

Compliance Journal

Special Focus

FDIC Brokered Deposits and Interest Rate Restrictions

On December 15, 2020, the Federal Deposit Insurance Corporation (FDIC) finalized rules designed to modernize its existing brokered deposit rules. Brokered deposits are funds managed by a deposit broker. Meaning, an individual who accepts and places funds in investment instruments at financial institutions, on behalf of others.

The final rule establishes a new framework for determining who is a “deposit broker.” It also amends the methodology for calculating the national rate, national rate cap, and the local market rate cap. Lastly, it explains when nonmaturity deposits are accepted and when nonmaturity deposits are solicited for purposes of applying the brokered deposits and interest rate restrictions. This article provides background information on what brokered deposits are, and focuses on two aspects of the final rule: the definition of “deposit broker” and interest rate restrictions.

Background

Significance of Regulation under Current Rules

Brokered deposits are a significant source of assets for some institutions. However, despite being a potential source of liquidity, many institutions avoid brokered deposits entirely due to FDIC’s complex regulation which often renders them impractical despite their utility as a deposit tool.

Application of the brokered deposit regulation is sweeping and complex, including sub-categories such as sweep programs, reciprocal deposits, and general purpose prepaid cards. FDIC has broad discretion in application of its rules, which involves complex methodologies for determining and adjusting rates. Furthermore, during the period of rulemaking, FDIC issued nearly 100 interpretations, advisories, and studies attempting to clarify who is a deposit broker.

As technologies continue to evolve, and the financial industry follows those trends, the brokered deposit regulation, designed before the age of online banking, has become outdated. For example, the sweeping coverage of the regulation means institutions seeking deposits through the internet could be subject to interest rate caps.

At first glance, the regulation’s rate cap limitations may only seem to harm community banks, but it is an issue that affects institutions both small and large. On the community bank side, FDIC bases the caps on what larger institutions offer. In reality, the result can easily become a cap based on factors beyond what the community bank may be able to offer. By rule, the rate caps only apply to less than well capitalized institutions. However, regulators have looked to the limits during exams, regardless of capital levels, pointing to potential volatility. Furthermore, under its 2009 calculation method, current rate caps lag behind what a customer may obtain from other sources, such as the Treasury.

Legal Background

As a matter of statutory framework, Section 29 of the Federal Deposit Insurance Act (FDI Act) restricts the acceptance of deposits by certain insured depository institutions (IDIs) from a deposit broker. In summary, the law’s original restrictions include:

1. Limiting acceptance of brokered deposits to well capitalized IDIs.
2. Less than well capitalized institutions may only offer brokered deposits under certain circumstances, and with restricted rates.

The inception of brokered deposits came with the ability to transfer funds electronically. Technologies made it quick, easy, and cheap to access un-reached markets. With brokered deposits came greater bank liquidity and growth. After the 1980 financial crisis, FDIC’s



Special Focus

study of brokered deposits lead to rules written in 1989 and amended in 1991 as the product and its use was believed to be riskier than traditional core deposits.

In 2018, the Economic Growth, Regulatory Relief, and Consumer Protection Act amended Section 29 of the FDI Act to except a capped amount of certain “reciprocal deposits” from treatment as brokered deposits. On February 6, 2019, FDIC published an advance notice of proposed rulemaking and sought for comment on unsafe and unsound banking practices: brokered deposits and interest rate restrictions (ANPR). A proposed rule followed on February 10, 2020. WBA commented on both the ANPR and the proposed rule. FDIC has now issued a final rule. The final rule takes effect on April 1, 2021, with mandatory compliance by January 1, 2022.

Summary of Final Rule

The final rule establishes a new framework for analyzing certain provisions of the “deposit broker” definition, including “facilitating” and “primary purpose.” In the final rule, FDIC designates certain business relationships as meeting the primary purpose exception and allows IDIs and third parties that wish to utilize the primary purpose exception but do not meet one of the designated exceptions to apply for a primary purpose exception.

