



Compliance eNewsletter

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InfoSight News

2021 Compliance Calendar

With a new year comes a lot of new changes, so be sure you check the **2021 Compliance Calendar** to be sure you are in compliance when the dates arrive. Here's a quick look at the first six months of the year (subject to change):

2021 Compliance Calendar

- January 1st, 2021: **Annual Updates**
- January 1st, 2021: **Annual Reg Z Inflation Adjustments - Effective Date**
- January 1st, 2021: **NACHA – Enforcement**
- January 1st, 2021: New Year's Day - Federal Holiday
- January 18th, 2021: Birthday of Martin Luther King, Jr. - Federal Holiday
- January 31st, 2021: **5300 Call Report Due to NCUA**
- February 15th, 2021: President's Day - Federal Holiday
- March 1st, 2021: **Mandatory Use of Updated the Uniform Residential Loan Application (URLA)**
- March 1st, 2021: **March 1, 2021 – HMDA submission deadline**
- March 19th, 2021: **Expanding Same Day ACH Effective Date (Date Extended)**
- May 31st, 2021: Memorial Day - Federal Holiday
- June 30th, 2021: **NACHA – Limitation on Warranty Claims**
- June 30th, 2021: **NACHA – Reversals**

Compliance and Advocacy News & Highlights

Stimulus Funds are Here!

This week, Treasury and the IRS started to send approximately 8 million Economic Impact Payments (EIPs) by prepaid debit card. The distribution of EIP Cards follows the millions of payments already made by direct deposit and the ongoing mailing of paper checks and are part of Treasury's and is IRS's plan to deliver Economic Impact Payments as rapidly as possible.

EIP Cards are safe, convenient, and secure. Cardholders can make purchases online or in-stores anywhere Visa® Debit Cards are accepted, get cash from domestic in-network ATMs, transfer funds to a personal bank account, and obtain a replacement EIP Card if needed without incurring any fees. They can also check their card balance online, through a mobile app, or by phone without incurring fees. The EIP Card provides consumer protections including certain protections against fraud, loss, and other errors.

EIP Cards will be sent in a white envelope that prominently displays the U.S. Department of the Treasury seal. The EIP Card has the Visa name on the front of the Card and the issuing bank name, MetaBank®, N.A. on the back of the card. Each mailing will include instructions on how to securely activate and use the EIP Card.

EIP Cards are being issued to eligible recipients across all 50 states and the District of Columbia. In order to quickly disburse EIPs, some people who received EIPs by paper check for the first round of EIPs might receive an EIP Card this time, and some people who received an EIP Card for the first round may receive a paper check.

Source: US Treasury

Verifying Stimulus Payments

Federal Government has recently started disbursing stimulus money, either through direct deposit or by mail. And just like unemployment funds, there is the possibility of fraud occurring. The [US Treasury has provided a website link](#) to verify the validity of a Treasury check that someone receives in the mail. In addition, if someone receives funds via ACH you can verify that the member is the true payee by clicking on the ACH deposit icon under their account history.

Source: US Treasury

SBA and Treasury Announce PPP Re-Opening; Issue New Guidance

The U.S. Small Business Administration (SBA), in consultation with the Treasury Department, announced that the Paycheck Protection Program (PPP) re-opened the week of January 11 for new borrowers and certain existing PPP borrowers. To promote access to capital, initially only community financial institutions will be able to make First Draw PPP Loans on Monday, January 11 and Second Draw PPP Loans on Wednesday, January 13. The PPP will open to all participating lenders shortly thereafter. Updated PPP guidance outlining Program changes to enhance its effectiveness and accessibility was released on January 6 in accordance with the Economic Aid to Hard-Hit Small Businesses, Non-Profits, and Venues Act.

This round of the PPP continues to prioritize millions of Americans employed by small businesses by authorizing up to \$284 billion toward job retention and certain other expenses through March 31, 2021, and by allowing certain existing PPP borrowers to apply for a Second Draw PPP Loan.

