

# Compliance Update



## COMMUNITY BANKERS FOR COMPLIANCE NEWSLETTER

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### FinCEN Statement on Unlawfully Disclosed SARs

The Bank Secrecy Act (BSA) and its implementing regulations strictly prohibit any disclosure of Suspicious Activity Reports (SAR) by any financial institution; financial institution director, officer, employee, or agent; or by any federal, state, local, territorial, or tribal government authority, or any director, officer, employee, or agent of such a governmental entity.

Despite this strict prohibition, a situation has arisen that caused the Financial Crimes Enforcement Network (FinCEN), the federal agency charged with interpreting and enforcing the BSA, to issue the following statement on September 1, 2020:

“The Financial Crimes Enforcement Network (FinCEN) is aware that various media outlets intend to publish a series of articles based on unlawfully disclosed Suspicious Activity Reports (SARs), as well as other sensitive government documents, from several years ago. As FinCEN has stated previously, the unauthorized disclosure of SARs is a crime that can impact the national security of the United States, compromise law enforcement investigations, and threaten the safety and security of the institutions and individuals who file such reports. FinCEN has referred this matter to the U.S. Department of Justice and the U.S. Department of the Treasury’s Office of Inspector General.”

Information for depository institutions about the BSA is available at <https://www.fincen.gov/resources/financial-institutions/depository-institutions>. □

### Agencies Issue Statements on BSA Enforcement

*By William J. Showalter, CRCM, CRP; Senior Consultant*

The Financial Crimes Enforcement Network (FinCEN) and the prudential financial institution regulators issued statements in mid-August 2020 to update their existing enforcement guidance to enhance transparency regarding how they evaluate enforcement actions

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that are required by statute when financial institutions fail to meet Bank Secrecy Act/anti-money laundering (BSA/AML) obligations.

### FinCEN statement

FinCEN's Statement on Enforcement of the Bank Secrecy Act was issued to provide clarity and transparency to FinCEN's approach when considering compliance or enforcement actions against covered financial institutions that violate the BSA. The statement outlines the administrative actions available to FinCEN, and provides an overview of the information FinCEN analyzes in order to determine the appropriate outcome to violations of the BSA.

In its announcement, FinCEN encouraged financial institutions to voluntarily and promptly report violations, and to candidly and completely cooperate with any investigation.

FinCEN notes that it has authority to take any of the following actions when it identifies an actual or possible violation of the BSA or any BSA regulation or order:

- *No action.* FinCEN may close a matter with no additional action. FinCEN may reopen the matter if the agency obtains new material information concerning the matter or becomes aware of additional or subsequent violations.
- *Warning letter.* FinCEN may issue a warning through a supervisory letter or similar communication.
- *Equitable remedies.* FinCEN may seek an injunction or equitable relief to enforce compliance when it believes an entity or individual has violated, is violating, or will violate the BSA or any BSA regulation or order.
- *Settlements.* As part of a settlement, FinCEN may require both remedial undertakings and civil money penalties.
- *Civil money penalties.* FinCEN may assess a civil money penalty.
- *Criminal referral.* If circumstances warrant, FinCEN may refer a matter to appropriate law enforcement agencies for criminal investigation and/or criminal prosecution.

FinCEN considers a range of factors when evaluating an appropriate disposition upon identifying actual or possible violations of the BSA. FinCEN considers both compliance with specific BSA requirements and the adequacy of an AML program.

The factors FinCEN considers include, but are not limited to, the following:

- Nature and seriousness of the violations, including the extent of possible harm to the public and the amounts involved
- Impact or harm of the violations on FinCEN's mission to safeguard the financial system from illicit use, combat money laundering, and promote national security
- Pervasiveness of wrongdoing within an entity, including management's complicity in, condoning or enabling of, or knowledge of the conduct underlying the violations
- History of similar violations, or misconduct in general, including prior criminal, civil, and regulatory enforcement actions
- Financial gain or other benefit resulting from, or attributable to, the violations
- Presence or absence of prompt, effective action to terminate the violations upon discovery, including self-initiated remedial measures
- Timely and voluntary disclosure of the violations to FinCEN
- Quality and extent of cooperation with FinCEN and other relevant agencies, including as to potential wrongdoing by its directors, officers, employees, agents, and counterparties
- Systemic nature of violations. Considerations include, but are not limited to, the number and extent of violations, failure rates (e.g., the number of violations out of total number of transactions), and duration of violations
- Whether another agency took enforcement action for related activity. FinCEN will consider the amount of any fine, penalty, forfeiture, and/or remedial action ordered

