

Regulatory and Legislative Recap
March 2020

A note from John Bley, Compliance Services Group President and CEO

With all of the challenges the world is facing, we want to let you know that we are here for you and your institution. In this uncertain time, we are committed to providing you with the quality consulting and audit services upon which you depend.

The health and safety of our employees and clients is our top priority. We are closely monitoring the development of COVID-19 guidance and we are continuously assessing its potential impact on the financial services industry, our daily operations, and the delivery of client services.

Many of our employees are working remotely, while core staff members continue to work in the office. In the meantime, we are still conducting audits and answering compliance questions remotely through secure interfaces.

In a time of so much uncertainty, it is common to look for a sense of reassurance as well as sources of strength. At CSG, we're here to help you manage compliance risks and recover from the unexpected.

Please don't hesitate to drop me an email (john.bley@complianceservicesgroup.com) or call me (360.402.1077) if you have any questions.

Just because you are considered essential doesn't mean you are expendable. Stay safe!

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Resources for Coronavirus (COVID-19) Information:

NCUA.gov – [Coronavirus \(COVID-19\): Information for Federally Insured Credit Unions](#)

FDIC.gov – [Coronavirus \(COVID-19\) Information for Bankers and Consumers](#)

Federalreserve.gov – [Coronavirus Disease 2019 \(COVID-19\)](#)

occ.treas.gov – [Frequently Asked Questions Regarding COVID-19](#)

CFPB – [Protecting your finances during the Coronavirus Pandemic](#)

CFPB – [CFPB Provides Flexibility During COVID-19 Pandemic](#)

FinCEN – [Coronavirus Updates](#)

Washington – [COVID-19 Resources](#)

Oregon – [Coronavirus Updates](#)

Department of the Treasury – [Financial Services Sector Essential Critical Infrastructure Workers](#)

NCUA – [Letter to Credit Unions \(20-CU-03\) Identification of Essential Critical Infrastructure Workers During COVID-19](#)

FDIC - [Identification of Essential Critical Infrastructure Workers During the COVID-19 Response Efforts](#)

CISA – [Advisory Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response.](#)

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FINAL REGULATIONS/RULES

Effective Date	Regulation	Citation	Summary
03/31/2020	Regulatory Capital Rule: Revised Transition of the Current Expected Credit Losses Methodology for Allowances (FRB, FDIC, OCC)	85 FR 17723	The agencies are inviting comment on an interim final rule that delays the estimated impact on regulatory capital stemming from the implementation of Accounting Standards Update No. 2016-13, Financial Instruments—Credit Losses, Topic 326, Measurement of Credit Losses on Financial Instruments (CECL). The interim final rule provides banking organizations that implement CECL before the end of 2020 the option to delay for two years an estimate of CECL's effect on regulatory capital, relative to the incurred loss methodology's effect on regulatory capital, followed by a three-year transition period. The agencies are providing this relief to allow such banking organizations to better focus on supporting lending to creditworthy households and businesses in light of recent strains on the U.S. economy as a result of the coronavirus disease 2019 (COVID-19), while also maintaining the quality of regulatory capital.
03/31/2020	Standardized Approach for Calculating the Exposure Amount of Derivative Contracts (FRB, FDIC, OCC)	85 FR 17721	In light of recent economic disruptions caused by the COVID-19 virus and recent volatility in U.S. financial markets, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) are issuing a document to allow depository institutions and depository institution holding companies to implement the final rule titled Standardized Approach for Calculating the Exposure Amount of Derivative Contracts (SA-CCR rule) for the first quarter of 2020, on a best efforts basis.
03/23/2020	Order of Temporary Extension of Maturity Limits for Short-Term Investment Funds (OCC)	85 FR 16887	The OCC has adopted an interim final rule adding a reservation of authority provision to the OCC's short-term investment fund (STIF) rule (STIF Rule) for national banks acting in a fiduciary capacity. The reservation of authority addresses the STIF Rule's limits on weighted average portfolio maturity, weighted average portfolio life maturity, and the method for determining those limits. The OCC has also issued an administrative order pursuant to the reservation of authority contained in the interim final rule. The order states that banks seeking to comply with the STIF Rule's portfolio maturity and life limits will be deemed to be in compliance with those requirements, if the STIF maintains a dollar-weighted average portfolio maturity of 120 days or less, and the STIF maintains a dollar-weighted average portfolio life maturity of 180 days or less.
03/24/2020	Reserve Requirements of Depository Institutions Regulation D (FRB)	85 FR 16525	The Board of Governors of the Federal Reserve System is amending its Regulation D (Reserve Requirements of Depository Institutions, 12 CFR part 204) to lower reserve ratios on transaction accounts maintained at depository institutions to zero percent.

