

Compliance Update



COMMUNITY BANKERS FOR COMPLIANCE NEWSLETTER

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OCC Issues BSA/AML Enforcement Orders

Sharon Bond, CRCM; Consultant

The Office of the Comptroller of the Currency (OCC) released notices of separate enforcement actions against a national bank and two individuals formerly affiliated with a national bank for noncompliance with Bank Secrecy Act/anti-money laundering (BSA/AML) requirements.

First Abu Dhabi Banks order

In the first order, the OCC assessed a \$5 million civil money penalty for BSA/AML compliance program deficiencies and violations against the Washington DC branch of First Abu Dhabi Banks USA N.V.

The OCC found, primarily during the period of 2016 to 2019, that the branch failed to adopt and implement a compliance program that adequately covered the required BSA/AML program elements, and the branch failed to timely file Suspicious Activity Reports (SAR) related to suspicious customer activity.

According to the Order, the branch:

- Had an inadequate system of internal controls, ineffective independent testing, a weak BSA Officer function, and insufficient BSA/AML staffing and training.
- Had systemic deficiencies in its transaction monitoring systems and alert management processes, which resulted in monitoring gaps. These systemic deficiencies resulted in alert and investigation backlogs, and led to a failure to file SARs in a timely manner.
- Had systemic deficiencies in its customer due diligence, enhanced due diligence, and customer risk rating processes.
- Failed to file the necessary SARs concerning suspicious customer activity in a timely manner, in violation of 12 CFR 21.11.
- Failed to adopt and implement adequate due diligence programs for foreign correspondent accounts, in violation of 31 CFR 1010.610.

Distributed by:
Wisconsin Bankers Association
4721 S. Biltmore Lane
Madison, WI 53718

Published by:
Young & Associates, Inc.
121 East Main Street
P.O. Box 711
Kent, OH 44240

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Monegro & Carney order

In the second order, the OCC issued consent orders to David Monegro, former SVP and senior compliance and BSA officer, and Alfonso Carney Jr., former director, of City National Bank of New Jersey (Newark, NJ) related to the bank's inadequate BSA/AML compliance program during a period in which the bank's board allowed the bank's risk profile to increase while the bank's management recruited high-risk businesses as clients. The bank's BSA program was critically deficient, failed to appropriately monitor for and report suspicious activity, and did not include a due diligence program reasonably designed to enable the bank to detect suspected money laundering by foreign financial institutions.

Monegro was ordered to pay a \$25,000 civil money penalty, and has been barred from the industry by a prohibition order. Carney was assessed a \$14,000 civil money penalty.

Lessons for all banks

Bankers beware! Examiners expect each of the processes listed above to be standard practices within your bank to ensure compliance with the Bank Secrecy Act and anti-money laundering requirements. Penalties for noncompliance can be costly, and as you can see, they are not only assessed on the bank but can be assessed on current and former employees.

Please take some time to review your bank's policies and procedures to make sure they are comprehensive. You can use the Federal Financial Institutions Examination Council's (FFIEC) BSA/AML examination manual to help guide you through what a comprehensive program should entail.

You may find the Examination Manual at <https://bsaaml.ffiec.gov/manual>.

More information about the OCC enforcement actions may be found at <https://www.occ.gov/news-issuances/news-releases/2020/nr-occ-2020-154.html>. □

BSA Due Diligence for Charities & Non-Profits Clarified

The four federal banking agencies – Federal Deposit Insurance Corporation (FDIC), Federal Reserve Board (FRB), National Credit Union Administration (NCUA), and Office of the Comptroller of the Currency (OCC) – and the Financial Crimes Enforcement Network (FinCEN) have issued a joint fact sheet to provide clarity to banks and credit unions on how to apply a risk-based approach to charities and other non-profit organizations.

The fact sheet highlights the importance of legitimate charities and nonprofit organizations having access to financial services and being able to transmit funds through legitimate and transparent channels, especially during the current COVID-19 pandemic. It also clarifies that charities and nonprofit organizations as a whole do not present a uniform or unacceptably high risk of being used or exploited for money laundering, terrorist financing, or sanctions violations, and that banks and credit unions must develop risk profiles that are appropriate for the risks presented by each customer. Additionally, it provides examples of customer information that may be useful to banks and credit unions in determining those risk profiles.