The final rule’s interest rate restrictions relate to less than well capitalized IDIs. Under the final rule, FDIC amended the methodology for calculating the national rate and national rate cap for specific deposit products. The national rate would be the weighted average of rates paid by all IDIs on a given deposit product, for which data are available, where the weights are each institution’s market share of domestic deposits.

Definition of “Deposit Broker”

Section 29 of the FDI Act provides that a person is a “deposit broker” if they are engaged in the business of placing deposits, or facilitating the placement of deposits, of third parties with IDIs or the business of placing deposits with IDIs for the purpose of selling interests in those deposits to third parties. The definition also includes an agent or trustee who establishes a deposit account to facilitate a business arrangement with an IDI to use the proceeds of the account to fund a prearranged loan. The statute does not further define the categories that make up the definition of “deposit broker.” The final rule defines “deposit broker” as follows:

- Any person engaged in the business of placing deposits of third parties with IDIs;
- Any person engaged in the business of facilitating the placement of deposits of third parties with IDIs;
- Any person engaged in the business of placing deposits with IDIs for the purpose of selling those deposits or interests in those deposits to third parties; and
- An agent or trustee who establishes a deposit account to facilitate a business arrangement with an IDI to use the proceeds of the account to fund a prearranged loan.

The discussion below elaborates on the first three bullet points of the final rule’s definition of deposit broker.

Engaged in the Business of Placing Deposits

The amended definition provides that a person is engaged in the business of placing deposits of third parties if that person receives third party funds and places those funds at more than one IDI. FDIC considers a person to be engaged in the business of placing deposits if that person has a business relationship with its customers, and as part of that relationship, places deposits with IDIs on behalf of the customer. Thus, the final rule amended the first bullet point of the “deposit broker” definition by providing that the person must have a business relationship with its customers, and as part of that relationship, receive customer funds and place those funds with IDIs on behalf of the customer.

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Special Focus

Engaged in the Business of Facilitating the Placement of Deposits

The “facilitation” part of the definition refers to activities where the person does not directly place deposits on behalf of its customers with IDIs. Under the final rule, a person is engaged in the business of facilitating the placement of deposits of third parties with IDIs, by, while engaged in business, with respect to deposits placed at more than one IDI, engaging in one or more of the following activities:

- The person has legal authority, contractual or otherwise, to close the account or move the third party’s funds to another IDI;
- The person is involved in negotiating or setting rates, fees, terms, or conditions for the deposit account; or
- The person engages in matchmaking activities.

The activities that result in a person being “engaged in the business of facilitating the placement of deposits” is intended to capture activities that indicate that the third party takes an active role in the opening of an account or maintains a level of influence or control over the deposit account even after the account is open. Having a certain level of influence over account opening or retaining a level of control over the movement of customer funds after the account is open, indicates that the deposit relationship is between the depositor and the person rather than the depositor and the IDI.

It is worth discussing a portion of the proposed rule to better understand why FDIC has finalized certain aspects of the rule as discussed above. Under the proposed rule, a number of entities, such as financial technology companies that partner with financial institutions through the regular course of business including data processing, web servicing, consulting, and advertising would have met the “deposit broker” definition. A number of groups, including WBA, commented that inclusion of such businesses would be inappropriate. In the final rule, FDIC agreed this was an unintended consequence.

Thus, under the final rule, any person that has an exclusive deposit placement arrangement with one IDI and is not placing or facilitating the placement of deposits at any other IDI, will not be “engaged in the business” of placing, or facilitating the placement of, deposits and therefore will not meet the “deposit broker” definition. FDIC notes that under these arrangements, the third party has developed an exclusive business relationship with the IDI and, as a result, is less likely to move its customer funds to other IDIs in a way that makes the deposits less stable.