## Joint banking agencies statement

The federal banking agencies have issued a Joint Statement on Enforcement of Bank Secrecy Act/Anti-Money Laundering Requirements updating their existing enforcement guidance to enhance transparency regarding how they evaluate enforcement actions that are required by statute when financial institutions fail to meet Bank Secrecy Act/anti-money laundering (BSA/AML) obligations.

The agencies involved are the Federal Reserve Board (FRB), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and the Office of the Comptroller of the Currency (OCC).

The statement clarifies that isolated or technical violations or deficiencies are generally not considered the kinds of problems that would result in an enforcement action. It also addresses how the agencies evaluate violations of individual components (known as pillars) of the BSA/AML compliance program. The agencies also describe how the agencies incorporate the customer due diligence regulations and recordkeeping requirements issued by FinCEN as part of the internal controls pillar of the financial institution's BSA/AML compliance program.

### Links

The FinCEN statement is available at [https://www.fincen.gov/sites/default/files/shared/FinCEN%20Enforcement%20Statement\\_FINAL%20508.pdf](https://www.fincen.gov/sites/default/files/shared/FinCEN%20Enforcement%20Statement_FINAL%20508.pdf).

The banking regulators' joint statement may be accessed at <https://www.fdic.gov/news/press-releases/2020/pr20091a.pdf>. □



## FinCEN Adds CDD FAQs

The Financial Crimes Enforcement Network (FinCEN) has issued Guidance FIN-2020-G002 in the form of three new frequently asked questions (FAQs) regarding customer due diligence (CDD) requirements for covered financial institutions.

The three new FAQs clarify the regulatory requirements related to:

- Obtaining customer information
- Establishing a customer risk profile, and
- Performing ongoing monitoring of the customer relationship in order to assist covered financial institutions with their compliance obligations in these areas

The new FAQs, developed in consultation with federal financial regulators, are in addition to those that were published on July 19, 2016, and April 3, 2018. They are available at [https://www.fincen.gov/sites/default/files/2020-08/FinCEN%20Guidance%20CDD%20508%20FINAL\\_2.pdf](https://www.fincen.gov/sites/default/files/2020-08/FinCEN%20Guidance%20CDD%20508%20FINAL_2.pdf). □

## BSA CDD Requirements for PEPs

By Dale Neiss, CRCM; Consultant

On August 21, 2020, five federal supervisory agencies issued a joint statement clarifying that Bank Secrecy Act (BSA) customer due diligence (CDD) requirements for customers who may be considered politically exposed persons (PEPs) should be commensurate with the risks posed by the PEP relationship. The federal agencies involved are the Federal Reserve Board (FRB), Federal Deposit Insurance Corporation (FDIC), Financial Crimes Enforcement Network (FinCEN), National Credit Union Administration (NCUA), and Office of the Comptroller of the Currency (OCC).

Addressing the money laundering threat posed by public corruption of foreign officials continues to be a national security priority for the United States. In high-profile cases over the years, foreign individuals who may be considered

PEPs have used banks as conduits for their illegal activities, including corruption, bribery, money laundering, and related crimes. Banks are reminded of their obligation to identify and report suspicious activity, including transactions that may involve the proceeds of corruption.

The agencies recognize that PEP relationships present varying levels of money laundering risk, and those risks depend on the presence or absence of numerous factors. As described in the joint statement, banks must adopt appropriate risk-based procedures for conducting CDD. However, under the CDD rule, there is no regulatory requirement or supervisory expectation for banks to have unique, additional due diligence steps for customers whom the banks consider to be PEPs.