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03/23/2020	Short-Term Investment Funds (OCC)	85 FR 16888	The OCC is adopting an interim final rule to revise the OCC's short-term investment fund (STIF) rule (STIF Rule) for national banks acting in a fiduciary capacity. Sudden disruptions in the financial markets have created conditions that may constrain the ability of a national bank's management team to execute certain elements of a STIF's written investment policy, specifically with regard to investment plan components addressing the weighted average maturity and weighted average life of the STIF's investment portfolio. The OCC is issuing this interim final rule to allow national banks to operate affected STIFs on a limited-time basis with increased maturity limits under these circumstances.
03/20/2020	Regulatory Capital Rule: Eligible Retained Income (FRB, FDIC, OCC)	85 FR 15909	In light of recent disruptions in economic conditions caused by the coronavirus disease 2019 (COVID-19) and current strains in U.S. financial markets, the agencies are issuing an interim final rule that revises the definition of eligible retained income for all depository institutions, bank holding companies, and savings and loan holding companies subject to the agencies' capital rule (together, a banking organization or banking organizations). The revised definition of eligible retained income will make any automatic limitations on capital distributions that could apply under the agencies' capital rules more gradual.
05/18/2020	Regulatory Capital, Capital Plan, and Stress Test Rules Regulations Q, Y, & YY (FRB)	85 FR 15576	The Board is adopting a rule that simplifies the Board's capital framework while preserving strong capital requirements for large firms. The final rule would integrate the Board's regulatory capital rule (capital rule) with the Comprehensive Capital Analysis and Review (CCAR), as implemented through the Board's capital plan rule (capital plan rule). The final rule makes amendments to the capital rule, capital plan rule, stress test rules, and Stress Testing Policy Statement. Under the final rule, the Board will use the results of its supervisory stress test to establish the size of a firm's stress capital buffer requirement, which replaces the static 2.5 percent of risk-weighted assets component of a firm's capital conservation buffer requirement. Through the integration of the capital rule and CCAR, the final rule would remove redundant elements of the current capital and stress testing frameworks that currently operate in parallel rather than together, including the CCAR quantitative objection and the assumption that a firm makes all capital actions under stress. The final rule applies to bank holding companies and U.S. intermediate holding companies of foreign banking organizations that have \$100 billion or more in total consolidated assets.
03/26/2020	Total Loss-Absorbing Capacity, Long-Term Debt, and Clean Holding Company Requirements for Systemically Important U.S. Bank Holding Companies and	85 FR 17003	In light of recent disruptions in economic conditions caused by the coronavirus disease 2019 (COVID-19) and current strains in U.S. financial markets, the Board is issuing an interim final rule that revises the definition of eligible retained income for purposes of the Board's total loss-absorbing capacity (TLAC) rule. The revised definition of eligible retained income will make any automatic limitations on capital distributions that could apply under the TLAC rule more gradual and aligns to recent action taken by the Board and the other Federal banking agencies in the capital rule.

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	Intermediate Holding Companies of Systemically Important Foreign Banking Organizations: Eligible Retained Income (FRB)		
03/23/2020	Regulatory Capital Rule: Money Market Mutual Fund Liquidity Facility (FRB, FDIC, OCC)	85 FR 16232	To provide liquidity to the money market sector to help stabilize the financial system, the Board of Governors of the Federal Reserve System authorized the Federal Reserve Bank of Boston to establish the Money Market Mutual Fund Liquidity Facility (MMLF), pursuant to section 13(3) of the Federal Reserve Act. Under the MMLF, the Federal Reserve Bank of Boston will extend non-recourse loans to eligible financial institutions to purchase certain types of assets from money market mutual funds (MMFs). To facilitate this Federal Reserve lending program, the Board, OCC and FDIC (together, the agencies) are adopting this interim final rule to allow banking organizations to neutralize the regulatory capital effects of participating in the program. This treatment would extend to the community bank leverage ratio.
05/04/2020	Securitization Safe Harbor Rule (FDIC)	85 FR 12724	The FDIC is amending its securitization safe harbor rule, which relates to the treatment of financial assets transferred in connection with a securitization transaction, in order to eliminate a requirement that the securitization documents require compliance with Regulation AB of the Securities and Exchange Commission in circumstances where Regulation AB by its terms would not apply to the issuance of obligations backed by such financial assets.

PROPOSED REGULATIONS

Comments Due	Regulation	Citation	Summary
06/05/2020	Debt Collection Practices Regulation F (CFPB)	85 FR 17299	The CFPB extended the comment due date for its amendments to Regulation F (85 FR 12672). Included in the proposed amendments are disclosures for time-barred debts.
07/08/2020	Subordinated Debt (NCUA)	85 FR 13982	The NCUA Board (Board) is proposing to amend various parts of the NCUA's regulations to permit low-income designated credit unions (LICUs), Complex Credit Unions, and New Credit Unions to issue Subordinated Debt for purposes of regulatory capital treatment. Specifically, this proposed rule would create a new subpart in the NCUA's final risk-based capital rule (RBC Rule) that would address the requirements for and regulatory capital treatment of Subordinated Debt. This new

