



Compliance eNewsletter

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InfoSight News

PPP Interim Final Rule- Updated Application

The Small Business Administration recently released a new streamlined loan forgiveness application for Paycheck Protection Program borrowers of less than \$50,000 after applications for PPP loan forgiveness were opened on Oct. 2. Designed to target small businesses that are still struggling during the pandemic as they near the end of their covered loan period, the application – which has been reduced from 12 pages to two – is supposed to make the forgiveness process simpler both for borrowers and lenders.

This new application and instructions for completion have been added to the **Paycheck Protection Program** topic in the COVID-19-Coronavirus Channel.

Compliance and Advocacy News & Highlights

FinCEN Advisory on Unemployment Insurance Fraud

FinCEN has issued [FIN-2020-A007](#), an "Advisory on Unemployment Insurance Fraud During the Coronavirus Disease 2019 (COVID-19) Pandemic." The advisory contains descriptions of COVID-19-related unemployment insurance (UI) fraud, associated red flag indicators, and information on how to report suspicious activity that may involve UI fraud. Representative types of such fraud include:

- **Fictitious employer-employee fraud:** filers falsely claim they work for a legitimate company, or create a fictitious company and supply fictitious employee and wage records to apply for UI payments;
- **Employer-employee collusion fraud:** the employee receives UI payments while the employer continues to pay the employee reduced, unreported wages;
- **Misrepresentation of income fraud:** an individual returns to work and fails to report the income in order to continue receiving UI payments, or in an effort to receive higher UI payments, an applicant claims higher wages than he/she previously earned;
- **Insider fraud:** state employees use credentials to inappropriately access or change UI claims, resulting in the approval of unqualified applications, improper payment amounts, or movement of UI funds to accounts that are not on the application; or

- **Identity-related fraud:** filers submit applications for UI payments using stolen or fake identification information to perpetrate an account takeover.

FinCEN asks that SARs for possible UI fraud include the key term "COVID19 UNEMPLOYMENT INSURANCE FRAUD FIN-2020-A007" in SAR field 2 (Filing Institution Note to FinCEN) and the narrative to indicate a connection between the suspicious activity being reported and the activities highlighted in the advisory. Filers should also select SAR field 34(z) (Fraud-other) as the suspicious activity type, and include certain other information detailed in the Advisory, if available, to assist law enforcement.

Source: FinCEN

CIP Exemption for Premium Finance Loans

The OCC, Federal Reserve, FDIC, NCUA, and FinCEN [have issued an order](#) granting an exemption from the requirements of the customer identification program rules implementing section 326 of the USA PATRIOT Act for certain loans. The affected loans are those extended by banks, credit unions and their subsidiaries under the jurisdiction of the agencies to all customers (entities and individuals) to facilitate purchases of property and casualty insurance policies referred to as insurance premium finance lending or premium finance loans.

This order, which is dated October 5, 2020, supersedes an order issued September 27, 2018.

Source: NCUA et al.

CFPB Issues FAQs on RESPA

The Consumer Financial Protection Bureau has published guidance in the form of [FAQs on Real Estate Settlement Procedures Act \(RESPA\) Section 8 topics](#). The FAQs, which the CFPB has issued as a [Compliance Aid](#), provide an overview of the provisions of RESPA Section 8 and respective Regulation X sections, and address the application of certain provisions to common scenarios described in Bureau inquiries involving gifts and promotional activities, and marketing services agreements (MSAs).

At the same time, the Bureau is rescinding [Compliance Bulletin 2015-05, RESPA Compliance and Marketing Services Agreements](#). As stated in the [Bureau's blog post](#) on the rescission, the Bureau's rescission of the Bulletin does not mean that MSAs are per se or presumptively legal. Instead, as explained in the FAQs, whether a particular MSA violates RESPA Section 8 will depend on specific facts and circumstances, including how the MSA is structured and implemented. The FAQs aim to provide greater clarity on these points and highlight examples of when an MSA is or is not legal.

MSAs remain subject to scrutiny and the Bureau remains committed to vigorous enforcement of RESPA Section 8.