The fact sheet does not alter existing Bank Secrecy Act/anti-money laundering (BSA/AML) legal or regulatory requirements or establish new supervisory expectations. It may be read at <https://www.fdic.gov/news/financial-institution-letters/2020/fil20106a.pdf>. □

FinCEN Reissues GTOs

The Financial Crimes Enforcement Network (FinCEN) 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. This is the third renewal of these GTOs.

The renewed GTOs are identical to the May 2019 GTOs (see our June 2019 issue) with one modification: the new GTOs will not require reporting for purchases made by legal entities that are U.S. publicly-traded companies. Real estate purchases by such entities are identifiable through other business filings.

The terms of these Orders were effective beginning November 6, 2020 and ending on May 4, 2021. They apply to purchases made without a bank loan or other similar form of external financing and paid for, at least in part, using currency or a cashier's, certified, traveler's, personal or business check, a money order in any form, a funds transfer, or virtual currency. The orders provide FinCEN valuable data on the purchase of residential real estate by persons possibly involved in various illicit enterprises.

The GTOs cover certain counties within the following major U.S. metropolitan areas: Boston; Chicago; Dallas-Fort Worth; Honolulu; Las Vegas; Los Angeles; Miami; New York City; San Antonio; San Diego; San Francisco; and Seattle.

These FinCEN GTOs do not require any banks to take any action. We report on them because they may affect your customers. □

OCC New CRA Rule Key Provisions & FAQs

By Dale Neiss, CRCM; Consultant

The Office of the Comptroller of the Currency (OCC) published a final rule (on June 5, 2020) that the agency asserts strengthens and modernizes the agency's regulations under the Community Reinvestment Act (CRA) for national banks and federal savings associations.

OCC Bulletin 2020-99, published November 9, 2020, summarizes key provisions of the final rule, which became effective October 1, 2020.

The June 2020 final rule establishes transparent criteria for qualifying retail and community development activities and provides for an illustrative list of activities that will receive CRA credit. The June 2020 final rule also establishes new criteria for designating bank assessment areas, including:

- Facility-based assessment areas based on the location of a bank's main office and branches and, at a bank's discretion, on the location of the bank's deposit-taking automated teller machines, and
- Deposit-based assessment areas, which apply to a bank with 50 percent or more of its retail domestic deposits outside its facility-based assessment areas

The June 2020 final rule provides for different performance standards by bank type, which are:

- Small banks with assets less than or equal to \$600 million, adjusted annually
- Intermediate banks with assets greater than \$600 million and less than or equal to \$2.5 billion, adjusted annually
- Banks with assets greater than \$2.5 billion, adjusted annually, and banks that opt into the general performance standards (GP standards or GPS banks), and
- Wholesale and limited purpose banks

The June 2020 final rule retains a strategic plan option available to all types of banks.

Small banks, intermediate banks, limited purpose banks, and wholesale banks will be examined based on the final rule's performance tests and standards corresponding to their specific bank type. Those performance standards generally continue the performance standards under the 1995 rule, as revised (1995 rule). In addition, wholesale and limited purpose banks will be required to collect, maintain, and report certain data related to their qualifying activities, retail domestic deposits, performance context, and assessment areas.

GPS banks will be examined under the final rule's new GP standards. Banks with assets of \$2.5 billion or less, as adjusted, may opt into the new GP standards. In addition, GPS banks (and those opting to be examined under the GP standards) will be required to collect, maintain, and report certain data related to their qualifying activities, certain non-qualifying activities, retail domestic deposits, performance context, and assessment areas.

Banks that elect the strategic plan option will be subject to performance standards that are tailored to the banks' unique characteristics and needs. In addition, banks evaluated under a strategic plan will be required to collect, maintain, and report certain data related to their qualifying activities, certain non-qualifying activities, retail domestic deposits, performance context, and assessment areas, unless otherwise determined in writing by the OCC.

The June 2020 final rule establishes the following three compliance dates:

- October 1, 2020 – All banks must comply with certain provisions ("all other requirements") of the June 2020 rule, including revised CRA public notices and CRA public file requirements.
- January 1, 2023 – GPS banks must comply with assessment area, and data collection, recordkeeping, and reporting requirements. Also, wholesale and limited purpose bank must comply with data collection, recordkeeping, and reporting requirements.
- January 1, 2024 – Small and intermediate banks must comply with assessment area and data collection and recordkeeping requirements.

