



## Compliance eNewsletter

January 29, 2021 Vol. 15, Issue 4

### InfoSight News

#### January Updates

##### Loans and Leasing Channel Updates

The **Ability to Repay** topic in the Loans channel has been updated to reflect the recent changes to general qualified mortgage and the new seasoned qualified mortgage. These changes become effective on March 1, 2021.

In order to better assist credit unions, new content was added to the Loans and Leasing Channel for **Private Mortgage Insurance (PMI)**.

##### COVID-19 – Coronavirus Channel Updates

Due to the start of the new PPP in early January, many new forms and helpful links have been added to the **Paycheck Protection Program** topic under the COVID-19-Coronavirus Channel.

##### RISK Alerts

New **RISK Alerts** are now available from CUNA Mutual Group:

- *New Twist to the Zelle Fraud Scam (1/19/2021)*
- *Employer Options As FFCRA Expires (1/12/2021)*

#### SolarWinds Breach Statement from League InfoSight

In early 2020, there was a massive computer system breach across the United States. This is to confirm that neither League InfoSight nor its third-party technology partner, CU Solutions Group use SolarWinds as a vendor/software service/solution in any of our platforms, and therefore we

are not vulnerable to that breach. If you have any additional questions, please contact us at [support@cusolutionsgroup.com](mailto:support@cusolutionsgroup.com).

## Compliance and Advocacy News & Highlights

### NCUA, CFPB Memorandum Calls for Coordination of Compliance, Enforcement

The NCUA and the CFPB will attempt to coordinate their interpretations of regulatory compliance and proposed remedies for violation of rules at credit unions with assets of more than \$10 billion, according to a just-released [Memorandum of Understanding](#) signed by officials at the two agencies. And the two agencies have agreed to share their respective schedules of examinations at covered institutions.

Credit union trade groups have long argued that the NCUA should be the lone supervisor of credit unions. However, the Dodd-Frank Act, which created the CFPB, gave the agency enforcement power over credit unions with assets exceeding \$10 billion.

*Source: NCUA, CFPB*

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### FinCEN Submits Renewal of CTR DOEP Requirements

FinCEN has published [86 FR 6964] [a notice and request for comments](#) on its proposed renewal of the currently approved information collection that permits banks to file a FinCEN Report 110, Designation of Exempt Person, to designate eligible customers as exempt persons with respect to CTR filing.

Although no changes are proposed to the information collection itself, this request for comments covers a future expansion of the scope of the annual hourly burden and cost estimate associated with these regulations. Comments are due by March 26, 2021.

*Source: FinCEN*

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### LendUp Loans to Pay \$950,000 Under Settlement

[The CFPB has announced](#) a proposed settlement to resolve its December 4, 2020, lawsuit against LendUp Loans, LLC (LendUp) alleging violations of the Military Lending Act (MLA). This is the first resolution in the Bureau's broader sweep of investigations of multiple lenders that may be violating the MLA.

LendUp, which has its principal place of business in Oakland, California, is an online lender that offers single-payment and installment loans to consumers. If entered by the court, the proposed settlement would require LendUp to provide \$300,000 in redress to consumers and to pay a \$950,000 civil money penalty. The settlement would also enjoin LendUp from committing future violations of the MLA and from collecting on, selling, or assigning any debts arising from loans

that failed to comply with the MLA. It would also require LendUp to correct or update the information it provided to consumer reporting agencies about affected consumers.

*Source: CFPB*

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## 60,000 PPP Loan Applications Approved, Posts Updates

[The SBA has reported](#) it has approved approximately 60,000 PPP loan applications submitted by nearly 3,000 lenders, for over \$5 billion, between the program's re-opening on Monday, January 11 through Sunday, January 17. During that first week, the PPP provided dedicated access to community financial institutions that specialize in serving underserved communities, including minority-, women- and veteran-owned small businesses from Monday through Thursday, joined Friday by smaller lenders. As of January 19, the Paycheck Protection Program is open to all participating lenders.

*Source: SBA*

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## CFPB Issues Rule on HPML Escrow Exemption

[The CFPB has issued a final rule](#) amending section 1026.35 of Regulation Z to implement a requirement of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The final rule exempts certain insured depository institutions and insured credit unions from the requirement to establish escrow accounts for certain higher-priced mortgage loans (HPMLs).

The rule will take effect on publication in the Federal Register. It exempts from the HPML escrow requirement any loan made by an insured depository institution or insured credit union and secured by a first lien on the principal dwelling of a consumer if (1) the institution has assets of \$10 billion or less; (2) the institution and its affiliates originated 1,000 or fewer loans secured by a first lien on a principal dwelling during the preceding calendar year; and (3) certain of the existing HPML escrow exemption criteria are met (one or more covered first-lien-secured transactions in a rural or underserved area in the prior year, and no escrow accounts maintained on real estate secured consumer credit other than escrow accounts established for first-lien HPMLs for which applications were received on or after April 1, 2010, and before 120 days after publication of this rule; or escrow accounts established after consummation as an accommodation to distressed consumers to assist such consumers in avoiding default or foreclosure).

*Source: CFPB*

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## Effort to Ensure CARES Act Payments Are Received

[Treasury has issued a Fact Sheet](#) announcing it will work to help households who have not yet been able to access their stimulus payments get much-needed relief. As many as 8 million households may be eligible for but have not yet received payments from the CARES Act signed in

March; many of these households could be legally entitled to as much as \$1,200 per adult. As the Treasury Department works to secure a full \$2,000 in direct payments for adults as part of the proposed American Rescue Plan, it will take steps designed to reach as many of these missed households as possible – providing financial relief to a population that may be especially struggling during the pandemic and economic crisis.

*Source: Treasury Department*

## NCUA Proposes Amendment of SAR Regs

[In a recent press release](#), the National Credit Union Administration Board has issued a [notice of proposed rulemaking](#) that would amend the agency's Suspicious Activity Report (SAR) regulation. The proposed regulation would permit the NCUA to issue, on a case-by-case basis, exemptions from SAR filing requirements to federally insured credit unions, when the exemption is consistent with safe and sound practices and can improve the effectiveness and efficiency of Bank Secrecy Act reporting. The proposed rule would also make it possible for the NCUA to grant exemptions, in conjunction with the Financial Crimes Enforcement Network, to federally insured credit unions that develop innovative solutions to meet Bank Secrecy Act requirements. Comments on the proposed rule will be accepted for 30 days [following its publication in the Federal Register](#).

*Source: NCUA*

## Articles of Interest

- [President Biden Orders Regulatory Review, Casting Doubt on NCUA Proposals](#)
- [National Consumer Protection Week is Coming Up – Get Resources](#)
- [Credit Union Mortgage Prospects Rise for 2021](#)

## CUNA's Advocacy Resources:

- [Happenings in Washington](#)

## WOCCU Advocacy Resources:

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

## Compliance Calendar

- 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 1st, 2021: **CFPB – Seasoned Qualified Mortgage Addition**