

Regulatory and Legislative Recap  
March 2022

**FINAL REGULATIONS/RULES**

Effective Date	Rule (Agency)	Citation	Summary
03/28/2022	Unfair and Deceptive Acts or Practices That Impede Consumer Reviews <u>Bulletin 2022-05</u> (CFPB)	<a href="#">87 FR 17143</a>	Reviews of products and services help to promote fair, transparent, and competitive markets. When firms frustrate the ability of consumers to post honest reviews of products and services that they use, they may be engaged in conduct prohibited by the Consumer Financial Protection Act (CFPA). The Consumer Financial Protection Bureau (Bureau) is issuing this bulletin to remind regulated entities of the CFPA's requirements and explain how the Bureau intends to exercise its enforcement and supervisory authorities on this issue.
03/01/2022	Servicer Responsibilities in Public Service Loan Forgiveness Communications <u>Bulletin 2022-03</u> (CFPB)	<a href="#">87 FR 11286</a>	The Consumer Financial Protection Bureau (CFPB) is issuing this Compliance Bulletin and Policy Guidance (Bulletin) regarding the servicing of Federal student loans, including Federal Family Education Loan Program and Perkins loans, for borrowers who may be eligible for Public Service Loan Forgiveness (PSLF). The Limited PSLF Waiver announced by the Department of Education on October 6, 2021 (PSLF Waiver) significantly changes the program's eligibility criteria for a limited period. In communicating with borrowers about the PSLF program, servicers should consider taking certain actions to ensure compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act's (Dodd-Frank Act's) prohibition on unfair, deceptive, or abusive acts or practices (collectively, UDAAPs). In its oversight, the CFPB will be paying particular attention to whether student loan servicers provide complete and accurate information to consumers about the benefits they can receive under the PSLF Waiver and eligibility for PSLF generally.
05/01/2022	Exemptions to Suspicious Activity Report Requirements (OCC)	<a href="#">87 FR 15323</a>	This final rule modifies the requirements for national banks and Federal savings associations, including Federal branches and agencies of foreign banks licensed or chartered by the OCC, to file suspicious activity reports (SARs). It amends the OCC's SAR regulations to allow the OCC to issue exemptions from the requirements of those regulations upon request from a financial institution subject to those regulations. The rule harmonizes the OCC's legal authority with the preexisting exemption authority of the Financial Crimes Enforcement Network (FinCEN) of the U.S. Department of the Treasury. This rule will make it possible for the OCC to facilitate changes required by the Anti-Money Laundering Act of 2020. The final rule will also make it possible for the OCC

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			to grant relief to national banks or Federal savings associations that develop innovative solutions intended to meet Bank Secrecy Act requirements more efficiently and effectively.
TBD	<a href="#">CAMELS</a> (NCUA)	TBD	The NCUA Board approved a final rule that added the Sensitivity to Market Risk, or “S,” component to the existing CAMEL rating system and redefined the Liquidity Risk, or “L,” component. The effective date of the CAMELS final rule is April 1, 2022.

**PROPOSED REGULATIONS**

Comments Due	Rule (Agency)	Citation	Summary
05/02/2022	Asset Threshold for Determining the Appropriate Supervisory Office (NCUA)	<a href="#">87 FR 11996</a>	The NCUA Board (Board) is proposing to amend its regulations to revise the \$10 billion asset threshold used for assigning supervision of consumer federally insured credit unions (FICUs) to the Office of National Examinations and Supervision (ONES). The proposed rule would only apply to FICUs whose assets are \$10 billion or more (covered credit unions). The proposed rule would provide that covered credit unions with less than \$15 billion in total assets (tier I covered credit unions) not currently supervised by ONES will be supervised by the appropriate NCUA Regional Office. Tier I covered credit unions currently supervised by ONES and covered credit unions with \$15 billion and more in total assets (tier II and tier III covered credit unions) would continue to be supervised by ONES.