Source: CFPB

NCUA Webinar – Minority Depository Institutions and Financial Inclusion

The National Credit Union Administration (NCUA) will be hosting a free webinar on October 21 at 1:00 p.m. (CT) on “Pathways to Consumer Financial Well-Being: The Importance of Financial Inclusion and Minority Depository Institutions.”

Staff from the NCUA’s Offices of Consumer Financial Protection and Credit Union Resources and Expansion will detail how credit unions, specifically minority depository institutions, can provide financial products and services that help bring our nation’s most underserved communities into the financial mainstream.

Participants can submit questions at any time during the presentation or in advance by emailing WebinarQuestions@ncua.gov. The email’s subject line should read, “Pathways to Consumer Financial Well-Being.” [Registration is open now!](#)

Source: NCUA

School-affiliated Credit Card Decline Continues

The CFPB recently [issued a press release](#) along with its annual [College Credit Card Agreements report](#) to Congress, which covers agreements between credit card issuers and institutions of higher education, as well as certain organizations affiliated with such institutions. The report indicates that in 2019 the number of total agreements in effect, as well as the number of accounts open under the agreements, continues a general downward trend. Overall, between 2009 and 2019, the number of agreements in effect, year-end open accounts, and payments by issuers all declined by more than two-thirds. Agreements with alumni associations continue to represent the large majority of agreements, accounts, and payments by issuers.

Source: CFPB

CUNA Submits Comments on FinCEN BSA and CIP Regulations

Recently, [CUNA submitted comments](#) to the Financial Crimes Enforcement Network (FinCEN) in response to their update, without change, of certain Bank Secrecy Act (BSA) estimates of the industry burden imposed by customer identification program (CIP) regulations. CUNA expressed support for FinCEN’s continued efforts to update these PRA burden estimates for BSA regulations to more accurately understand the regulatory compliance costs to financial institutions like credit unions.

CUNA also encouraged FinCEN, prior to adopting final estimates, to consider issuing a voluntary industry survey to get a more precise measure of the hourly and monetary costs of confirming

the identity of customers, establishing CIP recordkeeping processes and consulting government terrorist and terrorism watch lists.

Source: CUNA

FCC Proposes Amendments to TCPA Regulations

In a recent Federal Register, the Federal Communications Commission has published [\[85 FR 64091\]](#), a proposed rule to implement section 8 of the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act (TRACED Act) and seeks comment on how to best implement it. As directed by the TRACED Act, the Commission seeks to ensure that any exemption the Commission has granted under the Telephone Consumer Protection Act (TCPA) for calls to residential lines or for calls to wireless numbers includes requirements with respect to the classes of parties that may make such calls; the classes of parties that may be called; and the number of such calls that may be made to a particular called party.

The Commission, to comply with the TRACED Act, seeks comment on the need to amend exemptions the Commission has previously carved out. Those exemptions are: (1) non-commercial calls to a residence; (2) commercial calls to a residence that do not constitute telemarketing; (3) tax-exempt nonprofit organization calls to a residence; (4) Health Insurance Portability and Accountability Act of 1996 (HIPAA)-related calls to a residence; (5) package delivery-related calls to a wireless number; (6) financial institution calls to a wireless number; (7) healthcare-related calls to a wireless number; (8) inmate calling service calls to a wireless number; and (9) cellular carrier calls to their own subscribers.

Comments are due on or before October 26, 2020, and reply comments are due on or before November 3, 2020.

Source: FCC

CUNA's Advocacy Resources:

- [CUNA Advocacy Issues - COVID-19](#)

WOCCU Advocacy Resources:

- [Telegraph](#)
- [Advocate Blog](#)

Compliance Calendar

- October 14th, 2020: **Amended Field of Membership Application Requirements for Combined Statistical Area and Core-Based Statistical Area**
- October 20th, 2020: **Payday Lending, Vehicle Title, and Certain High-Cost Installment Loans (CFPB)**

- October 25th, 2020: **5300 Call Report Due to NCUA**
- November 11th, 2020: Veterans Day - Federal Holiday
- November 26th, 2020: Thanksgiving Day - Federal Holiday