year beginning after December 31, 2017, and

before January 1, 2026. Specifically, the proposed regulations clarify which deductions are allowable in figuring adjusted gross income and are not miscellaneous itemized deductions.

*Source: IRS*

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## Bureau Compliance Aid on ECOA and PPP applications

The CFPB has [issued](#) a Compliance Aid with [three clarifying FAQs](#) on the topic of "SBA Paycheck Protection Program and Notification of Action Taken."

The FAQs clarify that a PPP application is only a "completed application" once the creditor has received a loan number from the SBA or a response about the availability of funds. This ensures that the time awaiting this information from the SBA does not count towards the 30-day notice requirement, and that applications will therefore not "time out" during the process.

The FAQs also make clear that if the creditor denies an application without ever sending the application to the SBA, the creditor must give notice of this adverse action within 30 days. It further clarifies that a creditor cannot deny a loan application based on incompleteness where the creditor has enough information for a credit decision but has yet to receive a loan number or response about the availability of funds from the SBA.

*Source: CFPB*

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## CFPB HMDA revisions published in Federal Register

The CFPB's [final rule](#) amending Regulation C (HMDA) was [published](#) in a recent Federal Register. The rule increases 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.

*Source: CFPB*

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## Interagency issuances on credit losses and risk review

The Federal Reserve, FDIC, NCUA, and OCC have approved an [Interagency Policy Statement on Allowances for Credit Losses](#). The statement will promote consistency in the interpretation and application of the Financial Accounting Standards Board's credit losses accounting standard, which introduces the current expected credit losses (CECL) methodology. The statement describes the measurement of expected credit losses using the CECL methodology and updates concepts and practices detailed in existing supervisory guidance that remain applicable.

The agencies also finalized [Interagency Guidance on Credit Risk Review Systems](#). The guidance presents principles for establishing a system of independent, ongoing credit risk review in accordance with safety and soundness standards.

The policy statement and guidance documents will be effective upon publication, which is expected shortly.

*Source: Federal Reserve*

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## CFPB, FHFA, & HUD LAUNCH JOINT MORTGAGE AND HOUSING ASSISTANCE WEBSITE FOR AMERICANS IMPACTED BY COVID-19

To ensure homeowners and renters have the most up to date and accurate housing assistance information during the COVID-19 national emergency, today the Consumer Financial Protection Bureau (CFPB), Federal Housing Finance Agency (FHFA), and the Department of Housing and Urban Development (HUD) launched the new mortgage and [housing assistance website](#)

CFPB, FHFA and HUD are offering extensive CARES Act assistance and protection for Americans having trouble paying their mortgage or rent during the COVID-19 national health emergency. This joint website consolidates the CARES Act mortgage relief, protections for renters, resources for additional help, and information on how to avoid COVID-19 related scams. It also provides lookup tools for homeowners to determine if their mortgage is federally backed, and for renters to find out if their rental unit is financed by FHA, Fannie Mae, or Freddie Mac.

*Source: CFPB*

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## NCUA Changes Low-Income Designation to Include Military Personnel in Calculation

The National Credit Union Administration is expanding its approach when considering military personnel in determining whether a credit union qualifies for the low-income designation, the [agency announced recently](#).

“At the NCUA, we’re always looking for ways to foster greater financial inclusion, accessibility, and opportunity for all Americans, which I consider to be the civil rights issue of our time,” NCUA Chairman Rodney E. Hood said. “This is a great step in being more inclusive when it comes to the members of the military. Because so many military members are just getting started, they may not have much experience in working with financial institutions, at least not yet. Currently, the NCUA encourages higher education by counting students in our methodology, and under my direction, the agency has determined we can encourage military service in a similar way.”

*Source: NCUA*

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## Bureau issues final Remittance Transfers Rule amendments

The CFPB [recently announced](#) a final rule covering remittance transfers. The Remittance Transfers rule [subpart B of Regulation E] imposes requirements on entities that send international money transfers, or remittance transfers, on behalf of consumers. Among its requirements, the Rule mandates that remittance transfer providers generally must disclose the exact exchange rate, the amount of certain fees, and the amount expected to be delivered to the recipient. The Rule also allows for depository institutions to estimate certain fees and exchange rate information under certain circumstances, but by statute, this provision expires in July 2020.

The final rule allows certain banks and credit unions to continue to provide estimates of the exchange rate and certain fees under certain conditions. This could preserve consumers' ability to send remittances from their bank accounts to certain countries or recipient institutions.

The final rule also increases the threshold that determines whether an entity makes remittance transfers in the normal course of its business and is subject to the Rule. Entities making 500 or fewer transfers annually in the current and prior calendar years would not be subject to the Rule.

The amendments will be effective July 21, 2020, the statutory sunset date for the current temporary exception for insured depository institutions.

*Source: CFPB*

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## Articles of Interest

- [PINless Transaction Amount Increased in Response to COVID-19](#)
- [NCUA Webinar on LICUs and Services to Military](#)

## CUNA's Advocacy Resources:

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

## Compliance Calendar

- May 25th, 2020: Memorial Day - Federal Holiday
- June 30th, 2020: **Supplementing Data Security Requirements (Effective Date)**
- July 1st, 2020: **Regulation C – Home Mortgage Disclosure Act (HMDA)**
- July 1st, 2020: **Regulation CC – Monetary Limit Threshold Changes**
- July 3rd, 2020: Independence Day - Federal Holiday