

# InfoSight Newsletter

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## Highlights



Small asset size credit unions (currently under \$100 million as defined by the NCUA) have different tools and resources at their fingertips that should be utilized. In addition, there are some regulatory implications for credit unions under certain asset sizes. Visit the **Small Credit Unions** topic found under the **Board Responsibility** channel in InfoSight and find information to help your small credit union today!

## Compliance and Advocacy News & Highlights

### Second Wave of Advance Child Tax Credits Issued

The IRS and Treasury have [announced](#) that millions of American families are now receiving their advance Child Tax Credit (CTC) payment for the month of August as direct deposits begin posting in bank accounts and checks arrive in mailboxes.

This second batch of advance monthly payments, worth about \$15 billion, are reaching about 36 million families across the country. The majority will be issued by direct deposit. Some families who received their first payment in July by direct deposit will receive check payments for August due to a processing issue the IRS expects to have corrected in time for the September payments.

Those receiving their payments by paper check should allow extra time for delivery by mail through the end of August. Those wishing to receive future payments by direct deposit can make this change using the [Child Tax Credit Update Portal](#), available only on IRS.gov. A change made by 11:59 p.m. ET on August 30 will apply starting with the September payment.

Under the American Rescue Plan, most eligible families received the first payment on July 15, and payments will continue each month for the rest of 2021. For these families, each payment is up to \$300 per month for each child under age 6 and up to \$250 per month for each child ages 6 through 17.

The final four payment dates are September 15, October 15, November 15 and December 15.

*Source: IRS*

### HUD and FHFA Announce Fair Housing/Lending Agreement

HUD and the FHFA [have announced](#) that they have entered into a first-of-its-kind collaborative agreement regarding fair housing and fair lending coordination. Under their [Memorandum of Understanding](#) (MOU), the two agencies will focus on enhancing their enforcement of the Fair Housing Act, which HUD is primarily charged with administering and enforcing, and their oversight of Fannie Mae, Freddie Mac (the Enterprises), and the Federal Home Loan Banks (collectively, the regulated entities), all of which FHFA regulates.

The MOU will promote information sharing, coordination on investigations, compliance reviews, and the ongoing monitoring of the Enterprises. The Agencies anticipate that the MOU will lead to stronger oversight that will help advance vigorous fair housing enforcement that can begin to redress our nation's history of discriminatory housing practices.

*Source: HUD/FHFA*

## Credit Card Limits Trending Upward

The CFPB has examined whether credit has tightened on existing credit card accounts. Due to the large unemployment and income shocks that occurred as a result of the pandemic, households may have been less likely to repay their debt, and in turn, financial institutions may have begun limiting households' access to credit.

Beginning in March 2020, credit limits for prime and near prime borrowers broke with their previous upward trend and largely flattened out. Starting in February 2021 limits began to grow more quickly for these groups. In contrast, super-prime borrowers had substantial overall reductions in credit limits after March 2020, and this trend has continued in recent months. The average super-prime borrower in May 2021 had about \$640 less credit card credit available than they had at the beginning of 2019 and \$1,320 less than the peak in March of 2020. Credit card limits for subprime and deep subprime borrowers seem to have changed little during the pandemic.

*Source: CFPB*

## Fannie and Freddie Stress Test Results

The Federal Housing Finance Agency [has announced](#) that it is providing the results of the [2020](#) and [2021](#) annual stress tests Fannie Mae and Freddie Mac were required to conduct under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank Act, as amended in 2019, requires certain financial institutions that are regulated by a federal financial regulatory agency with more than \$250 billion in assets to conduct annual stress tests to determine whether they can absorb losses as a result of severely adverse economic conditions.

*Source: FHFA*

## NCUA Implements Modernized Systems and Tools

In a recent [Letter to Credit Unions](#) (21-CU-08) the NCUA provides updates on updated technology efforts and outlines the implementation of key software tools. NCUA Connect is the main entry point for access to the Admin Portal, MERIT, DEXA, and CAPRIS. MERIT is the replacement for AIRE; DEXA is the loan and share data upload platform; and CAPRIS is the new FOM expansion application.

In August, the NCUA will begin transitioning to several new modernized applications. These efforts include the implementation of emerging and secure technology that supports the NCUA's examination, data collection, field of membership, and reporting efforts. These new applications will streamline processes and procedures and provide significant benefits to credit union users.

According to the letter:

"To prepare credit unions for the transition to these new systems, the NCUA will provide credit union user training through various avenues, including:

- A self-paced training curriculum covering MERIT functionality available through the NCUA's [Learning Management Service](#);
- An [instructional guide](#) describing the Admin Portal functionality to manage users for your credit union and explaining how to access NCUA Connect;
- User guides, FAQs, and support materials for MERIT and DEXA can be found at: [Enterprise Solution Modernization \(ESM\) Program | National Credit Union Administration \(ncua.gov\)](#);
- A *CAPRIS Federal Credit Union Users Guide* with detailed steps to access and use the system will be posted on the NCUA's website. (The guide will also be available in the Help section of the CAPRIS application); and
- Live webinars with question and answer sessions, available by registration. More details about training sessions for MERIT and CAPRIS and how to view them will be announced as soon as they are available."

For complete information, please read the entire letter linked above.

Source: NCUA

### Articles of Interest:

- [Credit Card Limits Are Rising for Most Groups](#)
- [New NTAS Bulletin on Terrorism Environment](#)
- [Credit, Debit Card Legislation Could Be a 'Disaster' for CUs](#)

### 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

- August 31st, 2021: CFPB - RESPA Borrower Protections - COVID-19 Emergency
- September 6th, 2021: Labor Day - Federal Holiday
- October 11th, 2021: Columbus Day - Federal Holiday (also recognized: Indigenous Peoples' Day)
- November 11th, 2021: Veterans Day - Federal Holiday
- November 25th, 2021: Thanksgiving Day - Federal Holiday
- November 30th, 2021: CFPB – Fair Debt Collections Practices (Regulation F)

