



Compliance eNewsletter

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InfoSight News

NEW TOPIC: Remote Work - Telecommuting

A **new topic**, **Remote Work - Telecommuting**, has been added to the Employment Channel. As more credit unions continue to operate and consider a future for remote staff and telecommuting, InfoSight has combined its resources on the topic for easier access. In addition, a **Remote Worker Risk Assessment** was also created and has been added as an additional resource on that topic.

Compliance and Advocacy News & Highlights

SBA Issues Updated Resources

Late Friday, the Small Business Administration released two interim final rules to supplement previously published interim final rules implementing the Paycheck Protection Program (PPP), in preparation for the processing of applications for loan forgiveness under the CARES Act.

The first of Friday's rules was issued to provide borrowers and lenders guidance on requirements governing the forgiveness of PPP loans. The second rule informs borrowers and lenders of SBA's process for reviewing PPP loan applications and loan forgiveness applications and supplements the interim final rule on Loan Forgiveness.

- Interim final rule on [Requirements:- Loan Forgiveness](#)
- Interim final rule on [SBA Loan Review Procedures and Related Borrower and Lender Responsibilities](#)

The Small Business Administration also issued a [Procedural Notice](#) on "Paycheck Protection Program Lender Processing Fee Payment and 1502 Reporting Process." Lenders must submit a Form 1502 report by the later of May 29 or 10 calendar days after final loan disbursement or cancellation.

- Lenders will not be paid if the PPP loan is canceled before disbursement or if the loan was canceled or voluntarily terminated after funds were disbursed and repaid by May 18

- The SBA will not pay processing fees for PPP loans canceled, terminated or repaid due to an SBA loan review finding the borrower ineligible
- Lender processing fees may be clawed back within a year after disbursement if SBA later determines the borrower to be ineligible
- Such a clawback for ineligibility will not affect the SBA guaranty for the loan, if the lender has complied with its obligations under [section III.3.b](#) of the initial PPP Interim Final Rule (What Do Lenders Have to Do in Terms of Loan Underwriting?)

Source: SBA

Federal Agencies Share Principles for Offering Responsible Small-Dollar Loans

The federal financial institution regulatory agencies issued principles for offering small-dollar loans in a responsible manner to meet financial institutions customers' short-term credit needs.

The Federal Reserve Board, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency recognize the important role that responsibly offered small-dollar loans can play in helping customers meet their ongoing needs for credit from temporary cash-flow imbalances, unexpected expenses, or income shortfalls, including during periods of economic stress, natural disasters, or other extraordinary circumstances such as the public health emergency created by COVID-19.

The agencies are issuing the "Interagency Lending Principles for Offering Responsible Small-Dollar Loans" to encourage supervised banks, savings associations, and credit unions to offer responsible small-dollar loans to customers for consumer and small business purposes.

A March 26 joint agency [statement](#) encouraged banks, savings associations, and credit unions to offer responsible small-dollar loans to consumers and small businesses in response to COVID-19.

Source: NCUA

Labor Department approves electronic disclosures of pension plans

The Employment Benefits Security Administration of the Department of Labor has approved and submitted for Federal Register publication on May 27, a [final rule](#) adopting a new, additional safe harbor for employee benefit plan administrators to use electronic media, as a default, to furnish information to participants and beneficiaries of plans subject to the Employee Retirement Income Security Act of 1974 (ERISA). The rule allows plan administrators who satisfy specified conditions to provide participants and beneficiaries with a notice that certain disclosures will be made available on a website, or to furnish disclosures via email.

Individuals who prefer to receive disclosures on paper can request paper copies of disclosures and opt out of electronic delivery entirely. The rule will become effective July 27, 2020, 61 days after publication.

Source: *Employee Benefits Security Administration*

NCUA's Hood Writes to FCC Regarding Third-Party Petition on Automated Calls

In a [recent letter](#), National Credit Union Administration Chairman Rodney E. Hood wrote to the Federal Communications Commission regarding a third-party petition to permit certain automated calls to fall under the Emergency Purposes Exception of the Telephone Consumer Protection Act. The types of automated calls outlined in the petition include options for loan modifications, changes to how consumers access their institution's services, and warnings about potential fraud.

"The NCUA has supported and encouraged federally insured credit unions in their efforts to provide credit union members with prudent debt relief and help members understand the range of relief possibilities," Chairman Hood wrote. "Autodialed calls providing information about payment deferrals, fee waivers, loan term extensions, other loan modifications, and forbearance could assist consumers during this challenging time."

Source: *NCUA*

CFPB Updates Small Entity Compliance Guide

The CFPB has published updates to the HMDA [Small Entity Compliance Guide](#) to reflect changes made to Regulation C by the [2020 HMDA Thresholds Rule](#).

The Bureau has previously [issued several resources](#) to help institutions comply with the 2020 HMDA Thresholds Rule.

Source: *CFPB*

Reminder: Streamlined CDFI Application Round Ends May 31

Credit unions interested in using the National Credit Union Administration's streamlined process for obtaining Community Development Financial Institution certification have until May 31 to apply. The [NCUA's online program guide](#) has all the necessary instructions for the qualification process.

To qualify, low-income-designated credit unions submit data on their loan originations to the NCUA by email to CURECDFI@ncua.gov using the NCUA's secured email encryption system and complete [an online participation form](#).

The Office of Credit Union Resources and Expansion then analyzes each credit union's products, services, and other indicators to determine whether it qualifies to use the streamlined

certification application. The NCUA will provide qualified credit unions with the necessary information to complete and submit the streamlined certification application to the Community Development Financial Institutions Fund, which will make a final certification decision. To learn more, visit the [NCUA-CDFI Certification Initiative webpage](#).

Source: NCUA

Articles of Interest

- [Millions of people will get their Economic Impact Payment by prepaid debit card](#)
- [NCUA Releases On-Demand Webinar on the Enhanced Central Liquidity Facility](#)
- [CU Trade Association Asks NCUA Board for Additional Regulatory Relief](#)

CUNA's Advocacy Resources:

- [This week in Washington](#)
- [CUNA Advocacy Issues - COVID-19](#)

Compliance Calendar

- 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
- July 26th, 2020: **5300 Call Report Due to NCUA**