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			subpart would, among other things, contain requirements related to applying for authority to issue Subordinated Debt, credit union eligibility to issue Subordinated Debt, prepayments, disclosures, securities laws, and the terms of a Subordinated Debt Note.
06/01/2020	Parent Companies of Industrial Banks and Industrial Loan Companies (FDIC)	85 FR 17771	The FDIC is seeking comment on a proposed rule that would require certain conditions and commitments for each deposit insurance application approval, non-objection to a change in control notice, and merger application approval that would result in an insured industrial bank or industrial loan company becoming, after the effective date of any final rule, a subsidiary of a company that is not subject to consolidated supervision by the Federal Reserve Board. The proposed rule also would require that before any industrial bank or industrial loan company may become a subsidiary of a company that is not subject to consolidated supervision by the Federal Reserve Board, such company and the industrial bank or industrial loan company must enter into one or more written agreements with the Federal Deposit Insurance Corporation.

RESOURCES/GUIDANCE

Guidance	Summary
Advisory on the Financial Action Task Force- Identified Jurisdictions with Anti-Money Laundering and Combating the Financing of Terrorism Deficiencies FIN-2020-A001 (FinCEN)	FinCEN issued this advisory to inform financial institutions of updates to the FATF list of jurisdictions with strategic AML/CFT deficiencies. Financial institutions should be aware of these changes, which may affect their obligations and risk-based approaches with respect to these jurisdictions. The advisory also reminds financial institutions of the status of, and obligations involving, these jurisdictions, in particular the Democratic People’s Republic of Korea (DPRK) and Iran.
CFPB Provides Flexibility During COVID-19 Pandemic (CFPB)	In two separate policy statements issued with the announcement, the CFPB said it would delay quarterly HMDA reporting ; annual submissions concerning agreements between credit card issuers and institutions of higher education; quarterly submission of consumer credit card agreements ; collection of certain credit card price and availability information; and submission of prepaid card account agreements.

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Temporary Alternative Procedures for Sending Supervision-Related Mail and Email to the FDIC FIL-27-2020	<p>During this period of national emergency, the FDIC is encouraging financial institutions and other parties to use alternative procedures to send the agency official mail related to supervisory matters and to use secure email to send official supervisory correspondence.</p>
Financial Regulators Highlight Coordination and Collaboration of Efforts to Address COVID-19 (Fr, CFPB, FDIC, NCUA, OCC)	<p>The agencies understand that financial institutions may need additional time to submit certain regulatory reports in light of staffing priorities and disruptions caused by the Coronavirus Disease 2019 (COVID-19). The federal banking agencies will not take action against any institution for submitting its March 31, 2020, Reports of Condition and Income (Call Reports) after the respective filing deadline, as long as the report is submitted within 30 days of the official filing date. Institutions are encouraged to contact their primary federal regulator in advance of the official filing date if they anticipate a delayed submission.</p>
Joint Statement Encouraging Responsible Small-Dollar Lending in Response to COVID-19 FR, CFPB, FDIC, NCUA, OCC	<p>The agencies issued a joint statement urging financial institutions to offer “responsible small-dollar loans to both consumers and small businesses.” Such offerings should be made in accordance with safe and sound banking practices, and should ensure fair treatment of consumers and comply with applicable statutes and regulations, including consumer protection laws, the agencies said. “The current regulatory framework allows financial institutions to make responsible small-dollar loans. Such loans can be offered through a variety of loan structures that may include, for example, open-end lines of credit, closed-end installment loans, or appropriately structured single payment loans,” the agencies said. “For borrowers who experience unexpected circumstances and cannot repay a loan as structured, financial institutions are encouraged to consider workout strategies designed to help enable the borrower to repay the principal of the loan while mitigating the need to re-borrow.”</p>
Letter to Credit Unions 20-CU-02 (NCUA)	<p>Addresses annual meeting requirements including an emergency exception to in-person quorum requirements for federal credit unions.</p>
Financial Institution Letter-23-2020 (FDIC)	<p>Diversity self-assessments from FDIC regulated institutions for 2019 are due by May 31, 2020.</p>
Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus (FR, FDIC, NCUA, OCC, CFPB)	<p>The agencies encourage financial institutions to work with borrowers, will not criticize institutions for doing so in a safe and sound manner, and will not direct supervised institutions to automatically categorize loan modifications as troubled debt restructurings (TDRs). Short-term modifications made on a good faith basis in response to COVID-19 to borrowers who were current prior to any relief are not TDRs. These include short-term modifications like payment deferrals, fee waivers and repayment term extensions.</p>