The June 2020 final rule sets January 1, 2023, as the compliance date for the GP standards in 12 CFR 25.13, and the preamble to the rule states that the streamlined compliance dates in the final rule allow GPS banks to determine individually when to implement the various systems changes required to comply with this rule by January 1, 2023.

The June 2020 final rule also includes a transition provision to provide flexibility for the OCC to establish an orderly transition for CRA examinations that assess performance based on activities conducted on or after October 1, 2020, but before the applicable compliance date.

OCC Bulletin 2020-99 also provides responses to frequently asked questions (FAQ) from bankers and examiners about how the OCC will administer and implement the final rule. The FAQs are presented under the following categories:

- Transition Period – FAQ 1
- Qualifying Activities – FAQ 2-4
- Valuing Qualifying Activities – FAQ 5-6
- Activities Outside Bank Assessment Areas – FAQ 7
- Bank Type, Examination Type, Evaluation Period, and Examination Cycle – FAQ 8-11
- Bank Type Determinations – FAQ 12
- Examination Administration – FAQ 13-19
- Data Collection and Reporting – FAQ 20-23
- Strategic Plans - FAQ 24-25
- CRA Public Files and CRA Public Notices – FAQ 26-28
- Performance Context and Community Contacts – FAQ 29-30
- Disaster Areas – FAQ 31
- Qualifying Activities and CRA Desert Confirmation – FAQ 32

OCC Bulletin 2020-99 can be found at <https://www.occ.gov/news-issuances/bulletins/2020/bulletin-2020-99.html>. □

Avoiding Conversion Snafus

One topic comes up with some regularity during reviews we perform for many community banks and thrifts, as well as from users of our compliance hot line – conversion “issues.” Problems often arise when financial institutions update or replace their existing loan or deposit origination systems. We cannot assume that the new or updated system will generate correct and complete disclosures for all our products automatically.

We have reviewed banks and thrifts, and heard from others, over the years that have gone through system conversions where the disclosures did not transfer well from the old system to the new system and apparently no one performed post-implementation testing.

A small sample of issues we have seen or heard of include:

- Deposit account opening disclosures mailed to customers that are partially blank (the appropriate boxes not checked for one disclosure or another).
- TRID disclosures for refinance transactions that are wrong. The new/updated system did not default to the alternative table and does not include the payoff balance in the “closing costs financed” section of the disclosure.
- The bank thought the new vendor was performing the error resolution responsibilities – but later found out that the bank is responsible for this crucial function.

Often the source of the mismatch between what the new/updated system does and what the bank expects lies in what a system’s default settings are versus any customization or selection of options the bank may have made on its existing/former system.

These situations are reminders for any bank or thrift that is planning or has just gone through a conversion that someone must plan early in the process for what is needed, and someone must check the new disclosures and processes before the new/updated system goes online to make sure they are accurate and match what your bank actually does and what you expect. Do not assume that custom settings will carry forward in your system through an update or that the default settings in a new system will match what your former system had. You have to perform appropriate due diligence, oversight, and verification. Plan, check, and verify. □

CFPB Finalizes Advisory Opinion Policy

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

The Consumer Financial Protection Bureau (CFPB) is issuing its final Advisory Opinion Policy, to establish procedures to facilitate the submission, by interested parties, of requests that the agency issue advisory opinions and the manner in which the CFPB will evaluate and respond to such requests. The agency is also issuing two advisory opinions, one related to earned wage access products and one related to private education loans.

Background

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the CFPB's "primary functions" include issuing guidance implementing federal consumer financial law. The agency states that providing clear and useful guidance to regulated entities is an important aspect of facilitating markets that serve consumers.

The CFPB currently issues several types of guidance regarding the statutes that it administers, as well as implementing regulations and Official Interpretations. For example, the agency issues "Compliance Aids" that present legal requirements in a manner that is useful for compliance professionals, other industry stakeholders, and the public, or that include practical suggestions for how entities might choose to comply with those requirements. The CFPB has a Regulatory Inquiries Function (RIF) that provides individualized "implementation support" to regulated entities. Neither Compliance Aids nor the RIF are intended to interpret ambiguities in legal requirements. The CFPB also may issue interpretive rules, which provide guidance on the agency's regulations or governing statutes, and which in some situations may provide a safe harbor to regulated entities that are in compliance with the interpretive rule.