The agencies do not interpret the term “politically exposed persons” to include U.S. public officials. BSA/AML regulations do not define PEPs, but the term is commonly used in the financial industry to refer to foreign individuals who are or have been entrusted with a prominent public function, as well as their immediate family members and close associates. By virtue of this public position or relationship, these individuals may present a higher risk that their funds may be the proceeds of corruption or other illicit activity. The level of risk associated with PEPs, however, varies and not all PEPs are automatically higher risk. PEPs should not be confused with the term “senior foreign political figure” (SFPF) as defined under the BSA private banking regulation, a subset of PEPs.

The joint statement does not alter existing BSA/AML legal or regulatory requirements, nor does it establish new supervisory expectations. In addition, it does not require banks to cease existing risk management practices if the bank considers them necessary to effectively manage risk. Further, the statement does not, and should not be construed in any way to, diminish the serious national security or criminal threats posed by PEPs, including SFPFs, who engage in illicit acts and crimes. These crimes include terrorism, human rights abuses, extortion, corruption, human trafficking, narcotics trafficking, bribery, money laundering, and related crimes.

### CDD requirements & considerations

Bankers are reminded by the joint statement that, like all bank accounts, those held by PEPs are subject to BSA/AML regulatory requirements. These include requirements related to suspicious activity reporting, customer identification, CDD, and beneficial ownership, as applicable.

Banks must apply a risk-based approach to CDD in developing the risk profiles of their customers, including PEPs. They are required to establish and maintain written procedures reasonably designed to identify and verify beneficial owners of legal entity customers.

More specifically, banks must adopt appropriate risk-based procedures for conducting CDD that, among other things, enable banks to:

- Understand the nature and purpose of customer relationships for the purpose of developing a customer risk profile, and
- Conduct ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information

There is no regulatory requirement in the CDD rule, nor is there a supervisory expectation, for banks to have unique, additional due diligence steps for PEPs. The CDD rule also does not require a bank to screen for or otherwise determine whether a customer or beneficial owner of a legal entity customer may be considered a PEP.

The joint statement notes that a bank may choose to determine whether a customer is a PEP at account opening, if the bank determines the information is necessary for the development of a customer risk profile. Further, the bank may conduct periodic reviews with respect to PEPs, as part of or in addition to the required ongoing risk-based monitoring to maintain and update customer information.

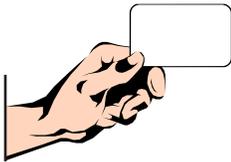
When developing the customer risk profile, and determining when and what additional customer information to collect, banks may take into account such factors as a customer’s public office or position of public trust (or that of the customer’s family member or close associate), as well as any indication that the PEP may misuse his or her authority or influence for personal gain.

A bank may also consider other factors in assessing the risk of these customer relationships, including the following:

- Type of products and services used
- Volume and nature of transactions
- Geographies associated with the customer's activity and domicile
- Customer's official government responsibilities
- Level and nature of the customer's authority or influence over government activities or officials
- Customer's access to significant government assets or funds
- Overall nature of the customer relationship

The customer information and customer risk profile may impact how the bank complies with other regulatory requirements, such as suspicious activity monitoring, since the bank structures its BSA/AML compliance program to address its risk profile, based on the bank's assessment of risks.

The joint statement on CDD requirements for PEPs may be accessed at <https://www.fdic.gov/news/press-releases/2020/pr20092a.pdf>. □



## Identification Documents in Loan Files

By Bill Elliott, CRCM

For a number of years, there has been a debate, even among regulators at various conferences, regarding keeping copies of driver's licenses in loan files. However, the most recent version of the Bank Secrecy Act (BSA) Examination Manual from March 2020 has explicit instructions in the footnotes on this issue.

The relevant footnote is clear, and says the following:

“A bank may keep photocopies of identifying documents that it uses to verify a customer's identity; however, the CIP regulation does not require it. A bank's verification procedures should be risk-based and, in certain situations, keeping copies of identifying documents may be warranted. In addition, a bank may have procedures to keep copies of the documents for other purposes, for example, to facilitate investigating potential fraud. However, if a bank does choose to retain photocopies of identifying documents, it should ensure that these photocopies are physically secured to adequately protect against possible identity theft. (These documents should be retained in accordance with the general recordkeeping requirements in 31 CFR 1010.430.)

“Nonetheless, a bank should be mindful that it must not improperly use any documents containing a picture of an individual, such as a driver's license, in connection with any aspect of a credit transaction.”