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<p>Mortgage Letter 2020-04 (HUD)</p>	<p>On March 18, HUD announced that it would implement an immediate foreclosure and eviction moratorium for single family homeowners with FHA-insured mortgages for the next 60 days. The guidance applies to homeowners with FHA-insured Title II Single Family forward and Home Equity Conversion (reverse) Mortgages, and directs mortgage servicers to: (i) halt all new foreclosure actions and suspend all foreclosure actions currently in process; and (ii) cease all evictions of persons from FHA-insured single-family properties.</p> <p>On the same day, the FHFA announced that it has directed Fannie Mae and Freddie Mac to suspend foreclosures and evictions for at least 60 days due to the Covid-19 national emergency. The foreclosure and eviction suspension applies to homeowners with an Enterprise-backed single-family mortgage.</p> <p>Washington State then followed up with Guidance urging mortgage servicers to ease the adverse impacts caused by COVID-19 on mortgage borrowers.</p>
<p>Financial Institution Letter-18-2020 (FDIC)</p>	<p>The FDIC published two sets of frequently asked questions – one for banks and one for consumers regarding the potential impact of COVID-19. The FAQs address a variety of issues that may arise as financial institutions work with customers and communities affected by COVID-19. The FDIC recognizes that such efforts can be accomplished in a manner that is consistent with safe and sound banking practices, compliant with applicable laws (including consumer protection laws), and in the public interest. The FDIC will continue to add FAQs to the initial list, as needed, to address additional questions and issues that arise.</p>
<p>HMDA FAQs (CFPB)</p>	<p>The FAQs provide guidance for reporting on the universal loan identifier; legal entity identifier; ethnicity, race, and sex; discount points; and construction and construction/permanent transactions.</p>
<p>Third-Party Relationships: FAQs to Supplement OCC Bulletin 2013.-29 (OCC)</p>	<p>The OCC issued updated frequently asked questions to supplement its 2013 bulletin <i>Third-Party Relationships: Risk Management Guidance</i>. Included in the FAQs are: when cloud computing providers are in a third-party relationship with a bank; bank management’s responsibilities regarding a third party’s subcontractors; and risk management when third party has limited ability to provide the same level of due diligence-related information as larger or more established third parties, among others.</p>
<p>Regulatory Capital Rule: Clarification on the Use of Buffers FIL-20-2020 (FR, FDIC, OCC)</p>	<p>The agencies issued Q&As regarding their Statement Regarding the Use of Capital and Liquidity Buffers, which was issued March 17, 2020.</p>
<p>Joint Statement on CRA Consideration for Activities in Response to the COVID-19 (FR, FDIC, OCC)</p>	<p>The agencies encourage financial institutions to work with affected customers and communities, particularly those that are low- and moderate-income. Pursuant to the Community Reinvestment Act (CRA), the agencies will provide favorable consideration of certain retail banking services, retail lending activities, and community development activities related to this national emergency.</p>
<p>Regulatory Relief FIL-17-2020 (FDIC)</p>	<p>The FDIC encourages financial institutions to take prudent steps to assist customers and communities affected by the Coronavirus Disease 2019 (referred to as COVID-19). The FDIC recognizes that efforts to work with customers and communities affected by COVID-19 can be consistent with safe and sound banking practices and in the public interest. The FDIC issued a Statement on</p>

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	Financial Institutions Working with Customers Affected by the Coronavirus and Regulatory and Supervisory Assistance. The FDIC also issued FIL-29-2020 updating FIL-17-2020.
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FinCEN [reminds institutions](#) to be alert to related illicit activity:

On March 13, 2020, President Trump declared a National Emergency in response to COVID-19. FinCEN requests financial institutions affected by the COVID-19 pandemic to contact FinCEN and their functional regulator as soon as practicable if a COVID-19-affected financial institution has concern about any potential delays in its ability to file required Bank Secrecy Act (BSA) reports. Financial institutions seeking to contact FinCEN should call FinCEN's Regulatory Support Section (RSS) at 1-800-949-2732 and select option 6 or e-mail at FRC@fincen.gov. FinCEN's RSS will continue to be available to support financial institutions for the duration of the COVID-19 pandemic.

Financial institutions are encouraged to keep FinCEN and their functional regulators informed as their circumstances change.

FinCEN also advises financial institutions to remain alert about malicious or fraudulent transactions similar to those that occur in the wake of natural disasters. FinCEN is monitoring public reports and BSA reports of potential illicit behavior connected to COVID-19 and notes the following emerging trends:

1. **Imposter Scams** – Bad actors attempt to solicit donations, steal personal information, or distribute malware by impersonating government agencies (e.g., Centers for Disease Control and Prevention), international organizations (e.g., World Health Organization (WHO)), or healthcare organizations.
2. **Investment Scams** – The U.S. Securities and Exchange Commission (SEC) urged investors to be wary of COVID-19-related investment scams, such as promotions that falsely claim that the products or services of publicly traded companies can prevent, detect, or cure coronavirus.
3. **Product Scams** – The U.S. Federal Trade Commission (FTC) and U.S. Food and Drug Administration (FDA) have issued public statements and warning letters to companies selling unapproved or misbranded products that make false health claims pertaining to COVID-19. Additionally, FinCEN has received reports regarding fraudulent marketing of COVID-19-related supplies, such as certain facemasks.
4. **Insider Trading** – FinCEN has received reports regarding suspected COVID-19-related insider trading.