Engaged in the Business of Placing Deposits with IDIs for the Purpose of Selling Interests

This part of the definition specifically captures brokered certificates of deposit (CDs). These are typically deposit placement arrangements where brokered CDs are issued in wholesale amounts by an institution seeking to place funds under certain terms and sold through a registered broker-dealer to investors, typically in fully insured amounts.

FDIC noted in the final rule that it intends that third parties that assist in the placement of brokered CDs, or any similar deposit placement arrangement with a similar purpose, will continue to be considered deposit brokers under this part of the deposit broker definition, regardless of any future innovations or re-structuring in the brokered CD market.

Exceptions to the Definition of “Deposit Broker”

FDI Act Section 29 provides nine statutory exceptions to the definition of deposit broker and FDIC has previously established one regulatory exception to the definition. Originally, FDIC had proposed revisions to the following two exceptions:

- The exception for an IDI, with respect to funds placed with that depository institution (IDI exception).
- The exception for an agent or nominee whose primary purpose is not the placement of funds with depository institutions (primary purpose exception).

The final rule takes a different approach than the proposed rule, as discussed below.

IDI Exception

The final rule did not adopt the proposed changes to the IDI exception. However, the final rule does provide some discussion with regard to why, including treatment of “dual-hatted” employees, which is worth noting.



Special Focus

The IDI exception excludes an IDI from the definition of deposit broker when it, or its employee, places funds at the institution. FDIC proposed changes to expand the IDI Exception to permit wholly owned subsidiaries that meet certain criteria to be eligible for the exception. As discussed above, the final rule's definition of deposit broker does not include third parties that have an exclusive deposit placement arrangement with one IDI. Thus, wholly owned subsidiaries that would have met the proposed IDI exception, will not meet the "deposit broker" definition under the final rule. Thus, FDIC determined that expansion of the IDI exception was no longer necessary.

However, FDIC did take a moment in the final rule to discuss applicability of the IDI exception to "dual-hatted" or "dual" employee. FDIC noted that the statutory "employee" exception applies solely to an "employee" who satisfies the definition of an employee provided by the statute. The statute defines an "employee" as any employee:

- Who is employed exclusively by the IDI;
- Whose compensation is primarily in the form of a salary;
- Who does not share such employee's compensation with a deposit broker; and
- Whose office space or place of business is used exclusively for the benefit of the IDI, which employs such individual.

FDIC stated that the exception does not apply to a contractor or dual employee because they are not employed exclusively by IDIs. The exception would, however, apply to "dual-hatted" employees that are employed exclusively by the institution so long as the employees meet each of the other statutory elements of the "employee" definition.

Primary Purpose Exception

Under the final rule, the primary purpose exception applies when, with respect to a particular business line, the primary purpose of the agent's or nominee's business relationship with its customers is not the placement of funds with depository institutions, and whether an agent or nominee qualifies for the primary purpose exception will be based on analysis of the agent's or nominee's relationship with those customers.

The final rule also identifies a number of specific business relationships, known as "designated business exceptions," as meeting the primary purpose exception. Additionally, businesses that do not qualify for a designated exception may submit an application to FDIC for consideration under the primary purpose exception. Please refer to the final rule for the full list of business relationships that qualify for the designated exceptions.

Interest Rate Restrictions

Under Section 29 of the FDI Act, well capitalized institutions are not subject to any interest rate restrictions. However, the statute imposes interest rate restrictions on IDIs that are less than well capitalized, as defined in Section 38 of the FDI Act. The statutory interest rate restrictions generally limit a less than well capitalized institution from offering rates on deposits that significantly exceed rates in its prevailing market.

Under current regulations, an institution that is not well capitalized generally may not offer deposit rates more than 75 basis points above the national rate for deposits of similar size and maturity. The national rate is currently defined as a simple average of rates paid by all IDIs and branches that offer and publish rates for specific products. If an institution believes that the posted national rates do not represent the actual rates in the institution's local market area, the institution may present evidence to FDIC that the prevailing rate in a particular market is higher than the national rate. If FDIC agrees with the evidence, the institution would be permitted to pay as much as 75 basis points above the local prevailing rate for deposits solicited in its local market area.