We have recommended for years that copies not appear in loan files. The footnote language above supports that position. By all means, keep copies if you feel the need – but not in loan files. Further, lenders and/or loan decision makers should not have access to this information. This is to insure a lender does not have information prohibited by Regulation B (particularly race and sex/gender for non-housing loans) when making a loan decision. □

## CFPB Releases HMDA FIG for 2021

The Consumer Financial Protection Bureau (CFPB) has published its HMDA Filing Instructions Guide (FIG) for Home Mortgage Disclosure Act (HMDA) data to be collected in 2021 and its Supplemental Guide for Quarterly Filers for 2021. Both of these resources, along with other filer resources, are available on the FFIEC Home Mortgage Disclosure Act webpage at <https://ffiec.cfpb.gov/>.

The CFPB also reminded filers in an August 21 e-mail that, as of March 26, 2020, and until further notice, the agency does not intend to cite in an examination or initiate an enforcement action against any

institution for failure to report its HMDA data quarterly – an action that impacts only the largest HMDA reporters. This forbearance was noted in its Statement on Supervisory and Enforcement Practices Regarding Quarterly Reporting Under the Home Mortgage Disclosure Act, available at <https://www.consumerfinance.gov/policy-compliance/guidance/supervisory-guidance/statement-quarterly-reporting-home-mortgage-disclosure-act/>. □



## Consent Order Regarding Overdrafts

By Bill Elliott, CRCM; Director of Compliance Education

In August, 2020, the Consumer Financial Protection Bureau (CFPB) announced a settlement with TD Bank, N.A. (New Jersey and eastern seaboard – about 1,250 branches) regarding its marketing and sale of its optional overdraft service, Debit Card Advance (DCA). This particular area is a regulatory hot button, and most compliance examinations include a review of these programs. And banks are often cited for overdraft violations.

The CFPB found that TD Bank’s overdraft enrollment practices were at issue. The consent order requires TD Bank to provide an estimated \$97 million in restitution to about 1.42 million consumers and to pay a civil money penalty of \$25 million.

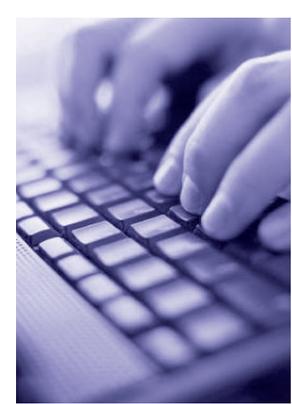
The CFPB found that TD Bank charged consumers overdraft fees for automated teller machine (ATM) and one-time debit card transactions without obtaining their affirmative consent, in violation of the Electronic Fund Transfer Act (EFTA) and Regulation E. This occurred for customers who opened checking accounts both at TD Bank branches and at events held outside of bank branches.

When presenting DCA to new customers, the CFPB found that TD Bank deceptively claimed DCA was a “free” service or benefit or that it was a “feature” or “package” that “comes with” new consumer-checking accounts. The word “free” is dangerous in general, and since TD Bank charges customers \$35 for each overdraft transaction paid through DCA, “free” is a word that should not have been used. Also the DCA is an optional service that does not come automatically with a consumer-checking account.

TD Bank enrolled some consumers in DCA over the phone. The bank described DCA as covering transactions unlikely to be covered by DCA. In some instances, they engaged in abusive acts or practices (according to the CFPB) by materially interfering with consumers’ ability to understand DCA’s terms and conditions. For instance, in some cases, the CFPB found that the bank:

- Required new customers to sign its overdraft notice with the “enrolled” option pre-checked without mentioning the DCA service to the consumer at all
- Enrolled new customers in DCA without requesting the customer’s oral enrollment decision, and
- Deliberately obscured, or attempted to obscure, the overdraft notice to prevent a new customer’s review of their pre-marked “enrolled” status in DCA

On a different issue, the CFPB found that TD Bank violated the Fair Credit Reporting Act (FCRA) and Regulation V by failing to establish and implement reasonable written policies and procedures concerning the accuracy and integrity of