In addition, please see FinCEN's advisory, FIN-2017-A007 "[Advisory to Financial Institutions Regarding Disaster-Related Fraud](#)" (October 31, 2017) for descriptions of other relevant typologies, such as benefits fraud, charities fraud, and cyber-related fraud. For suspected suspicious transactions linked to COVID-19, along with checking the appropriate suspicious activity report-template (SAR-template) box(es) for certain typologies, FinCEN also encourages financial institutions to enter "COVID19" in Field 2 of the SAR-template.

Financial institutions are encouraged to review information from other relevant functional regulators as updates are available. FinCEN will continue to monitor this situation and will release updated information for financial institutions as appropriate.

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Washington State also warns of potential increased wire fraud:

**This is a message from the Washington State
Department of Financial Institutions**

Notice – Possibility of increased wire fraud scams

The Department of Financial Institutions (DFI) wants to remind our escrow licensees of the potential for increased wire fraud scams during this time of rising volume of home closings and the panic of the COVID-19 virus. DFI has previously issued alerts to consumers warning them of scams relating to this issue and encouraging them to verify the identity of anyone who asks them to wire a down payment, closing costs, or other funds.

As business owners, this is a good time to remember the inherent risks of wiring, the complexity of fraudsters, and the need to follow best practices. Some best practices include:

- Wire instructions
 - Accept or provide only written wiring instructions
 - Accept or provide wire instructions in a secure manner (e.g. encrypted email or secure web portal)
 - Have the owner of the funds sign the wire instructions and identify the receiving entity and account number
- Wire fraud notifications and other safe guards
 - Include fraud warnings in all your email texts
 - Upon receiving any instruction to wire funds, consumers should call their escrow closer to verify authenticity of the instruction
 - If you receive an email requesting remittal of funds, confirm the email by either using the forwarding email function and type-in known verified email addresses, or calling the payee using a verified contact number
 - Set up two-factor email authentication
 - Work with the lenders involved to specify account restrictions

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Paycheck Protection Program

The Treasury Department issued guidance for the [Paycheck Protection Program](#), which will provide up to \$350 billion in fully forgivable loans to help small businesses maintain payrolls during the coronavirus pandemic. The loans are fully guaranteed by the Small Business Administration, but the SBA will waive all SBA guaranty fees. PPP loans are made for two years at a 0.5% fixed rate with payments deferred for six months.

All banks, as well as a broad range of nonbanks, are eligible to make PPP loans. Existing SBA-certified lenders will be given delegated authority. Other lenders must be approved before making loans.

To underwrite PPP loans, lenders will need to verify that the borrower was in operation on Feb. 15, 2020, and that it had employees for whom it paid salaries and payroll taxes. The lender will also have to verify the dollar amount of average payroll costs.

Small businesses and sole proprietorships—generally, those with 500 or fewer employees—may apply for PPP loans starting on Friday, April 3; independent contractors and self-employed workers can apply starting April 10. PPP loans will be fully forgiven when used for payroll costs, interest on mortgages, rent and utilities, with at least three quarters of the forgiven amount being used for payroll; forgiveness is based on employers maintaining headcount or quickly rehiring and maintaining salary levels.

COMPLIANCE SERVICES GROUP

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The Coronavirus Aid, Relief, and Economic Security Act ([CARES Act](#)) was issued in response to the pandemic and provides a number of reliefs to consumers and businesses. We have summarized four areas that a financial institution is most likely to encounter-

Section 2203 Temporary Waiver of Required Minimum Distribution Rules for Certain Retirement Plans and Accounts:

IRA owners, including beneficiaries, will not be required to take a 2020 RMD from their IRAs or Inherited IRAs. The RMD waiver also applies to individuals who turned 70½ in 2019 but did not take their RMD before January 1, 2020.

Section 3513 Temporary relief for federal student loan borrowers:

The Act temporarily suspends student loan payments. During this period, interest will not accrue, servicers will report suspended payments as having been made to credit bureaus. For borrowers in loan forgiveness or rehabilitation programs, servicers will treat suspended payments as having been made. The suspension automatically applies to covered loans and the borrower need not request this relief nor show any adverse economic impact from the COVID-19 pandemic. In addition, during the suspension period the Department of Education may not garnish wages, reduce tax refunds, offset other federal benefits, or undertake “any other involuntary collection activity.”

Section 4013 Temporary Relief from Troubled Debt Restructuring:

The Act temporarily suspends the normal rules under GAAP for characterizing loan modifications entered into by banks and credit unions as “Troubled Debt Restructurings” as a result of the COVID-19 pandemic. By doing so, the act also suspends any further determination that would be made as a result of such a characterization, including an impairment. The provision applies to all loan modifications, including forbearances, interest rate modifications and repayment plans, and is not limited to mortgage and other consumer loans, as long as: (1) the loan was not more than 30 days past due as of December 31, 2019, and (2) the modification was entered into as a result of an adverse impact from the COVID-19 pandemic.