The final rule amends FDIC's methodology for calculating the national rate, the national rate cap, and the local rate cap. The final rule also provides a new simplified process for institutions that seek to offer a competitive rate when the prevailing rate in an institution's local market area rate exceeds the national rate cap. The following highlights changes made by the final rule.

National Rate Methodology and National Rate Cap

The final rule adopts the national rate methodology generally as proposed but revised it to include the rates offered by credit unions.



Special Focus

The national rate cap now is the higher of:

1. The national rate (weighted average of rates paid by all IDIs and credit unions on a given deposit product, where the weights are each institution's market share of domestic deposits), plus 75 basis points; or
2. 120 percent of the current yield on similar maturity U.S. Treasury obligations, plus 75 basis points, or in the case of nonmaturity deposits, the federal funds rate plus 75 basis points.

Local Market Rate Cap

The final rule adopts a local market rate cap of 90 percent of the highest offered rate in the institution's local market geographic area. A less than well capitalized institution would be permitted to provide evidence that any bank or credit union with a physical presence in its local market area offers a rate on a particular deposit product in excess of the national rate cap. The local market area could include the State, county, or metropolitan statistical area, in which the IDI accepts or solicits deposits.

The final rule also eliminates the current two-step process where less than well capitalized institutions request a high rate determination from FDIC and, if approved, calculate the prevailing rate within local markets. Instead, a less than well capitalized institution would be required to notify FDIC that it intends to offer a rate that is above the national rate cap and provide evidence that an IDI or credit union with a physical presence in the less than well capitalized institution's normal market area is offering a rate on a particular deposit product in its local market area in excess of the national rate cap.

Conclusion

The final rule represents long-awaited changes to brokered deposit rules. As discussed above, the final rule establishes a new framework for the definition of who is a "deposit broker" and methodology for calculating the national rate and national rate cap for certain deposit products.

The final rule is effective on April 1, 2021. The mandatory compliance date is January 1, 2022. Entities may begin relying upon the provisions of the final rule as of April 1, 2021, and will have to comply with any applicable reporting requirements. It is also worth noting that the mandatory compliance date of January 1, 2022, permits entities to continue reliance upon existing staff advisory opinions or other interpretations until that date. However, upon January 1, 2022, previous staff advisory opinions will be moved to inactive status.

It is also important to note that due to the recent change in the federal administration, it is possible a delay in the implementation of the final rule may occur as a result of the new administration reviewing the rule. The review of a rule that has been finalized but not yet published, or is not yet effective, is a routine review any time there is a change in administration. WBA will continue to monitor the status of this and other rules under review. The notice may be viewed at: www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/regulatory-freeze-pending-review/

The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-22/pdf/2020-28196.pdf> ■

Regulatory Spotlight

Agencies Issue Final Rule on Regulatory Capital Requirements for Certain Investments of Unsecured Debt Instruments.

The Board of Governors of the Federal Reserve System (FRB), Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) (collectively, the agencies) issued a final rule that applies to advanced approaches banking organizations with the aim of reducing both interconnectedness within the financial system and systemic risks. The final rule requires deduction from a banking organization's regulatory capital for certain investments in unsecured debt instruments issued by foreign or U.S. global systemically important banking organizations (GSIBs) for the purposes of meeting minimum total loss-absorbing capacity (TLAC) requirements and, where applicable, long-term debt requirements, or for investments in unsecured debt instruments issued



Regulatory Spotlight

by GSIBs that are pari passu or subordinated to such debt instruments. In addition, FRB adopted changes to its TLAC rules to clarify requirements and correct drafting errors. The final rule is effective **04/01/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-06/pdf/2020-27046.pdf>. *Federal Register*, Vol. 86, No. 3, 01/06/2021, 708-748.