“The Paycheck Protection Program has successfully provided 5.2 million loans worth \$525 billion to America’s small businesses, supporting more than 51 million jobs,” said Secretary Steven T. Mnuchin. “This updated guidance enhances the PPP’s targeted relief to small businesses most

impacted by COVID-19. We are committed to implementing this round of PPP quickly to continue supporting American small businesses and their workers.”

“The historically successful Paycheck Protection Program served as an economic lifeline to millions of small businesses and their employees when they needed it most,” said Administrator Jovita Carranza. “Today’s guidance builds on the success of the program and adapts to the changing needs of small business owners by providing targeted relief and a simpler forgiveness process to ensure their path to recovery.”

Key PPP updates include:

- PPP borrowers can set their PPP loan’s covered period to be any length between 8 and 24 weeks to best meet their business needs;
- PPP loans will cover additional expenses, including operations expenditures, property damage costs, supplier costs, and worker protection expenditures;
- The Program’s eligibility is expanded to include 501(c)(6)s, housing cooperatives, direct marketing organizations, among other types of organizations;
- The PPP provides greater flexibility for seasonal employees;
- Certain existing PPP borrowers can request to modify their First Draw PPP Loan amount; and
- Certain existing PPP borrowers are now eligible to apply for a Second Draw PPP Loan.

A borrower is generally eligible for a Second Draw PPP Loan if the borrower:

- Previously received a First Draw PPP Loan and will or has used the full amount only for authorized uses;
- Has no more than 300 employees; and
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.

Source: US Treasury

Newly Issued Letters to Credit Unions

[Letter to Credit Unions \(21-CU-01\) Summary of the Consolidated Appropriations Act, 2021](#)

This letter provides information about the provisions of the Consolidated Appropriations Act, 2021 that directly affect credit unions and their members. This act was signed into law on December 27, 2020, and, among other things, extends several provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Some of the Consolidated Appropriations Act, 2021 provisions that affect credit unions are described below.

Central Liquidity Facility

The CARES Act made several temporary, but substantive changes to Title III of the Federal Credit Union Act, which governs the Central Liquidity Facility. These changes were to sunset on

December 31, 2020, but the Consolidated Appropriations Act, 2021 extended each of the CLF CARES Act provisions described below through December 31, 2021.

[Letter to Federal Credit Unions \(21-FCU-02\) Operating Fee Schedule Adjusted for 2021](#)

On December 18, 2020, the NCUA Board approved changes to its regulations and associated methodologies for computing the annual operating fee charged to federal credit unions, as well as the resultant Operating Fee Schedule for 2021. Operating fees charged to federal credit unions will decrease by an average of 19.6 percent in 2021.

If your credit union owes an operating fee, it will be due no later than Thursday, April 15, 2021.

[Letter to Federal Credit Unions \(21-FCU-03\) Underserved Area Expansions](#)

Any federal credit union with a multiple common bond field of membership may include in its field of membership, without regard to location, underserved communities as defined by the Federal Credit Union Act. **To promote greater financial inclusion and strengthen communities, the NCUA encourages such credit unions to expand their service to underserved areas.**

Expanding into underserved areas can also help diversify membership and increase a credit union's lending opportunities. Adding an underserved area to a federal credit union's field of membership does not change the nature of a credit union's charter. A multiple common bond federal credit union may add additional groups under the NCUA's [multiple common bond expansion options](#) after being approved to expand service to an underserved area.

Source: NCUA

HMDA Filing Platform Open for 2020 Data

The CFPB opened the filing period for HMDA data collected in 2020 on January 1, 2021. The deadline for timely filing 2020 data is March 1, 2021. Financial institutions [can access the HMDA Platform](#) to begin the filing process for data collected in 2020.

The [Beta Testing Platform](#) will remain available on an ongoing basis for filers wishing to test their submissions. The Beta Testing Platform is for testing purposes only, and data entered on the Beta Testing Platform will not be considered a HMDA submission for compliance with HMDA data reporting requirements.

Source: CFPB

Articles of Interest

- [Treasury Launches \\$25 Billion Emergency Rental Assistance Program](#)
- [NCUA Will Open Streamlined CDFI Application Round Jan. 24](#)

CUNA's Advocacy Resources:

- [Happenings in Washington](#)

WOCCU Advocacy Resources:

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

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