Federal Deposit Insurance Corporation  
<http://www.fdic.gov>

Office of the Comptroller of the Currency  
<http://www.occ.gov>

Federal Reserve  
<http://www.federalreserve.gov>

Housing and Urban Development  
<http://www.hud.gov>

Federal Financial Institutions Examination Council  
<http://www.ffiec.gov>

U.S. Department of Treasury  
<http://www.treas.gov>

Financial Crimes Enforcement Network  
<http://www.fincen.gov>

Consumer Financial Protection Bureau  
<http://www.consumerfinance.gov>

consumer-account information it furnished to two nationwide specialty consumer reporting agencies. The CFPB also found that TD Bank failed to conduct timely investigations of indirect consumer disputes concerning its furnishing to one of those specialty agencies.

The consent order also requires TD Bank to correct its DCA enrollment practices, stop using pre-marked overdraft notices to obtain a consumer's affirmative consent to enroll in DCA, and adopt policies and procedures designed to ensure that TD Bank's furnishing practices concerning nationwide specialty consumer reporting agencies comply with all applicable federal consumer financial laws.

The consent order is available at [https://files.consumerfinance.gov/f/documents/cfpb\\_td-bank-na\\_consent-order\\_2020-08.pdf](https://files.consumerfinance.gov/f/documents/cfpb_td-bank-na_consent-order_2020-08.pdf). □



## Free Deposit Insurance Seminars

By Dale Neiss, CRCM; Consultant

The Federal Deposit Insurance Corporation (FDIC) will conduct four identical live seminars on FDIC deposit insurance coverage for bank employees and bank officers between September 15, 2020, and December 10, 2020. In addition to a comprehensive overview of FDIC deposit insurance rules, the seminars include deposit insurance coverage information on signature card requirements for joint accounts, prepaid cards, bank trade names, Health Savings Accounts (HSA), 529 plan accounts, and 529 Achieving a Better Life Experience (ABLE) plan accounts.

### Live seminars

The live seminars will offer a comprehensive overview of FDIC deposit insurance rules. The session is ideal for bank employees seeking a broad understanding of FDIC deposit insurance coverage rules. For more complex issues, this seminar will refer to a collection of FDIC YouTube videos, as described below, for additional information. The live seminars will be followed by a question-and-answer session with FDIC subject matter experts.

The schedule for these seminars is detailed in the following table.

Comprehensive Deposit Insurance Seminar for Bankers		
Date	Starting Time (Eastern)	Conference Number
September 15	3:00 p.m.	9968938
October 21	2:00 p.m.	1385186
November 2	1:00 p.m.	9968940
December 10	3:00 p.m.	1385214

The seminars are free, but advance registration is required.

### Registering for the seminars

Seminar participants must register at least two business days before the event by following these steps detailed by the FDIC:

1. Go to [www.mymeetings.com/rsvp](http://www.mymeetings.com/rsvp).
2. Enter the conference number for the specific seminar (from the table above).
3. Enter 6068349 for the pass code
4. Leave the PIN number field blank.
5. Click on the "Proceed" button

6. On the next page, provide your name, e-mail address, answer the four questions asked, and then click the “Proceed” button.
7. Once the e-mail confirmation is received, the attendee can join the seminar directly from the e-mail invitation, which contains a “Join the meeting” link. Once that link is clicked, it will automatically start the Cisco WebEx conference and connect the attendee to the seminar. Once connected, the attendee must confirm that they have read the conferencing privacy policy and then click the “Proceed” button. The session will be available 20 minutes before the scheduled start time of each event. If this is the first time that an attendee is joining a meeting, they may need to install Cisco WebEx software before they can join the session. Also, they may need to uncheck their pop-up blocker. Once Cisco WebEx is installed, attendees will not be required to reinstall the software for any subsequent seminars. The FDIC recommends that attendees use a laptop or desktop to access the event. Mobile devices such as iPads, tablets, and smart phones are not compatible with this software.
8. In addition to the link to join the conference, attendees also will receive a call-in number for the audio component of the event. Participants must dial into the teleconference for the audio portion of the presentation as well as for the question-and-answer session.

### YouTube seminars

In addition, the FDIC developed three separate Deposit Insurance Coverage Seminars for bank officers and employees that are available on the FDIC’s YouTube channel. The YouTube seminars are prerecorded and intended to be used on a self-study basis. Both the live seminars and the YouTube sessions will provide bank employees with an understanding of how to calculate deposit insurance coverage.