Advisory Opinions Policy

The CFPB started its program for issuing advisory opinions in response to feedback received from external stakeholders in 2018, encouraging the agency to provide written guidance in cases of regulatory uncertainty. The final Advisory Opinions Policy supersedes the pilot Advisory Opinions Program.

Similar to the advisory opinion programs of many other federal agencies, the Advisory Opinions Policy is intended to facilitate timely guidance by the CFPB that enables compliance by resolving outstanding regulatory uncertainty. The Advisory Opinions Policy supports the agency's statutory purpose of ensuring consumers have access to markets for consumer financial products and services, and that markets for consumer financial products and services are fair, transparent, and competitive.

The policy specifies that requests for advisory opinions should be submitted via e-mail to advisoryopinion@cfpb.gov or through other means designated by the agency. The CFPB will not consider a request for an advisory opinion to be complete unless the request includes all of the information specified in the policy, including specifics about the issue on which the advisory opinion is sought.

Advisory opinions will be issued and final upon publication in the Federal Register. However, interested persons may provide input on published advisory opinions at any time by sending an e-mail to advisoryopinion@cfpb.gov or through other means designated by the CFPB. The agency is particularly interested in input that addresses whether an advisory opinion would benefit from clarification or reconsideration, with information about the factual or legal basis for clarification or reconsideration.

The CFPB's final Advisory Opinions Policy may be read at https://files.consumerfinance.gov/f/documents/cfpb_advisory-opinion_policy_2020-11.pdf. Information about the program is available on the agency's website at <https://www.consumerfinance.gov/compliance/advisory-opinion-program/>.

Private education loans

One of the first two advisory opinions issued under the final policy is intended to clarify that loan products that refinance or consolidate a consumer's pre-existing federal, or federal and private, education loans meet the definition of "private education loan" in the Truth in Lending Act (TILA) and Regulation Z and are subject to the disclosure and consumer protection requirements in Subpart F of Regulation Z [12 CFR 1026.46 through 1026.48].

The advisory opinion states that it generally covers private loan consolidation products that satisfy and replace multiple federal, or federal and private, loans, as well as private loan refinance products that satisfy and replace a single federal or private loan. However, this advisory opinion does not cover loans that are made, insured, or guaranteed by the federal government under title IV of the Higher Education Act of 1965.

The CFPB believes that the best reading of TILA and Regulation Z is that a loan that consolidates federal loans or a loan that refinances a federal loan incurred expressly for postsecondary educational expenses is, itself, "expressly for postsecondary educational expenses." Borrowers apply for these loans explicitly to consolidate loans that were originated expressly for postsecondary educational expenses, and a creditor issues them under an explicit understanding that they will be used to satisfy debt incurred expressly for postsecondary educational expenses. Therefore, the agency states that these loans, from the perspective of both the borrower and the creditor, are "expressly for" postsecondary education expenses.

For the reasons discussed in this advisory opinion, the CFPB interprets the phrase “expressly for postsecondary educational expenses” in TILA and Regulation Z to include loans that either consolidate federal education loans that were themselves originated expressly for postsecondary education expenses or to refinance a single private or federal education loan that was originated for such purpose. As a result, these consolidation or refinance loans are covered under the term “private education loan” in TILA and Regulation Z and are therefore subject to the requirements in Subpart F of Regulation Z – including private education loan disclosures, prohibition on co-branding, 30-day ruminantion period, and a right to cancel.

This advisory opinion will be effective when published in the *Federal Register*, expected shortly, and is available at https://files.consumerfinance.gov/f/documents/cfpb_advisory-opinion_private-education-loans_2020-11.pdf. □

Navy Federal CU Settles NSF Fees Class Action Suit

The Navy Federal Credit Union will settle a class action suit for \$16 million that will reimburse an estimated 700,000 current and former members who were charged fees for overdrafts.

An Alexandria, VA, U.S. District Court judge has issued a preliminary approval for the settlement in *Lambert v. Navy Federal Credit Union*, with final approval expected in March.