Section 4021 Credit Protection during COVID-19:

The Act temporarily amends the Fair Credit Reporting Act to require furnishers of information to credit bureaus to modify credit reporting practices if and when they grant an “accommodation”— an agreement to defer payments, modify a loan, or grant other relief—to borrowers impacted by the COVID-19 pandemic.

- For debts that were current prior to granting the accommodation, the furnisher is required to continue to report the obligation as current so long as the borrower complies with the accommodation.

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- For obligations that were delinquent prior to granting the accommodation, the furnisher must continue to report the status as it had previously been reporting—even if the actual status deteriorates—but report the borrower as current if the account is brought current during the accommodation.
- Charged-off accounts are excluded from the new requirements under the act.

CFPB - [Statement on Supervisory and Enforcement Practices Regarding the Fair Credit Reporting Act and Regulation V in Light of the CARES Act](#)

Section 4022 Foreclosure Moratorium and Consumer Right to Request Forbearance:

Borrowers can receive a forbearance of up to 180 days, along with an extension for an additional 180 days (although either period can be shortened at the borrower’s request). During the forbearance period, no fees, penalties, or interest beyond the amounts scheduled or calculated as if the borrower had made timely contractual payments may accrue on the account.

Servicers of federally backed mortgage loans (regardless of whether or not forbearance has been requested) may not initiate any judicial or non-judicial process, move for a foreclosure judgment or order of sale, or execute a foreclosure-related eviction or foreclosure sale until May 17, 2020.

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SEC. 2203. TEMPORARY WAIVER OF REQUIRED MINIMUM DISTRIBUTION RULES FOR CERTAIN RETIREMENT PLANS AND ACCOUNTS.

(a) IN GENERAL.—Section 401(a)(9) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

(I) TEMPORARY WAIVER OF MINIMUM REQUIRED DISTRIBUTION.—

(i) IN GENERAL.—The requirements of this paragraph shall not apply for calendar year 2020 to—

(I) a defined contribution plan which is described in this subsection or in section 403(a) or 403(b),

(II) a defined contribution plan which is an eligible deferred compensation plan described in section 457(b) but only if such plan is maintained by an employer described in section 457(e)(1)(A), or

(III) an individual retirement plan.

(ii) SPECIAL RULE FOR REQUIRED BEGINNING DATES IN 2020.—Clause (i) shall apply to any distribution which is required to be made in calendar year 2020 by reason of—

(I) a required beginning date occurring in such calendar year, and

(II) such distribution not having been made before January 1, 2020.

(iii) SPECIAL RULES REGARDING WAIVER PERIOD.—For purposes of this paragraph—

(I) the required beginning date with respect to any individual shall be determined without regard to this subparagraph for purposes of applying this paragraph for calendar years after 2020, and

(II) if clause (ii) of subparagraph (B) applies, the 5-year period described in such clause shall be determined without regard to calendar year 2020.”.

(b) ELIGIBLE ROLLOVER DISTRIBUTIONS.—Section 402(c)(4) of the Internal Revenue Code of 1986 is amended by striking “2009” each place it appears in the last sentence and inserting “2020”.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply for calendar years beginning after December 31, 2019.

(2) PROVISIONS RELATING TO PLAN OR CONTRACT AMENDMENTS.—

(A) IN GENERAL.—If this paragraph applies to any plan or contract amendment—

(i) such plan or contract shall not fail to be treated as being operated in accordance with the terms of the plan during the period described in subparagraph (B)(ii) solely because the plan operates in accordance with this section, and

(ii) except as provided by the Secretary of the Treasury (or the Secretary’s delegate), such plan or contract shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(B) AMENDMENTS TO WHICH PARAGRAPH APPLIES.—

(i) IN GENERAL.—This paragraph shall apply to any amendment to any plan or annuity contract which—

(I) is made pursuant to the amendments made by this section, and

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- (II) is made on or before the last day of the first plan year beginning on or after January 1, 2022.

In the case of a governmental plan, subclause (II) shall be applied by substituting “2024” for “2022”.

- (ii) **CONDITIONS.**—This paragraph shall not apply to any amendment unless during the period beginning on the effective date of the amendment and ending on December 31, 2020, the plan or contract is operated as if such plan or contract amendment were in effect.

SEC. 3513. TEMPORARY RELIEF FOR FEDERAL STUDENT LOAN BORROWERS.