The objective of the self-study seminars is to provide bank employees with in-depth knowledge of FDIC’s deposit insurance rules needed to assist depositors in correctly determining their deposit insurance coverage. The three self-study seminars available on the FDIC’s YouTube channel are:

- “Fundamentals of Deposit Insurance Coverage” provides an overview of the rules for determining coverage for the nine most common account ownership categories. This video presentation lasts 62 minutes.
- “Deposit Insurance Coverage for Revocable Trust Accounts” focuses on the rules for informal and formal revocable trust accounts. This video presentation lasts 47 minutes.
- “Advanced Topics in Deposit Insurance Coverage” focuses on government accounts, mortgage servicing accounts, bank mergers, pass-through deposit insurance coverage, as well as other deposit insurance topics. This video presentation lasts 28 minutes.

Participation in the seminars and the YouTube sessions is strictly voluntary and open to employees and officials of all FDIC-insured depository institutions.

Further details about the live and YouTube seminars can be found at this link: <https://www.fdic.gov/news/financial-institution-letters/2020/fil20075a.pdf>. □

## Compliance Calendar

*This calendar is designed to help you address current and upcoming requirements related to compliance with federal consumer protection and other select rules. The calendar is not intended as general advice on when to perform ongoing compliance management functions, but as a reminder of due dates for completing these tasks. And, as always, consult the particular law or regulation for details on coverage, etc.*

### September 2020

- New CTR completion instructions for batch filers effective September 1, 2020.
- (Previously exempt lenders that experience a change in status regarding their exemption from the flood insurance escrow requirements in 2020) Notices providing the option to escrow flood insurance must be distributed to customers of all outstanding designated loans by September 30, 2020.

### November 2020

- Annual renewal period begins for MLO registrations and updating bank information under SAFE Act on November 1, 2020.

- Lenders begin using Standard Time designations for rate lock expirations on TRID Loan Estimates on November 1, 2020 (e.g., EST, CST, etc.).
- Large HMDA reporters (60,000 or more entries in 2019) electronically file third calendar quarter 2020 LAR by November 29, 2020. (CFPB temporarily suspending enforcement due to pandemic.)

**December 2020**

- Annual renewal period closes for MLO registrations and updating bank information under SAFE Act on December 31, 2020.

**January 2021**

- Open Production Period related to revised URLA and updated AUS begins January 1, 2021 for all lenders.
- Annual reinstatement period begins for lapsed MLO and bank registrations under SAFE Act on January 2, 2021.
- Update HMDA-LAR with loans and applications that reached final disposition in fourth calendar quarter 2020 by January 31, 2021.
- Update FHHLDS home loan activity format with fourth calendar quarter 2020 data by January 31, 2021 [non-HMDA reporting national banks receiving 50 or more home loan applications last year].

**February 2021**

- Annual reinstatement period ends for lapsed MLO and bank registrations under SAFE Act on February 28, 2021.

**March 2021**

- Mandate & Pipeline Transition Period related to revised URLA and updated AUS begins March 1, 2021 when all lenders (selling loans to GSEs and other secondary market participants) must begin using the new systems – with one-year transition period for loans in the pipeline by this date.
- 2020 HMDA LAR must be submitted to the CFPB by March 1, 2021.
- 2020 CRA small business, small farm, and community development loan data must be submitted to applicable regulator by March 1, 2021 (except “small banks”).
- Lenders begin using Daylight Time designations for rate lock expirations on TRID Loan Estimates on March 14, 2021 (e.g., EDT, CDT, etc.).

**April 2021**

- Update information in CRA public file by April 1, 2021.
- Update HMDA-LAR with loans and applications that reached final disposition in first calendar quarter 2021 by April 30, 2021.
- Update FHHLDS home loan activity format with first calendar quarter 2021 data by April 30, 2021 [non-HMDA reporting national banks receiving 50 or more home loan applications last year].

**May 2021**

- Large HMDA reporters (60,000 or more entries in 2020) electronically file first calendar quarter 2021 LAR by May 30, 2021.

