

InfoSight Newsletter

June 11, 2021 | Volume 15 | Issue 23

Highlights



Changes in business processes and technology, increased terrorism concerns, recent catastrophic natural disasters, and of course, COVID-19, have focused even greater attention on the need for effective business continuity planning. InfoSight provides a **Business Continuity Planning** topic, a **Pandemic Planning** topic and a complete **COVID-19 Coronavirus** channel!

In addition, League InfoSight offers a very affordable disaster planning manual, RecoveryPro, which provides an organized approach to developing your business continuity plan. From identifying potential risks to creating emergency procedures to documenting procedures for restoring key technologies and services for your credit unions, RecoveryPro will guide you through it all. We are excited to announce that RecoveryPro is currently undergoing a complete rebuild! The new system will be similar to the recent CU PolicyPro upgrade, bringing you more tools than ever to develop and implement your plan! Stay tuned for more information on the new features in the coming weeks! Ready to learn more? Visit the [League InfoSight website](#) today!

InfoSight Content Update – Cannabis- and Hemp-Related Accounts

With the possibility of legislation passing and to better assist credit unions with resources to open cannabis- and hemp-related accounts, we have developed new content and resources from our League partners. This information can be found in the **Accounts Channel** and under **Cannabis- and Hemp-Related Accounts**.

Compliance and Advocacy News & Highlights

CFPB Adds FAQs on Escrow Accounts

The CFPB has added to its [Mortgage Servicing FAQs](#) webpage a set of 23 new FAQs that discuss selected topics relating to escrow accounts under Regulation X. The new FAQs provide a general overview of the escrow account provisions in Regulation X and address topics such as deficiencies, shortages, and surpluses. They were added under four topic groups:

- [Escrow Accounts: General](#) (8 FAQs)
- [Escrow Accounts: Escrow Account Analysis](#) (2 FAQs)
- [Escrow Accounts: Deficiencies, Shortages, and Surpluses](#) (11 FAQs)
- [Escrow Accounts: Public Guidance Documents](#) (2 FAQs)

A current [print-friendly version](#) of the Mortgage Servicing FAQs is also available.

Source: CFPB

Advance Child Tax Credit Payments to Begin on July 15

As a response to the continuing COVID-19 outbreak and economic impact, Congress passed H.R. 1319, the American Rescue Plan Act (ARPA) of 2021, which President Biden signed into law on March 11, 2021. The \$1.9 trillion COVID-19 stimulus bill expands the Child Tax Credit (CTC) for tax year 2021.

Part of the relief provides advance payments of the 2021 CTC in the form of regular payments from July through December. These direct cash payments are intended to provide a boost to the current struggling economy by giving money to families in the most need of additional support.

The ARPA increased the maximum CTC in 2021 to \$3,600 per child for children under the age of 6 and to \$3,000 per child for children between the ages of 6 and 17. The credit for qualifying children is fully refundable, which means that taxpayers can benefit from the credit even if they do not have earned income or do not owe any income taxes.

Credit unions may experience additional deposit balances due to this program, similar to what has been experienced with the three rounds of recovery rebate payments.

Who is eligible for the advance CTC payments, and how much will they receive?

Advance payments of the 2021 CTC will be made regularly to eligible taxpayers who have a main home in the United States for more than half the year. The total advance payments will be up to 50 percent of the CTC. Advance payments will be estimated from information included in eligible taxpayers' 2020 tax returns (or 2019 returns if the 2020 returns have not been filed and processed). Eligible families receive monthly payments of up to \$300 for each child under the age of 6 and up to \$250 per month for each child between the ages of 6 and 17.

The amount of the payments will be phased out if the taxpayer has adjusted gross income over \$75,000 for individuals and, over \$112,500 for heads of household, or over \$150,000 for married couples filing joint returns.

How and when will people receive the advance CTC payments?

The advance CTC payments will be sent through direct deposit, paper check, or debit cards. The IRS and Treasury are committed to maximizing the use of direct deposit. Payments will be made on the 15th of each month unless the 15th falls on a weekend or holiday, then it will be received on the weekday prior to the weekend or holiday.

What will people need to do in order to receive the advance CTC payments?