The suit was brought by Ruby Lambert in January 2019 after she was charged a second \$29 NSF fee when a \$96 check on her account was presented a second time after it was returned unpaid to her insurance company. Although Lambert acknowledged that Navy Federal was allowed to charge her a single NSF fee, she argued in court documents that the credit union breached terms of member account agreements when it charged her a second NSF fee for the same insurance check payment.

Lambert’s suit was dismissed in August 2019 because the judge ruled that Navy Federal’s account agreement gave the CU a contractual right to charge an NSF fee each time an NSF check is presented. Lambert appealed to the U.S. District Court for the Eastern District of Virginia. Navy Federal and Lambert’s lawyers agreed to settle the suit to avoid further litigation. Navy Federal continues to deny any wrongdoing on its part.

The \$16 million cash fund will pay for \$5.2 million in attorney fees, a \$5,000 “service award” for Lambert, and millions in NSF fee reimbursements for an estimated 700,000 current and former Navy Federal members who were assessed a second or third NSF fee for a single payment transaction that was rejected because of insufficient funds in their accounts from January 28, 2014, to October 27, 2020. Navy Federal also will separately pay all settlement administration costs, which was described in court documents as “a substantial expense.”

The settlement payments will be allocated pro rata for the estimated 700,000 settlement class members based on their number of relevant NSF fees. Payments to current Navy Federal members will be made by crediting their accounts and former members will be mailed a check.

The settlement agreement also called for the credit union to revise the terms of its member account agreements to clarify when NSF fees for representments may be assessed to members. In addition to informing members that they may be charged an NSF fee for accounts with insufficient funds, the revised statement also informed members that they may be charged multiple NSF fees in connection with a single debit that has been returned for insufficient funds multiple times. □

TILA & CLA Coverage Thresholds Unchanged

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

The Federal Reserve Board (FRB) and Consumer Financial Protection Bureau (CFPB) have announced the annual changes – or, this year, no changes – in the dollar coverage thresholds for Regulation Z, which implements the Truth in Lending Act (TILA), and Regulation M, which implements the Consumer Leasing Act (CLA). Transactions at or below the thresholds are subject to the protections of the regulations.

The joint final rule also details the method that will be used to make annual inflation adjustments to the threshold for coverage by these regulations. The calculation method adopted in the final rule will allow the thresholds to keep pace with the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Among other clarifications, the final rule details that if there is no annual percentage increase in the CPI-W, the agencies will not adjust the exemption threshold from the prior year.

Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (DFA) increased the threshold in the TILA for exempt consumer credit transactions, and of the CLA for exempt consumer leases, from \$25,000 to \$50,000, effective July 21, 2011. In addition, the DFA requires that these thresholds be adjusted annually for inflation by the annual percentage increase in

the CPI-W, as published by the Bureau of Labor Statistics. In April 2011, the FRB issued final rules amending Regulations Z and M consistent with these provisions of the DFA.

Title X of the DFA transferred rulemaking authority for a number of consumer financial protection laws from the FRB to the CFPB, effective July 21, 2011. In connection with this transfer of rulemaking authority, the CFPB issued its own Regulations Z and M implementing the TILA and CLA in interim final rules, respectively, 12 CFR 1026 and 12 CFR 1013.

The CFPB's interim final rules substantially duplicated the FRB's Regulations Z and M, including the revisions to the threshold for exempt transactions made by the FRB in April 2011. Although the CFPB has the authority to issue rules to implement the TILA and CLA for most entities, the FRB retains authority to issue rules under these laws for certain motor vehicle dealers covered by section 1029(a) of the DFA, and the FRB's Regulations Z and M continue to apply to those entities.

Latest annual adjustments

The FRB's and CFPB's Regulations Z and M, and their accompanying commentaries, provide that the exemption threshold will be adjusted annually effective January 1 of each year based on any annual percentage increase in the CPI-W that was in effect on the preceding June 1 (reported in the middle of the previous month). Any increase in the threshold amount will be rounded to the nearest \$100 increment. However, this year, there was only a slight increase in the CPI-W.

Based on the non-adjustments announced by the agencies, the protections of the TILA and CLA generally will continue to apply to consumer credit transactions and consumer leases of \$58,300 or less in 2021 – unchanged from 2020. However, private education loans and loans secured by real property (such as mortgages) are subject to the TILA regardless of the amount of the loan.

