

Compliance Services Group will be closed December 24 & 25 for Christmas.

We wish you a happy and healthy holiday.

Please consider us for your financial services compliance consulting and review needs at competitive rates. **Visit us at [Compliance Services Group, LLC](#) for details.** If you would like to schedule a review for 2021 or have any questions, **please contact our Lead Compliance Auditor, Tricia Briggs, at tricia.briggs@complianceservicesgroup.com.**



COMPLIANCE SERVICES GROUP

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FINAL REGULATIONS/RULES

Effective Date	Regulation	Citation	Summary
12/14/2020	Branch Application Procedures (FDIC)	85 FR 72551	The rule amends the FDIC's regulations to remove the National Historic Preservation Act of 1966 (NHPA) and the National Environmental Policy Act of 1969 (NEPA) requirements contained in its branch application procedures. It also rescinds FDIC statements of policy regarding the NHPA and the NEPA, consistent with branch application procedures for national banks and insured state member banks supervised by the Office of the Comptroller of the Currency (OCC) and Federal Reserve Board.
11/30/2021	Fair Debt Collection Practices Act Regulation F (CFPB)	85 FR 76734	The CFPB is issuing this final rule to revise Regulation F, which implements the Fair Debt Collection Practices Act (FDCPA) and currently contains the procedures for State application for exemption from the provisions of the FDCPA. The Bureau is finalizing Federal rules governing the activities of debt collectors, as that term is defined in the FDCPA. The Bureau's final rule addresses, among other things, communications in connection with debt collection and prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection.

PROPOSED REGULATIONS

Comments Due	Regulation	Citation	Summary
01/22/2020	Acceptance of Private Flood Insurance for FHA-Insured Mortgages (HUD)	85 FR 74630	This proposed rule would amend Federal Housing Administration (FHA) regulations to allow mortgagors the option to purchase private flood insurance on FHA-insured mortgages for properties located in Special Flood Hazard Areas (SFHAs), in satisfaction of the mandatory purchase requirement of the Flood Disaster Protection Act of 1973 (the FDPA). The FDPA, as amended, requires the owner of a property mapped in a SFHA, and located in a community participating in the National Flood Insurance Program, to purchase flood insurance as a condition of receiving a mortgage backed by the GSEs, VA, USDA, or FHA.
01/04/2021	Role of Supervisory Guidance (OCC, FRB, FDIC, CFPB, and NCUA)	85 FR 70512	The OCC, FRB, FDIC, NCUA, and Bureau are inviting comment on a proposed rule that would codify the Interagency Statement Clarifying the Role of Supervisory Guidance issued by the agencies on September 11, 2018 (2018 Statement). By codifying the 2018 Statement, the proposed rule is intended to confirm that the agencies will continue to follow and respect the limits of administrative law in carrying out their supervisory responsibilities. The 2018 Statement reiterated well-established law by stating that, unlike a law or regulation, supervisory guidance does not have the force and effect of law. As such, supervisory guidance does not create binding legal obligations for the public. The proposal would also clarify that the 2018 Statement, as

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			amended, is binding on the agencies.
02/04/2021	Consumer Access to Financial Records (CFPB)	85 FR 71003	Section 1033 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) provides, among other things, that subject to rules prescribed by the Bureau of Consumer Financial Protection (Bureau), a consumer financial services provider must make available to a consumer information in the control or possession of the provider concerning the consumer financial product or service that the consumer obtained from the provider. The Bureau is issuing this Advance Notice of Proposed Rulemaking (ANPR) to solicit comments and information to assist the Bureau in developing regulations to implement section 1033.
01/04/2021	Fair Access to Financial Services (OCC)	85 FR 75261	The Office of the Comptroller of the Currency (OCC) has issued a proposed rule to ensure that banks and federal savings associations provide fair access to financial services and not make board-based decisions that affect classes or categories of customers. See our blog for more
TBD	Unpaid Interest in Loan Workouts (NCUA)	TBD	During its November 19th board meeting the NCUA issued a proposed rule that would allow credit unions to include unpaid interest in loan workouts and modifications. The proposal includes commercial and business loans. The proposed rule would amend Appendix B to Part 741 – Loan Workouts, Nonaccrual Policy, and Regulatory Reporting of Troubled Debt Restructured Loans. See our blog for more.