The IRS will be using 2020 taxpayer information that is already on file to issue the payments. Most eligible taxpayers will not need to take any action now other than file their 2020 tax return if they have not already done so.

Will the IRS notify people after the CTC payments have been sent?

The IRS will provide notice to the taxpayers not later than January 31, 2022, which will include the taxpayer's taxpayer ID, and the aggregate amount of the payments that were sent in 2021.

Are advance CTC payments taxable?

The advance CTC payments will not be counted as taxable income for the recipients since the rebates are a credit against tax liability and is refundable for taxpayers with no liability to offset.

Are the CTC payments subject to garnishments?

The ARPA did not include any specific protections for the advance CTC payments from any attachment or garnishment.

Can the member update their information or refuse to accept the advance CTC payments?

Eligible taxpayers who do not want to receive advance payment of the 2021 advance CTC will have the opportunity to decline the advance payments. Taxpayers will also have the opportunity to update information about changes in their income, filing status or the number of qualifying children. More details on how to take these steps will be announced soon.

Where can I view the American Rescue Plan for myself?

You can view the American Rescue Plan of 2021 online [at the Congress.gov website.](#)

Source: David Curtis CUCE, Director of Compliance Services, NWCUA

NCUA Regulatory Alert Covers ECOA Interpretive Rule

[NCUA's latest Regulatory Alert](#) (21-RA-07) covers the March 16 interpretive rule clarifying the prohibition against sex discrimination in the Equal Credit Opportunity Act encompasses discrimination based on sexual orientation and gender identity discrimination.

Source: NCUA

Letter to Credit Unions - Renewal of Prompt Corrective Action Relief

NCUA recently issued [Letter 21-CU-04 to Credit Unions](#) providing important updates regarding PCA regulations. In June 2020, the NCUA Board approved regulatory relief measures related to the NCUA's PCA regulations in anticipation that some federally insured credit unions may experience a temporary reduction in earnings and regulatory capital ratios due to their COVID-19 response efforts. These temporary modifications expired on December 31, 2020.

Due to the continued impact of the COVID-19 pandemic, however, the NCUA Board decided to reintroduce the two temporary changes to NCUA's PCA regulations described below to prevent operational disruptions caused by temporary COVID-19 related conditions. NCUA's Interim Final Rule on [Temporary Regulatory Relief in Response to COVID-19-Prompt Corrective Action](#) addresses those temporary changes.

Source: NCUA

CFPB Webinar: Measuring the Financial Well-being of Hispanics

The CFPB is holding a free webinar highlighting the findings in our recent report [Measuring the financial well-being of Hispanics](#). The report provides detailed information on the financial well-being of Hispanic adults, as measured by the Consumer Financial Protection Bureau (CFPB) Financial Well-Being Scale.

The webinar will include a discussion on the implications of the findings for initiatives aimed at helping to improve and maintain the financial well-being of Hispanics in the United States.

Webinar Details:

Date: Wednesday, June 23, 2021

Time: 2:00 PM to 3:00 PM EST

Link to join:

<https://cfpbgov.webex.com/cfbgov/onstage/g.php?MTID=ebeac11a35d12260aba2b07a4a54d57df>

Password: RCid2iJ6W2i* (72432456 from phones)

To join the webinar by phone only, call +1-404-397-1590 and enter the access code 199 547 4810.

Source: CFPB

Articles of Interest

- [Credit Union Performance Data Released by NCUA](#)
- [FHFA Extends COVID-19 Multifamily Forbearance through September 30, 2021](#)
- [New Electronic Funds Transfers FAQs from the CFPB](#)
- [NASCUS Report June 4, 2021](#)

CUNA's Advocacy Resources:

- [Happenings in Washington](#)

WOCCU Advocacy Resources:

- [Telegraph](#) – the most recent newsletter on current advocacy issues
- [Advocate Blog](#) – International advocacy trends and issues

Compliance Calendar

- June 30th, 2021: **NACHA – Limitation on Warranty Claims**
- June 30th, 2021: **NACHA – Reversals**
- July 5th, 2021: Independence Day - Federal Holiday (observed)
- September 6th, 2021: Labor Day - Federal Holiday