**RESOURCES/GUIDANCE**

Guidance	Summary
<a href="#">Medical Debt Report</a> (CFPB)	The CFPB published Medical Debt Burden in the United States, which summarizes key areas of concern in medical debt collections and reporting. In prepared remarks, Director Chopra stated that the CFPB will be taking several steps in response to the report. The CFPB will be closely scrutinizing the Big Three credit reporting agencies to ensure that they are not being used as a tool to coerce and extort patients on medical bills they may not even owe, work with other government agencies to determine whether it is appropriate to include medical debt in their own underwriting and role in credit reporting and assessing whether it is appropriate for unpaid medical billing data to be included on credit reports altogether.
<a href="#">Mitigating Harm from Repossession of Automobiles</a>	The CFPB issued Bulletin 2022-04 regarding repossession of vehicles, and the potential for violations of sections 1031 and 1036 of the Dodd-Frank Wall Street Reform and Consumer Protection Act’s prohibition on engaging in unfair, deceptive, or abusive acts or practices (collectively, UDAAPs) when repossessing vehicles. The bulletin describes

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(CFPB)	violations such as: illegally seizing cars, sloppy record keeping, unreliable balance inquiries, and ransoms for personal property.
<a href="#">Voluntary Self-Assessment</a> (FDIC)	In FIL-09-2022, the FDIC encourages all FDIC-Supervised financial institutions, to submit voluntary self-assessments of their diversity policies and practices. “Submission of Financial Institution Diversity Self-Assessment (FID-SA) information is voluntary but encouraged for all FDIC-supervised financial institutions with 100 or more employees. The assessment is not an examination requirement; results have no impact on an institution’s safety and soundness, consumer compliance, or CRA examination ratings.”
<a href="#">Revised Licensing Booklets</a> (OCC)	The Office of the Comptroller of the Currency (OCC) issued today the “Articles of Association, Charter, and Bylaw Amendments,” “Fiduciary Powers,” “Subordinated Debt,” and “Subsidiaries and Equity Investments” booklets of the Comptroller’s Licensing Manual. The revised booklets replace booklets of the same title issued between June 2017 and January 2019. The revised booklets reflect recent changes to 12 CFR 5, make corrections when necessary, and contain updated guidance.
<a href="#">Increased Focus on Rural Communities</a> (CFPB)	The CFPB launched a new initiative focusing on financial issues facing rural America. Initial efforts will be on rural banking deserts, discriminatory and predatory agricultural credit, and manufactured housing.
<a href="#">Updated RMS Manual</a> (FDIC)	Section 1.1 of the Risk Management Manual of Examination Policies was updated to describe aspects of the continuous examination process used for certain banks.
<a href="#">Sanctions Evasion Alert</a> (FinCEN)	FinCEN issued an Alert, advising all financial institutions to be vigilant against potential efforts to evade the expansive sanctions and other U.S.-imposed restrictions implemented in connection with the Russian Federation’s further invasion of Ukraine. The alert provides examples of red flags to assist in identifying suspected sanctions evasion activity and reminds financial institutions of their reporting obligations under the Bank Secrecy Act.
<a href="#">Russia Related Alert</a> (FinCEN)	FinCEN issued a second alert on the importance of identifying and quickly reporting suspicious transactions involving real estate, luxury goods, and other high-value assets of sanctioned Russian elites and their family members and those through which they act. This alert provides select red flags to assist financial institutions in identifying suspicious transactions and reminds financial institutions of their Bank Secrecy Act (BSA) reporting obligations.
<a href="#">Social Engineering and Phishing Attacks</a> (NCUA)	The NCUA issued 22-RISK-01 reminding credit unions of the increased threats of social engineering and phishing attacks resulting from the on-going conflict in Ukraine.
<a href="#">REPO Task Force</a> (FinCEN)	FinCEN announced its efforts to support the multilateral <a href="#">Russian Elites, Proxies, and Oligarchs (REPO) Task Force</a> . The task force aims to deny and disrupt illicit actors’ ability to deceptively access the international financial system and conduct economic activity. FinCEN is supporting Treasury’s efforts to boost cooperation and intelligence sharing by