Agencies Issue Small Bank and Intermediate Small Bank CRA Asset-Size Thresholds.

The Board of Governors of the Federal Reserve System (FRB) and Federal Deposit Insurance Corporation (FDIC) (collectively, the agencies) issued a final rule to amend their Community Reinvestment Act (CRA) regulations to adjust the asset-size thresholds used to define “small bank” and “intermediate small bank.” As required by CRA regulations, the adjustment to the threshold amount is based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The final rule defines “small bank” to mean a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.322 billion. “Intermediate small bank” means a small bank with assets of at least \$330 billion as of December 31 of both of the prior two calendar years and less than \$1.322 billion as of December 31 of either of the prior two calendar years. The final rule is effective **01/01/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-23/pdf/2020-28116.pdf>. *Federal Register*, Vol. 85, No. 247, 12/23/2020. 83747-83749.

Agencies Adjust CMPs for Inflation.

- The Federal Deposit Insurance Corporation (FDIC) issued notice of its maximum civil money penalties (CMPs), as adjusted for inflation. The adjusted maximum amounts of CMPs are applicable to penalties assessed after **01/15/2021**, for conduct occurring on or after **11/02/2015**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-05/pdf/2020-29175.pdf>. *Federal Register*, Vol. 86, No. 2, 01/05/2020, 229-301.
- The Office of the Comptroller of the Currency (OCC) issued notice of its maximum civil money penalties (CMPs), as adjusted for inflation. The adjusted maximum CMPs are applicable to penalties assessed on or after **01/01/2021**, for conduct occurring on or after **11/02/2015**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-31/pdf/2020-28942.pdf>. *Federal Register*, Vol. 85, No. 251, 12/31/2020, 86795-86797.
- NCUA issued a final rule to amend its regulations to adjust the maximum amount of each civil monetary penalty (CMP), within its jurisdiction to account for inflation. The final rule is effective **01/07/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-07/pdf/2020-29181.pdf>. *Federal Register*, Vol. 86, No. 4, 01/07/2021, 933-936.

Agencies Adopt Final Guidance for Resolution Plan Submissions of Certain Foreign-Based Covered Companies.

The Board of Governors of the Federal Reserve System (FRB) and Federal Deposit Insurance Corporation (FDIC) (collectively, the agencies) issued final guidance for the 2021 and subsequent resolution plan submissions by certain foreign banking organizations (FBOs). The final guidance is meant to assist firms in developing resolution plans, which are required to be submitted pursuant to Section 165(d) of the Dodd-Frank Act. The final guidance reflects a number of changes to the proposal in response to comments received by the agencies and further analysis by the agencies. The scope of application of the final guidance is FBOs that are Category II firms according to their combined U.S. operations under FRB’s tailoring rule and are required to have a U.S. intermediate holding company (IHC) under FRB’s Regulation YY as published in 84 FR 59032 (November 1, 2019). The final guidance describes the agencies’ expectations regarding a number of key vulnerabilities in plans for an orderly resolution under the U.S. Bankruptcy Code (i.e., capital, liquidity, governance mechanisms, operational, branches, legal entity rationalization, and derivatives and trading activities). The final guidance modifies and clarifies certain aspects of the proposed guidance based on the agencies’ consideration of comments to the proposal, additional analysis, and further assessment of the business and risk profiles of the U.S. operations of large and complex FBOs. The final guidance is effective **12/22/2020**. The final guidance may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-28155.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83557-83582.

Agencies Seek Comment on Revision to Call Report Forms.