**July 2021**

- Update HMDA-LAR with loans and applications that reached final disposition in second calendar quarter 2021 by July 31, 2021.
- Update FHHLDS home loan activity format with second calendar quarter 2021 data by July 31, 2021 [non-HMDA reporting national banks receiving 50 or more home loan applications last year].

**August 2021**

- Large HMDA reporters (60,000 or more entries in 2020) electronically file second calendar quarter 2021 LAR by August 29, 2021.

**September 2021**

- (Previously exempt lenders that experience a change in status regarding their exemption from the flood insurance escrow requirements in 2021) Notices providing the option to escrow flood insurance must be distributed to customers of all outstanding designated loans by September 30, 2021.

**November 2021**

- Transactions using the former URLA and legacy AUS will no longer be accepted beginning November 1, 2021.
- Annual renewal period begins for MLO registrations and updating bank information under SAFE Act on November 1, 2021.
- Lenders begin using Standard Time designations for rate lock expirations on TRID Loan Estimates on November 7, 2021 (e.g., EST, CST, etc.).
- Large HMDA reporters (60,000 or more entries in 2020) electronically file third calendar quarter 2021 LAR by November 29, 2021.

### **December 2021**

- Annual renewal period closes for MLO registrations and updating bank information under SAFE Act on December 31, 2021.

### **January 2022**

- Regulation C (HMDA) changes related to open-end line data collection and reporting – permanently adjusting the coverage threshold to 200 open-end lines in each of previous two years – effective January 1, 2022.
- Annual reinstatement period begins for lapsed MLO and bank registrations under SAFE Act on January 2, 2022.
- Update HMDA-LAR with loans and applications that reached final disposition in fourth calendar quarter 2021 by January 31, 2022.
- Update FHHLDS home loan activity format with fourth calendar quarter 2021 data by January 31, 2022 [non-HMDA reporting national banks receiving 50 or more home loan applications last year].

### **February 2022**

- Annual reinstatement period ends for lapsed MLO and bank registrations under SAFE Act on February 28, 2022.

### **March 2022**

- Retirement Date related to revised URLA and updated AUS – March 1, 2022. No legacy URLA and loan application submissions based on previous AUS specifications accepted from this date on (regardless whether dated before March 1, 2021). End of pipeline transition period.
- 2021 HMDA LAR must be submitted to the CFPB by March 1, 2022.
- 2021 CRA small business, small farm, and community development loan data must be submitted to applicable regulator by March 1, 2022 (except “small banks”).
- Lenders begin using Daylight Time designations for rate lock expirations on TRID Loan Estimates on March 13, 2022 (e.g., EDT, CDT, etc.).

### **April 2022**

- Update information in CRA public file by April 1, 2022.
- Update HMDA-LAR with loans and applications that reached final disposition in first calendar quarter 2021 by April 30, 2022.
- Update FHHLDS home loan activity format with first calendar quarter 2022 data by April 30, 2022 [non-HMDA reporting national banks receiving 50 or more home loan applications last year].

### **July 2022**

- Update HMDA-LAR with loans and applications that reached final disposition in second calendar quarter 2022 by July 31, 2022.
- Update FHHLDS home loan activity format with second calendar quarter 2022 data by July 31, 2022 [non-HMDA reporting national banks receiving 50 or more home loan applications last year].

### **August 2022**

- Large HMDA reporters (60,000 or more entries in 2020) electronically file second calendar quarter 2022 LAR by August 29, 2022.

### **September 2022**

- (Previously exempt lenders that experience a change in status regarding their exemption from the flood insurance escrow requirements in 2022) Notices providing the option to escrow flood insurance must be distributed to customers of all outstanding designated loans by September 30, 2022.

### **November 2022**

- Annual renewal period begins for MLO registrations and updating bank information under SAFE Act on November 1, 2022.
- Lenders begin using Standard Time designations for rate lock expirations on TRID Loan Estimates on November 6, 2022 (e.g., EST, CST, etc.).
- Large HMDA reporters (60,000 or more entries in 2020) electronically file third calendar quarter 2022 LAR by November 29, 2022.

### **December 2022**

- Annual renewal period closes for MLO registrations and updating bank information under SAFE Act on December 31, 2022.