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	agreeing to increase information sharing with relevant authorities in task force member countries. FinCEN is also issuing a <a href="#">FinCEN Alert</a> , which highlights the importance of financial institutions identifying and quickly reporting suspicious transactions by sanctioned Russian elites and their proxies that involve real estate, luxury goods, and high-value assets.
<a href="#">Comptroller's Handbook Update</a> (OCC)	The OCC issued an updated "Large Bank Supervision" booklet of the Comptroller's Handbook. The "Large Bank Supervision" booklet is prepared for use by OCC examiners in connection with their examination and supervision of midsize and large national banks and federal savings associations as well as foreign-owned U.S. branches and agencies. This booklet is also used to supervise international operations of midsize and large banks.
<a href="#">Unfair Discrimination</a> (CFPB)	The CFPB announced it is increasing its focus on unfair discrimination practices under UDAAPs, which included an updated <a href="#">exam manual</a> for evaluating UDAAPs. The CFPB plans on examining for discrimination in all consumer finance markets, including credit, servicing, collections, consumer reporting, payments, remittances, and deposits.
<a href="#">Service Facility</a> (NCUA)	The NCUA published 22-FCU-02 Final Rule on Definition of Service Facility, which explains that shared locations are service facilities for purposes of multiple common-bond federal credit union additions of groups, regardless of whether the federal credit union has an ownership interest in the shared branching network providing the locations. Shared locations, including electronic facilities offering required services such as video teller machines, are also service facilities for purposes of multiple common-bond federal credit union additions of underserved areas, regardless of whether the federal credit union has an ownership interest.
<a href="#">National Money Laundering Risk Assessment</a> (Treasury)	The Treasury published its National Risk Assessment for Money Laundering, Terrorist Financing, and Proliferation Financing. The report identifies the most significant money laundering threats, vulnerabilities, and risks faced by the United States. It is based on a review of federal and state public sector analysis, enforcement actions, and guidance, as well as interviews with U.S. Department of the Treasury staff, intelligence analysts, law enforcement agents, and prosecutors.
<a href="#">UDAAP &amp; Customer Reviews</a> (CFPB)	The CFPB released <i>Bulletin 2022-05; Unfair and Deceptive Acts or Practices That Impede Consumer Reviews</i> regarding potentially illegal practices related to consumer reviews. The Bulletin discusses activities related to consumer reviews that are generally unlawful under the Consumer Financial Protection Act and the Consumer Review Fairness Act. These include 'gag' clauses, fake reviews, and the use of suppression or manipulation of consumer reviews.
<a href="#">Property Appraisal and Valuation Equity</a> (CFPB)	Director Chopra issued a statement on the <a href="#">Interagency Task Force on Property Appraisal and Valuation Equity report</a> which discusses the Bureau's plans to ensure that discrimination does not come into play on home evaluations. The CFPB, along with other financial regulators will, among others, take steps to make sure that algorithmic valuations are fair and accurate.
<a href="#">Modified LARs</a> (CFPB)	The CFPB announced that the 2021 data Modified Loan/Application Data register is now available. The modified LARs provide each financial institution's loan-level HMDA data, modified to protect applicant and borrower privacy.