RESOURCES/GUIDANCE

Guidance	Summary
Changes to Privacy Notices on the Horizon?	The Government Accountability Office (GAO) published a report which said that the current privacy model form gives consumers only a limited understanding of financial institutions' information sharing. The GAO recommended that the CFPB update the form and consider adding more information about third party sharing. See our blog for more.
Interagency LIBOR Statement (FDIC, FRS, OCC)	The Federal Reserve Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency today issued a statement encouraging banks to cease entering into new contracts that use USD LIBOR as a reference rate as soon as practicable and in any event by December 31, 2021, in order to facilitate an orderly—and safe and sound— LIBOR transition
HMDA Filing Instructions (CFPB)	The CFPB issued an update to the Home Mortgage Disclosure Act filing instructions guide for data collected in 2021. The guide is a technical resource to help banks file HMDA data collected in 2021 and reported in 2022 .
Semiannual Risk Perspective for Fall 2020 (OCC)	The OCC published its Fall 2020 Semiannual Risk Perspective. Naturally, COVID-19 is a large factor on the risk environment for financial institutions. These risks include credit risks and consumers' ability to service debts, financial performance in a long-term low-rate environment, cybersecurity risks from altered work environments, and compliance risks with institutions trying to keep up with new programs designed to support businesses and consumers. See our blog for more.
Statement on Reference Rates for Loans (FRS, FDIC, OCC)	The agencies issued a statement reiterating that they do not intend to recommend a specific credit-sensitive rate for use in place of LIBOR. The agencies recommend that financial institutions "use any reference rate for its loans that the bank determines to be appropriate for its funding model and customer needs" and emphasize the need for fallback language in lending contracts that

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	provide for the “use of a robust fallback rate if the initial reference rate is discontinued.” The agencies note that examiners will not criticize banks solely regarding their choice of reference rate, including a credit-sensitive rate other than Secured Overnight Financing Rate (SOFR) (the rate recommended by the Alternative Reference Rates Committee). Additionally, they encourage financial institutions to reach out to lending customers to ensure they are prepared for the transition and to consider any technical changes to internal systems that might be needed to accommodate a new reference rate.
Letter to Federal Credit Unions (20-FCU-04) Federal Credit Union Meeting Flexibility During the COVID-19 Pandemic (NCUA)	The NCUA understands COVID-19 continues to affect federal credit unions and their members to varying degrees. The agency, therefore, is extending the relief measures outlined in Letter to Federal Credit Unions, 20-FCU-02, NCUA Actions Related to COVID-19 – Annual Meeting Flexibility . Under this authority, a federal credit union may adopt, by a two-thirds vote of its board of directors, the bylaw amendment below to Article IV without additional approvals by the NCUA. As indicated by the underlined language below, the NCUA is also adding optional language related to board of directors’ meetings to the amendment. A federal credit union may choose to adopt the amendment with or without the underlined language related to board of directors’ meetings.
Payment Amount Furnishing & Consumer Reporting (CFPB)	The CFPB’s November Quarterly Consumer Credit Trends report examines how often lenders report, or furnish, information on borrowers’ actual payment to nationwide consumer reporting agencies. The report finds that actual payment furnishing for installment loan products including mortgages, auto, and student loans has steadily increased between 2012 and 2020. Over the same period, actual payment furnishing for credit card and retail revolving accounts significantly decreased. See our blog for more.
Supervision and Regulation Report (FRS)	The report covers the safety and soundness of the banking industry, especially with respect to economic and financial stresses resulting from Covid-19 containment measures. The report highlights, among other things, that Fed programs “have helped to preserve the flow of credit” and that banks have taken several actions to maintain financial and operational resiliency. These actions include providing access to substantial lines of credit for corporate borrowers and playing a significant role in supporting small businesses through the Paycheck Protection Program. In addition, the report notes that loan growth has grown slightly since the beginning of the year and that capital positions and liquidity conditions remain strong. However, the report cautions that while “economic indicators have shown marked improvement since the second quarter, a high degree of uncertainty persists.” The report also details the Fed’s current areas of supervisory focus and describes how banks have adapted to a largely remote working environment.
Risk Management Manual of Examination Policies Update (FDIC)	The FDIC updated its Risk Management Manual to reflect: Section 3.2 – Loans: revised instructions for assessing environmental risk programs; updated residential appraisal thresholds; including effective dates for lease accounting; instructions on assessing bank-to-bank credit; assessing payday lending programs; Current Expected Credit Loss (CECL) updates; and other minor technical edits. Simultaneous with this issuance, the following financial institution letters have been moved to inactive as the relevant content is now included in the RMS Manual: FIL-14-2005 - Payday Lending Programs Revised Examination Guidance, and FIL-52-2015 - FDIC Clarifying its Approach to Banks Offering Products and Services, such as Deposit Accounts and Extensions of Credit, to Non-Bank Payday Lenders.

