



Inf Sight
Newsletter

July 2, 2021 | Volume 15 | Issue 26

Highlights



There will be **NO NEWSLETTER NEXT WEEK (July 9, 2021)!**
Enjoy a safe and happy 4th of July weekend!

Compliance and Advocacy News & Highlights

CFPB Amends Reg X with Temporary Foreclosure Safeguards

Earlier this week, the Bureau issued the [2021 Mortgage Servicing COVID-19 Final Rule](#). The Rule amends certain Regulation X Mortgage Servicing early intervention and loss mitigation requirements. The Rule issued establishes procedural safeguards for mortgage servicers that help borrowers explore foreclosure alternatives, such as loan modifications or home sales.

The Rule is effective **August 31, 2021**.

The CFPB also provided an [Executive Summary and an Unofficial Redline](#).

Source: CFPB

NCUA Shares Interagency Statement After FinCEN Issues First National AML/CFT Priorities

This week, The [Financial Crimes Enforcement Network \(FinCEN\) announced](#) that it has issued the first government-wide priorities for anti-money laundering and countering the financing of terrorism (AML/CFT) policy ([the "Priorities"](#)), following consultation with other relevant Department of the Treasury offices, as well as Federal and State regulators, law enforcement, and national security agencies. The Priorities identify and describe the most significant AML/CFT threats currently facing the United States.

The NCUA is issuing this [Letter to Credit Unions](#), including the [Interagency Statement](#) to provide the following:

- NCUA plans to revise its BSA regulations, as necessary, to address how the AML/CFT Priorities will be incorporated into credit unions' BSA requirements.
- Credit unions are not required to incorporate the AML/CFT Priorities into their risk-based BSA compliance programs until the effective date of a final revised regulation.⁴
- Examiners will not examine for incorporation of AML/CFT Priorities into BSA compliance programs until a final regulation implementing the AML/CFT Priorities becomes effective.
- Credit unions may wish to start considering how they will incorporate the AML/CFT Priorities into their risk-based BSA compliance programs.

NCUA continues to work closely with FinCEN and its federal and state counterparts to ensure a high level of transparency and flexibility to implement the changes required through regulation and supervision in the AML Act.

Source: NCUA

CDC Extends Eviction Moratorium for Last Time

The Centers for Disease Control yesterday extended the nationwide ban on evictions for a month to help millions of tenants unable to make rent payments during the coronavirus pandemic, but said this is the last time it plans to do so.

Dr. Rochelle Walensky, director of the Centers for Disease Control and Prevention, extended the evictions moratorium from June 30 until July 31, 2021.

Source: CDC

Minority Depository Institution Credit Unions See Year of Growth

The [National Credit Union Administration announced](#) that it had issued its eighth annual report to Congress on the composition and financial performance of the minority depository institutions (MDI) supervised by the NCUA in 2020. The [2020 Minority Depository Institutions Annual Report](#) is submitted to Congress annually and among the report's highlights, the number of MDI credit unions grew in 2020, and these credit unions expanded membership and increased lending. Shares and deposits were up, as were total assets.

Source: NCUA

Two NACHA Rules Now Effective

NACHA rule, [Limitation on Warranty Claims](#) effective *June 30, 2021*, limits the length of time in which a Receiving Depository Financial Institution (RDFI) is permitted to make a claim against the Originating Depository Financial Institution's (ODFI's) authorization warranty.

- One year from settlement date for Entry to non-consumer account.
- For consumer accounts - first 95 calendar days from the settlement date of the first unauthorized entry will always be covered. If outside the first 95 days, then 2 years from the settlement date of the entry.

In the NACHA rule, [Reversals and Enforcement](#), the **Reversals** rule became effective *June 30, 2021* and the **Enforcement** rule became effective *January 1, 2021*.

This NACHA rule addresses the improper use of reversals. It expands permissible reasons for a reversal to include a "wrong date" error:

- The reversal of a debit Entry that was for a date earlier than intended by the Originator; or
- A credit Entry that was for a date later than intended by the Originator.

Source: NACHA

NCUA Board Approves Three Agenda Items

The National Credit Union Administration Board (NCUA) met recently and as indicated in their [Board Action Bulletin](#) unanimously approved the three items on its agenda:

- A final rule that removes the prohibition on the capitalization of interest in connection with loan workouts and modifications.
- A final rule that would phase-in the day-one adverse effects on regulatory capital that may result from the adoption of the current expected credit losses accounting methodology over a three-year period.
- An extension of the current 18 percent federal credit union loan interest rate ceiling until March 10, 2023.

Source: NCUA

Articles of Interest

- [CFPB Report Highlights Supervisory Findings of Wide-Ranging Violations of Law in 2020](#)
- [Environmental Crimes – Money Laundering \(FATF\)](#)
- [NCUA Releases Q1 2021 State-Level Credit Union Data Report](#)
- [New CEO LaBorde Becomes WOCCU's First Female Leader](#)
- [Credit Union Fraudster 'Doing a Pretty Good Job' Not Getting Caught](#)
- [Fed Announces PPPLF Extended for Last Time](#)

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

- July 5th, 2021: Independence Day - Federal Holiday (observed)
- July 29th, 2021: Reserve Requirements – Regulation D
- September 6th, 2021: Labor Day - Federal Holiday
- October 11th, 2021: Columbus Day – Federal Holiday (also recognized: Indigenous Peoples' Day)