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<a href="#">Homeowner Assistance Fund program</a> (CFPB)	<p>The CFPB is encouraging institutions to participate in HAF programs to help borrowers avoid foreclosure. The Bureau notes that while participation in HAF programs is voluntary, accepting HAF funds can be a pivotal factor to resolve delinquencies and to help prevent avoidable foreclosure for some homeowners.</p>
<a href="#">ADA Web Accessibility Guidelines</a> (DOJ)	<p>The guidelines, written in plain-language, discusses the importance of web accessibility, barriers that inaccessible websites create for some people with disabilities, when the ADA requires web content to be accessible, tips on making web content accessible and other information and resources.</p>
<a href="#">Credit Card Late Fees</a> (CFPB)	<p>The CFPB issued the report, which shows that in 2020 credit card issuers charged \$12 billion in late fees. The report states that issuers continue to rely on late fees that, in turn, negatively affect consumers.</p>
<a href="#">Overdraft Fees</a> (CFPB)	<p>The CFPB blogged that in 2019, financial institutions collected approximately \$15.5 billion from overdraft and NSF fees. The blog states “overdraft fees among the kinds of junk fees that far exceed what it costs the institution to provide the associated product or service and often do not appear to be subject to competitive market forces.”</p>
<a href="#">Climate Related Risk Management</a> (FDIC)	<p>The FDIC issued a request for comments on its Statement of Principles for Climate-Related Financial Risk Management. The draft principles would provide a high-level framework for the safe and sound management of exposures to climate-related financial risks, consistent with the existing risk management framework described in existing FDIC rules and guidance.</p>
<a href="#">Updated RMS Exam Manual</a> (FDIC)	<p>The FDIC updated Section 4.1 of its <i>Risk Management Manual of Examination Policies</i> to include a new section on model risk management. It also updated multiple sections of its <a href="#">Consumer Compliance Examination Manual</a>.</p>
<a href="#">Supervisory Highlights</a> (FDIC)	<p>The FDIC published the March 2022 issue of its Consumer Compliance Supervisory Highlights. The issue includes a description of the most frequently cited violations and other consumer compliance examination observations.</p>
<a href="#">Getting It Right!</a> (FFIEC)	<p>The 2022 <i>Guide to HMDA Reporting, Getting It Right!</i> is now available on the FFIEC’s website. The Guide is a valuable resource for assisting all institutions in their HMDA reporting. It includes a summary of responsibilities and requirements, directions for assembling the necessary tools, and instructions for reporting HMDA data. The FFIEC also announced that the <a href="#">CRA Data Entry Software</a> for calendar year 2022 is now available.</p>
<a href="#">Updated CRE Supervisory Booklet</a> (OCC)	<p>The OCC revised its Commercial Real Estate section of the Comptroller’s Handbook. The updated booklet reflects OCC issuances published and rescinded, includes clarifying edits regarding supervisory guidance, sound risk management practices, and legal language and revises certain content for general clarity.</p>

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# COMPLIANCE SERVICES GROUP

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**Washington Legislature Final**

<a href="#">SB 5544 – Establishing the Washington blockchain work group</a> <i>Subject to appropriations, the Washington Blockchain Work Group (work group) is established with the purpose of examining various potential applications for blockchain technology such as computing, banking and other financial services, the real estate transaction process, health care, supply chain management, higher education, and public recordkeeping.</i>	
<b>House Standing: Passed House</b>	<b>Senate Standing: Passed Senate</b>
The Governor signed on March 30, and it is effective June 9, 2022	
<a href="#">EHB 1165 – Concerning the Washington Credit Union Act</a> <i>The Director shall determine, by rule, the definition of small credit unions for the purpose of providing relief from certain credit union requirements in state law or rule.</i>	
<b>House Standing: Passed House</b>	<b>Senate Standing: Passed Senate</b>
The Governor signed on March 11, and it is effective June 9, 2022	
<a href="#">E2SHB 1015 – Creating the Washington Equitable Access to Credit Act</a> <i>Creates the Equitable Access to Credit Program to fund grants through the Department of Commerce to certain community development financial institutions (CDFI) to provide loans to historically underserved communities during the 2021-23 biennium.</i>	
<b>House Standing: Passed House</b>	<b>Senate Standing: Passed Senate</b>
The Governor signed on March 30, and it is effective June 9, 2022	
<a href="#">SB 5602 – Concerning service providers working with state-regulated financial institutions</a> <i>Authorizes the Department of Financial Services to examine third party service providers to banks and take enforcement actions against them under certain circumstances.</i>	
<b>House Standing: Passed House</b>	<b>Senate Standing: Passed Senate</b>
The Governor signed on March 11, and it is effective June 9, 2022	

**Oregon Legislature Final**

<a href="#">SB 1565 B Relating to discrimination based on the use of certain types of currency as payment.</a> Provides that a place of public accommodation that refuses to accept United States coin and currency as payment for goods and services engages in an unlawful practice. Provides that a place of public accommodation that makes a distinction, discrimination, or restriction because a patron offers United States coin or currency as payment for goods and services engages in an unlawful practice.	
<b>House Standing: Passed House</b>	<b>Senate Standing: Passed Senate</b>
Governor signed on March 24	

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