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FATF-Identified Jurisdictions with AML/CFT Deficiencies (FinCEN)	The Financial Action Task Force (FATF) updated its list of jurisdictions with strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. The change may affect financial institutions' obligations and risk-based approaches with respect to relevant jurisdictions. See our blog for more.
Real Estate Geographic Targeting Orders (FinCEN)	The Financial Crimes Enforcement Network announced the renewal of its Geographic Targeting Orders (GTOs) that require U.S. title insurance companies to identify the natural persons behind shell companies used in all-cash purchases of residential real estate. These renewed GTOs are identical to the May 2020 GTOs. The purchase amount threshold remains \$300,000 for each covered metropolitan area. See our blog for more.
Sound Practices to Strengthen Operational Resilience (FRS, FDIC, OCC)	The Federal Reserve, Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) issued an interagency paper, Sound Practices to Strengthen Operational Resilience, which describes sound practices drawn from existing regulations and guidance for individual national banks, state member banks, state nonmember banks, savings associations, U.S. bank holding companies, and savings and loan holding companies that have average total consolidated assets greater than or equal to: (a) \$250 billion, or (b) \$100 billion and have \$75 billion or more in average cross-jurisdictional activity, average weighted short-term wholesale funding, average nonbank assets, or average off-balance-sheet exposure. See our blog for more.
BSA Due Diligence Requirements for Charities and Non-Profit Organizations (FRS, FDIC, FinCEN, NCUA, OCC)	The Federal Reserve, FDIC, FinCEN, NCUA and OCC issued a fact sheet clarifying that compliance efforts to meet Bank Secrecy Act due diligence requirements for customers that are charities and other nonprofit organizations should be based on the money laundering risks posed by the customer relationship. See our blog for more.
2019 Credit Union Diversity Self-Assessment Results (NCUA)	The National Credit Union Administration released the results from the 2019 Credit Union Diversity Self-Assessment. The Diversity Self-Assessment is a valuable tool that assists credit unions with building and improving their diversity programs. It can help industry leaders to identify areas in which they can strengthen that commitment, for the benefit of their employees, members, and communities. Credit unions are encouraged to complete the 2020 Self-Assessment by January 15, 2021.
Fair Debt Collection Practices Act Compliance Aids (CFPB)	The Consumer Financial Protection Bureau (Bureau) issued a final rule to restate and clarify prohibitions on harassment and abuse, false or misleading representations, and unfair practices by debt collectors when collecting consumer debt. The rule focuses on debt collection communications and gives consumers more control over how often and through what means debt collectors can communicate with them regarding their debts. The rule also clarifies how the protections of the Fair Debt Collection Practices Act (FDCPA) apply to newer communication technologies, such as email and text messages. See our blog for more.
Free Cybersecurity Hygiene Services & Resources Available from the Cybersecurity & Infrastructure Security	The Division of Credit Unions' examination focus for 2020 highlighted cybersecurity risks as a continued area of concern. The National Association of State Credit Union Supervisors (NASCUS) held a webinar to share information about several no cost resources available from the Cybersecurity & Infrastructure Security Agency (CISA). These resources are available to credit unions of all sizes to assess and improve their cybersecurity posture and identify operational strengths and weaknesses.

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Agency (CISA), a Division of the US Department of Homeland Security Department DFI B-20-04	
Regulatory and Supervisory Issues Relating to Outsourcing and Third-Party Relationships (FSB)	The Financial Stability Board (FSB) published a discussion paper titled Regulatory and Supervisory Issues Relating to Outsourcing and Third-Party Relationships. The paper builds on the FSB's 2019 report Third-Party Dependencies in Cloud Services and a survey conducted during the first quarter of 2020 on the existing regulatory and supervisory landscape related to outsourcing and third-party risk management. See our blog for more.



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With more consumers relying on the ability to conduct business online due to COVID-19, digital accessibility is crucial. Compliance Services Group can help your institution ensure compliance with rapidly-changing federal regulations surrounding online and mobile banking.

Three previous bulletins address website examinations on Washington's Department of Financial Institutions, Division of Credit Union's website:

- [B-06-04 Division Begins Examinations of Credit Union Web Sites](#) (2006)
- [B-17-14 Website Accessibility and Compliance with the Americans with Disabilities Act](#) (2017)
- [B-16-21 Website Compliance Exams](#) (2016)

Compliance Services Group has developed a website compliance review, including an assessment of website accessibility under Title II of the Americans with Disabilities Act that encompasses:

- Regulation B
- Regulation D
- Truth in Savings
- Regulation E
- Regulation Z
- Regulation P
- The Gramm-Leach-Bliley Act
- The Children's Online Protection Act (COPPA)
- The California Online Privacy Protection Act
- The NCUA/FDIC Insurance Statement
- The Fair Housing Act
- Weblinking relationships
- Washington State Deeds of Trust
- The SAFE Act
- Non-Deposit Investment Product Requirements
- The USA PATRIOT Act

If you are wondering how well your institution's website complies with these regulations, please [contact us](#) for a review.

Any violation of a consumer protection law could be deemed as a UDAAP violation. CSG will not include UDAAP violations separately in our review.

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