The Regulation M final rule is available at https://files.consumerfinance.gov/f/documents/cfpb_2021-reg-m-threshold-adjustment_fr-notice_2020-11.pdf. The Regulation Z final rule is available at https://files.consumerfinance.gov/f/documents/cfpb_2021-reg-m-threshold-adjustment_fr-notice_2020-11.pdf. □

Threshold for HPML Appraisals Unchanged for 2021

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

The Office of the Comptroller of the Currency (OCC), Federal Reserve Board (FRB), and Consumer Financial Protection Bureau (CFPB) have amended the official interpretations for their regulations that implement section 129H of the Truth in Lending Act (TILA). Section 129H of TILA establishes special appraisal requirements for “higher-risk mortgages,” termed “higher-priced mortgage loans” or “HPMLs” in the agencies’ regulations.

Background

The OCC, FRB, CFPB, the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), and the Federal Housing Finance Agency (FHFA) issued joint final rules implementing these requirements, effective January 18, 2014. The agencies’ rules exempted, among other loan types, transactions of \$25,000 or less, and required that this loan amount be adjusted annually based on any annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). If there is no annual percentage increase in the CPI-W, the OCC, FRB, and CFPB will not adjust this exemption threshold from the prior year. However, in years following a year in which the exemption threshold was not adjusted, the threshold is calculated by applying the annual percentage increase in the CPI-W to the dollar amount that would have resulted, after rounding, if the decreases and any subsequent increases in the CPI-W had been taken into account.

Threshold for 2021

Based on the CPI-W in effect as of June 1, 2020, the exemption threshold will remain at \$27,200, effective January 1, 2021 through December 31, 2021.

A transaction is exempt from HPML appraisal requirements in these rules if the creditor makes an extension of credit at consummation that is equal to or below the threshold amount in effect at the time of consummation.

The joint final rule is available at <https://www.govinfo.gov/content/pkg/FR-2019-10-30/pdf/2019-21559.pdf>. □

OCC Updates Directors’ References

The Office of the Comptroller of the Currency (OCC) issued OCC Bulletin 2020-97 that announces the update of its Director’s Toolkit to help bank directors for national banks and federal savings associations fulfill their corporate governance responsibilities.

Even though these resources are written for national banks and federal savings associations, other financial institutions may find them useful tools for their own board members.

The Toolkit is a helpful guide for bank directors on strategic issues, risk management, and compliance responsibilities. The updated toolkit includes a revised *Director’s Book: Role of Directors for National Banks and Federal Savings Associations* and adds a new publication, the *Director’s Reference Guide to Board Reports and Information*.

According to the OCC, the *Director's Reference Guide to Board Reports and Information*:

- Focuses on key areas of planning, operations, and risk management
- Is organized to provide examples of sources of information, measures, questions to consider, red flags, and references to directors. The types, amount, and frequency of information that directors should receive to effectively perform their duties vary at each bank and continually evolve.
- Rescinds and replaces three OCC publications from 2013: *Detecting Red Flags in Board Reports – A Guide for Directors*; *Pocket Guide to Detecting Red Flags in Board Reports*; and *Internal Controls – A Guide for Directors*.

The Director's Toolkit and other resources for bank directors are available for download on <https://www.occ.gov/publications-and-resources/publications/index-publications.html>.

The *Director's Book* and *Director's Reference Guide* are currently "Featured Publications" on that page. ☐

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.

December 2020

- CFPB final rule extending sunset date for "temporary GSE patch" to QM definition effective December 28, 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.).



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>

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

- Renewed FinCEN GTOs due to expire on May 4, 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.

January 2023

- “General performance standards” (GPS) banks must comply with assessment area, and data collection, recordkeeping, and reporting requirements beginning January 1, 2023. Also, wholesale and limited purpose bank must comply with data collection, recordkeeping, and reporting requirements on this date.
- Annual reinstatement period begins for lapsed MLO and bank registrations under SAFE Act on January 2, 2023.
- Update HMDA-LAR with loans and applications that reached final disposition in fourth calendar quarter 2022 by January 31, 2023.
- Update FHHLDS home loan activity format with fourth calendar quarter 2022 data by January 31, 2023 [non-HMDA reporting national banks receiving 50 or more home loan applications last year].