



## Compliance eNewsletter

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### InfoSight News

#### Regulation D Interim Rule FAQs

A few weeks ago, we told you about the Interim Final Rule published by the Federal Reserve that allows credit unions to suspend enforcement of the six-transfer limit. We have updated the **Reserve Requirements** topic to include some additional FAQs that are specific to the Interim Rule.

### Compliance and Advocacy News & Highlights

#### SBA, Treasury Release PPP Loan Forgiveness Application

The Small Business Administration (SBA) and Treasury released the Paycheck Protection Program (PPP) Loan Forgiveness Application and detailed instructions for the application last week. The [form and instructions](#) inform borrowers how to apply for forgiveness of their PPP loans, consistent with the CARES Act.

According to the SBA, it will also soon issue regulations and guidance to further assist borrowers as they complete their applications, and to provide lenders with guidance on their responsibilities.

The form and instructions include several measures to reduce compliance burdens and simplify the process for borrowers, including:

- Options for borrowers to calculate payroll costs using an “alternative payroll covered period” that aligns with borrowers’ regular payroll cycles;
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during the eight-week period after receiving their PPP loan;
- Step-by-step instructions on how to perform the calculations required by the CARES Act to confirm eligibility for loan forgiveness;
- Borrower-friendly implementation of statutory exemptions from loan forgiveness reduction based on rehiring by June 30; and

- Addition of a new exemption from the loan forgiveness reduction for borrowers who have made a good-faith, written offer to rehire workers that was declined.

The PPP was created by the CARES Act to provide forgivable loans to eligible small businesses to keep American workers on the payroll during the COVID-19 pandemic. The documents released recently will help small businesses seek forgiveness at the conclusion of the eight-week covered period, which begins with the disbursement of their loans.

*Source: SBA/Treasury*

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## NCUA Launches Culture, Diversity, and Inclusion Council

The National Credit Union Administration took a significant step in making the agency a more inclusive organization with the launch of its new Culture, Diversity, and Inclusion Council.

“For the NCUA to carry out its mission effectively, every staff member should be respected, and diversity and inclusion should be truly fostered,” NCUA Chairman Rodney E. Hood said during his remarks at the council’s kick-off meeting on Friday, May 15. “Providing a safe and sound system of cooperative credit is an honorable calling. I want the NCUA to have a work environment where every employee can bring their true and authentic selves to work each and every day.”

Chairman Hood’s full remarks are available on the [agency’s public website](#).

*Source: NCUA*

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## CFPB statement on responsibility during pandemic

The CFPB has released a statement and FAQs outlining the responsibility of certain financial firms during the pandemic. In the statement, the Bureau outlines the billing error responsibilities of credit card issuers and other open-end non-home secured creditors during the COVID-19 pandemic. Additionally, the Bureau encourages financial firms to continue to provide the kind of assistance to their communities that many have been providing, such as waiving fees, lowering minimum-balance requirements, and implementing changes in account terms that benefit consumers:

- [Statement on Supervisory and Enforcement Practices Regarding Regulation Z Billing Error Resolution Timeframes in Light of the COVID-19 Pandemic](#)
- [The Bureau's Payments and Deposits Rules FAQs related to the COVID-19 Pandemic](#)
- [The Bureau's Open-End \(not Home-Secured\) Rules FAQs related to the COVID-19 Pandemic](#)

It should be noted that these are Bureau statements, which may not reflect the positions of other federal financial regulators.

*Source: CFPB*

## Treasury Delivering EIP Payments by Prepaid Debit Card

This week, [Treasury and the IRS](#) are starting to send nearly 4 million Economic Impact Payments (EIPs) by [prepaid debit card](#), instead of by paper check. EIP Card recipients can make purchases, get cash from in-network ATMs, and transfer funds to their personal bank account without incurring any fees. They can also check their card balance online, by mobile app, or by phone without incurring fees. The EIP Card can be used online, at ATMs, or at any retail location where Visa is accepted. This free, prepaid card also provides consumer protections available to traditional bank account owners, including protections against fraud, loss, and other errors.

*Source: US Dept. of Treasury*

## FHFA Announces Payment Deferral as New Repayment Option for Homeowners in COVID-19 Forbearance Plans

To help homeowners who are in COVID-19 related forbearance, the Federal Housing Finance Agency (FHFA) has announced that Fannie Mae and Freddie Mac (the Enterprises) are making available a new payment deferral option. The payment deferral option allows borrowers, who are able to return to making their normal monthly mortgage payment, the ability to repay their missed payments at the time the home is sold, refinanced, or at maturity.

“For homeowners in forbearance due to COVID-19, payment deferral allows them to make up missed forbearance payments when they sell their home or refinance,” said FHFA Director Mark Calabria. “This new forbearance repayment solution responsibly simplifies options for homeowners while providing an additional tool for mortgage servicers. Borrowers who can pay their mortgage should, because missed payments remain an obligation that will ultimately have to be repaid.”

Servicers will begin offering the payment deferral repayment option starting July 1, 2020.

In addition to the new payment deferral option, borrowers with COVID-19 related hardships can still utilize other options that include reinstatement, repayment plan, or loan modifications based on their individual situations.

Fannie Mae: [Understand Your COVID-19 Mortgage Options](#)

Freddie Mac: [Lump Sum Repayment is Not Required in Forbearance](#)

*Source: FHFA*

## FinCEN Advisory on COVID-19 Medical Scams

Financial Crimes Enforcement Network issued [Advisory FIN-2020-A002](#) on Medical Scams Related to the Coronavirus Disease (COVID-19), to alert financial institutions to rising medical scams related to the COVID-19 pandemic. This advisory contains red flags, descriptions of COVID-19 related medical scams, and information on reporting suspicious activity [insert "COVID-19 FIN-2020-A002" in field 2 (Financial Institution Note to FinCEN)]. This is the first of several advisories FinCEN intends to issue concerning financial crimes related to the COVID-19 pandemic.

FinCEN also issued a [companion notice](#) that provides detailed filing instructions for financial institutions, which will serve as a reference for future COVID-19 advisories.

*Source: FinCEN*

## Articles of Interest

- [MBL changes would provide \\$5B for businesses, create 50K jobs](#)
- [House, Senate bills would exempt COVID-19 MBLs from cap for one year](#)
- [NCUA 5/21/2020 Board Meeting Agenda](#)
- [Credit Reports are now Free, Every Week](#)

## 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