



Compliance eNewsletter

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InfoSight News

Reserve Requirements – Regulation D Update

The **Reserve Requirements – Regulation D** topic has been updated to reflect the Interim Final Rule published by the Federal Reserve, effective on April 23, 2020. The rule allows credit unions to immediately suspend enforcement of the six-transfer limit and allow their members to make an unlimited number of convenient transfers and withdrawals from their savings deposits.

The deposit reporting practices for credit unions has not changed with this rule, therefore credit unions should continue to report balances on their FR 2900 reports. Within this rule, there were also FAQs that have been incorporated into InfoSight for reference.

Compliance and Advocacy News & Highlights

Fed ends Savings '6 per Month' Limits

The Federal Reserve Board has [announced](#) an [interim final rule](#) to amend Regulation D (Reserve Requirements of Depository Institutions) to **delete the six-per-month limit on convenient transfers from the "savings deposit" definition**. The interim final rule allows depository institutions immediately to suspend enforcement of the six transfer limit and to allow their customers to make an unlimited number of convenient transfers and withdrawals from their savings deposits at a time when financial events associated with the coronavirus pandemic have made such access more urgent.

Because the Board no longer intends to use reserve requirements as a tool in monetary policy, the Board no longer considers it necessary to distinguish between transaction accounts and savings deposits with respect to reserve requirements.

The Board has also updated its [Savings Deposits Frequently Asked Questions](#) webpage. Questions 4 and 5 make it clear that depository institutions may continue to report accounts as "savings deposits" on their FR 2900 reports (this report will continue to be required), or report them as "transaction accounts." Question 10 explains that a depository institution may suspend

enforcement of the limits on a temporary basis. Question 11 makes it clear that an institution's imposition of a fee for exceeding a transaction limit is not directly affected by the change.

The interim final rule is effective on publication in the Federal Register

Source: Federal Reserve

Regulatory Treatment for Paycheck Protection Program Loans - Letter to Credit Unions (20-CU-11)

The NCUA Board recently approved an [interim final rule](#) amending regulatory requirements related to the Small Business Administration's (SBA) Paycheck Protection Program (PPP) loans and the Board of Governors of the Federal Reserve System's PPP Lending Facility (PPPLF) advances. These regulatory changes will become effective upon publication of the interim final rule in the Federal Register.

This letter discusses these regulatory changes and provides clarifications on PPP loans to credit union officials and non-members based on the most recent information from the SBA. The NCUA previously provided information about the PPP through Letter to Credit Unions 20-CU-06, [Small Business Administration Loan Programs to Help Small Businesses and Members during the COVID-19 Pandemic](#). Subsequently, the SBA issued [additional guidance](#) on the PPP, including their responses to [frequently asked questions](#).

Source: NCUA

NCUA's Harper: Credit Unions Are Strong, but COVID-19 Presents Challenges

Federally insured credit unions at the start of the COVID-19 pandemic are strong, but they may face a more difficult environment than they ever have, NCUA Board Member Todd M. Harper said.

"The good news about this pandemic-induced recession, if there is any, is that federally insured credit unions, as a whole, have started in a strong economic position," Board Member Harper said. "At the end of 2019, the system had a net worth ratio of 11.37 percent and a delinquency rate of just 71 basis points. But, we must remain vigilant and be prepared for the economic impact that is coming."

Harper made these remarks remotely during the Mountain West Credit Union Association's Annual Meeting on Thursday, April 23. [The full text of his remarks](#), including the economic indicators he is watching, is available [on the NCUA's website](#).

Source: NCUA

NCUA: Mentoring Grants Available to Help MDIs

Small, low-income credit unions designated as minority depository institutions may apply for mentoring grants from May 1 through June 30, the National Credit Union Administration [announced recently](#).

“Rural and underserved communities will be especially hard hit by the financial and economic disruptions resulting from the COVID-19 pandemic, and these are the areas that minority depository institutions predominately serve,” NCUA Chairman Rodney E. Hood said. “This mentoring program provides needed resources to help minority depository institutions continue to support the needs of their members and communities during this difficult time. I encourage eligible credit unions to consider applying for this program.”

Source: NCUA

Credit card money launderer pays \$6.75M

The Federal Trade Commission has [announced](#) a Canadian company, RevenueWire, and its CEO, Roberta Leach, will pay \$6.75 million to settle charges they laundered credit card payments for, and assisted and facilitated, two tech support scams previously sued by the FTC. RevenueWire entered into contracts with payment processors to obtain merchant accounts to process credit card charges for its own sales of eBooks and software. The contracts prohibited RevenueWire from submitting third-party sales through its merchant accounts. In reality, however, RevenueWire used its accounts to process credit card charges and collect payments from consumers on behalf of ICE and Vast, two companies that allegedly used tech support scams to bilk consumers out of millions of dollars.

Source: FTC

Articles of Interest

- [“No Lump Sum Required at the End of Forbearance”](#)
- [Fuel Pump EMV Liability Shift Still Scheduled for Oct. 1](#)
- [The Cash Cleanliness Controversy: Experts Counteract 'Mischievous Myths'](#)

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