- (a) **IN GENERAL.**—The Secretary shall suspend all payments due for loans made under part D and part B (that are held by the Department of Education) of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.; 1071 et seq.) through September 30, 2020.
- (b) **NO ACCRUAL OF INTEREST.**—Notwithstanding any other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), interest shall not accrue on a loan described under subsection (a) for which payment was suspended for the period of the suspension.
- (c) **CONSIDERATION OF PAYMENTS.**—Notwithstanding any other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), the Secretary shall deem each month for which a loan payment was suspended under this section as if the borrower of the loan had made a payment for the purpose of any loan forgiveness program or loan rehabilitation program authorized under part D or B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.; 1071 et seq.) for which the borrower would have otherwise qualified.
- (d) **REPORTING TO CONSUMER REPORTING AGENCIES.**—During the period in which the Secretary suspends payments on a loan under subsection (a), the Secretary shall ensure that, for the purpose of reporting information about the loan to a consumer reporting agency, any payment that has been suspended is treated as if it were a regularly scheduled payment made by a borrower.
- (e) **SUSPENDING INVOLUNTARY COLLECTION.**—During the period in which the Secretary suspends payments on a loan under subsection (a), the Secretary shall suspend all involuntary collection related to the loan, including—
- (1) a wage garnishment authorized under section 488A of the Higher Education Act of 1965 (20 U.S.C. 1095a) or section 3720D of title 31, United States Code;
 - (2) a reduction of tax refund by amount of debt authorized under section 3720A of title 31, United States Code, or section 6402(d) of the Internal Revenue Code of 1986;
 - (3) a reduction of any other Federal benefit payment by administrative offset authorized under section 3716 of title 31, United States Code (including a benefit payment due to an individual under the Social Security Act or any other provision described in subsection (c)(3)(A)(i) of such section); and (4) any other involuntary collection activity by the Secretary.
- (f) **WAIVERS.**—In carrying out this section, the Secretary may waive the application of—

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- (1) subchapter I of chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”);
 - (2) the master calendar requirements under section 482 of the Higher Education Act of 1965 (20 U.S.C. 1089);
 - (3) negotiated rulemaking under section 492 of the Higher Education Act of 1965 (20 U.S.C. 1098a); and
 - (4) the requirement to publish the notices related to the system of records of the agency before implementation required under paragraphs (4) and (11) of section 552a(e) of title 5, United States Code (commonly known as the “Privacy Act of 1974”), except that the notices shall be published not later than 180 days after the date of enactment of this Act.
- (g) NOTICE TO BORROWERS AND TRANSITION PERIOD.—To inform borrowers of the actions taken in accordance with this section and ensure an effective transition, the Secretary shall—
- (1) not later than 15 days after the date of enactment of this Act, notify borrowers—
 - (A) of the actions taken in accordance with subsections (a) and (b) for whom payments have been suspended and interest waived;
 - (B) of the actions taken in accordance with subsection (e) for whom collections have been suspended;
 - (C) of the option to continue making payments toward principal; and
 - (D) that the program under this section is a temporary program.
 - (2) beginning on August 1, 2020, carry out a program to provide not less than 6 notices by postal mail, telephone, or electronic communication to borrowers indicating—
 - (A) when the borrower’s normal payment obligations will resume; and
 - (B) that the borrower has the option to enroll in income-driven repayment, including a brief description of such options.

SEC. 4013. TEMPORARY RELIEF FROM TROUBLED DEBT RESTRUCTURINGS.

- (a) DEFINITIONS.—In this section:
- (1) APPLICABLE PERIOD.—The term “applicable period” means the period beginning on March 1, 2020 and ending on the earlier of December 31, 2020, or the date that is 60 days after the date on which the national emergency concerning the novel coronavirus disease (COVID–19) outbreak declared by the President on March 13, 2020 under the National Emergencies Act (50 U.S.C. 1601 et seq.) terminates.
 - (2) APPROPRIATE FEDERAL BANKING AGENCY.—The term “appropriate Federal banking agency”—
 - (A) has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and
 - (B) includes the National Credit Union Administration.
- (b) SUSPENSION.—
- (1) IN GENERAL.—During the applicable period, a financial institution may elect to—

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- (A) suspend the requirements under United States generally accepted accounting principles for loan modifications related to the coronavirus disease 2019 (COVID–19) pandemic that would otherwise be categorized as a troubled debt restructuring; and
 - (B) suspend any determination of a loan modified as a result of the effects of the coronavirus disease 2019 (COVID–19) pandemic as being a troubled debt restructuring, including impairment for accounting purposes.
- (2) APPLICABILITY.—Any suspension under paragraph (1)—
- (A) shall be applicable for the term of the loan modification, but solely with respect to any modification, including a forbearance arrangement, an interest rate modification, a repayment plan, and any other similar arrangement that defers or delays the payment of principal or interest, that occurs during the applicable period for a loan that was not more than 30 days past due as of December 31, 2019; and
 - (B) shall not apply to any adverse impact on the credit of a borrower that is not related to the coronavirus disease 2019 (COVID–19) pandemic.
- (c) DEFERENCE.—The appropriate Federal banking agency of the financial institution shall defer to the determination of the financial institution to make a suspension under this section.
- (d) RECORDS.—For modified loans for which suspensions under subsection (a) apply—
- (1) financial institutions should continue to maintain records of the volume of loans involved; and
 - (2) the appropriate Federal banking agencies may collect data about such loans for supervisory purposes.

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SEC. 4021. CREDIT PROTECTION DURING COVID–19.

Section 623(a)(1) of the Fair Credit Reporting Act 19 (15 U.S.C. 1681s–2(a)(1)) is amended by adding at the end the following:

(F) REPORTING INFORMATION DURING 22 COVID–PANDEMIC.—

(i) DEFINITIONS.—In this subsection

(I) ACCOMMODATION.—The term ‘accommodation’ includes an agreement to defer or more payments, make a partial payment, forbear any delinquent amounts, modify a loan or contract, or any other assistance or relief granted to a consumer who is affected by the coronavirus disease 2019 (COVID–19) pandemic during the covered period.

(II) COVERED PERIOD.—The term ‘covered period’ means the period beginning on January 31, 2020 and ending on the later of—

(aa) 120 days after the date of enactment of this sub paragraph; or

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(bb) 120 days after the 19 date on which the national emergency concerning the novel coronavirus disease (COVID–19) outbreak declared by the President on March 13, 2020 under the National Emergencies Act (50 U.S.C. 1601 et seq.) terminates.

(ii) REPORTING.—Except as provided in clause (iii), if a furnisher makes an accommodation with respect to 1 or more payments on a credit obligation or account of a consumer, and the consumer makes the payments or is not required to make 1 or more payments pursuant to the accommodation, the furnisher shall—

(I) report the credit obligation or account as current; or

(II) if the credit obligation or account was delinquent before the accommodation—

(aa) maintain the delinquent status during the period in which the accommodation is in effect; and

(bb) if the consumer brings the credit obligation or account current during the period described in item (aa), report the credit obligation or account as current.

(iii) EXCEPTION.—Clause (ii) shall not apply with respect to a credit obligation or account of a consumer that has been charged-off.”.

SEC. 4022. FORECLOSURE MORATORIUM AND CONSUMER RIGHT TO REQUEST FORBEARANCE.

(a) DEFINITIONS.—In this section:

(1) COVID–19 EMERGENCY.—The term “COVID–19 emergency” means the national emergency concerning the novel coronavirus disease (COVID–19) outbreak declared by the President on March 13, 2020 under the National Emergencies Act (50 U.S.C. 1601 et seq.).

(2) FEDERALLY BACKED MORTGAGE LOAN.— The term “Federally backed mortgage loan” includes any loan which is secured by a first or subordinate lien on residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from 1- to 4- families that is—

(A) insured by the Federal Housing Administration under title II of the National Housing Act (12 U.S.C. 1707 et seq.);

(B) insured under section 255 of the National Housing Act (12 U.S.C. 1715z–20);

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(C) guaranteed under section 184 or 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a, 1715z–13b);

(D) guaranteed or insured by the Department of Veterans Affairs;

(E) guaranteed or insured by the Department of Agriculture;

(F) made by the Department of Agriculture; or

(G) purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

(b) FORBEARANCE.—

(1) IN GENERAL.—During the covered period, a borrower with a Federally backed mortgage loan experiencing a financial hardship due, directly or indirectly, to the COVID–19 emergency may request forbearance on the Federally backed mortgage loan, regardless of delinquency status, by—

(A) submitting a request to the borrower’s servicer; and

(B) affirming that the borrower is experiencing a financial hardship during the COVID–19 emergency.

(2) DURATION OF FORBEARANCE.—Upon a request by a borrower for forbearance under paragraph (1), such forbearance shall be granted for up to 180 days, and shall be extended for an additional period of up to 180 days at the request of the borrower, provided that, at the borrower’s request, either the initial or extended period of forbearance may be shortened.

(3) ACCRUAL OF INTEREST OR FEES.—During a period of forbearance described in this subsection, no fees, penalties, or interest beyond the amounts scheduled or calculated as if the borrower made all contractual payments on time and in full under the terms of the mortgage contract, shall accrue on the borrower’s account.

(c) REQUIREMENTS FOR SERVICERS.—

(1) IN GENERAL.—Upon receiving a request for forbearance from a borrower under subsection (b), the servicer shall with no additional documentation required other than the borrower’s attestation to a financial hardship caused by the COVID–19 emergency and with no fees, penalties, or interest (beyond the amounts scheduled or calculated as if the borrower made all contractual payments on time and in full under the terms of the mortgage contract) charged to the borrower in connection with the forbearance, provide the forbearance for up to 180 days, which may be extended for an additional period of up to 180 days at the request of the borrower, provided that, the borrower’s request for an extension is made during the covered period, and, at the borrower’s request, either the initial or extended period of forbearance may be shortened.

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(2) FORECLOSURE MORATORIUM.—Except with respect to a vacant or abandoned property, a servicer of a Federally backed mortgage loan may not initiate any judicial or non-judicial foreclosure process, move for a foreclosure judgment or order of sale, or execute a foreclosure-related eviction or foreclosure sale for not less than the 60-day period beginning on March 18, 2020.



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