The Board of Governors of the Federal Reserve System (FRB), Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) (collectively, the agencies) seek comment on a proposed revision and extension of the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051), which are currently approved collections of information. The agencies seek comment on a change to the Call Report forms and instructions (FFIEC 031



Regulatory Spotlight

and FFIEC 041 only) to implement FDIC's proposed amendments to the deposit insurance assessment system applicable to all large insured depository institutions (IDIs), including highly complex IDIs, to address the temporary deposit insurance assessment effects resulting from certain optional regulatory capital transition provisions relating to the implementation of the current expected credit losses (CECL) methodology. The change to the Call Reports would enable FDIC to remove the double counting of a specified portion of the CECL transitional amount or the modified CECL transitional amount, as applicable, in certain financial measures that are calculated using the sum of Tier 1 capital and reserves and that are used to determine assessment rates for large and highly complex IDIs. Comments are due **02/16/2021**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-18/pdf/2020-27847.pdf>. *Federal Register*, Vol. 85, No. 244, 12/18/2020, 82580-82583.

CFPB Publishes 2021 HMDA Exemption Threshold.

The Bureau of Consumer Financial Protection (CFPB) issued a final rule to amend the official commentary that interprets the requirements of CFPB's Regulation C to reflect the asset-size exemption threshold for banks, savings associations, and credit unions based on the annual percentage change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Regulation C implements the Home Mortgage Disclosure Act (HMDA). Based on the 1.3 percent increase in the average of the CPI-W for the 12-month period ending in November 2020, the exemption threshold is adjusted to \$48 million from \$47 million. Therefore, banks, savings associations, and credit unions with assets of \$48 million or less as of **12/31/2020**, are exempt from collecting data in 2021. The final rule is effective **01/01/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-28230.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83409-83411.

CFPB Publishes 2021 HMPL Escrow Exemption Threshold.

CFPB issued a final rule to amend the official commentary that interprets the requirements of its Regulation Z to reflect a change in the asset-size threshold for certain creditors to qualify for an exemption to the requirement to establish an escrow account for a higher-priced mortgage loan (HPML). Regulation Z implements the Truth in Lending Act. The amendment is based on the annual percentage change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Based on the 1.3 percent increase in the average of the CPI-W for the 12-month period ending in November 2020, the exemption threshold is adjusted to \$2.230 billion from \$2.202 billion. Therefore, creditors with assets of less than \$2.230 billion (including assets of certain affiliates) as of **12/31/2020**, are exempt, if other requirements of Regulation Z are also met, from establishing escrow accounts for HPMLs in 2021. The final rule is effective **01/01/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-28231.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83411-83415.

CFPB Publishes 2021 FCRA Maximum Allowable Charge.

CFPB issued a final rule to amend an appendix for Regulation V, which implements the Fair Credit Reporting Act (FCRA). CFPB is required to calculate annually the dollar amount of the maximum allowable charge for disclosures by a consumer reporting agency to a consumer pursuant to FCRA section 609. The final rule establishes the maximum allowable disclosure charge for the 2021 calendar year as \$13.00. The final rule is effective **01/01/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-23/pdf/2020-28409.pdf>. *Federal Register*, Vol. 85, No. 247, 12/23/2020, 83749-83751.

CFPB Publishes QM Final Rules.

- CFPB published a final rule to revise certain requirements under Regulation Z's general qualified mortgage (QM) rule. The final rule amends the General QM loan definition in Regulation Z to, among other things, remove the 43 percent DTI ratio limit and replace it with price-based thresholds. In a final rule released on **10/20/2020**, CFPB extended the Temporary GSE QM loan definition to expire on the mandatory compliance date of final amendments to the General QM loan definition in Regulation Z (or when the GSEs cease to operate under the conservatorship of the Federal Housing Finance Agency (FHFA), if that happens earlier). CFPB adopted the amendments to the General QM loan definition that are referenced in the October 2020 final rule. The final rule is effective **03/01/2021**. Mandatory compliance is **07/01/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-29/pdf/2020-27567.pdf>. *Federal Register*, Vol. 85, No. 249, 12/29/2020, 86308-86400.
- CFPB published a final rule to create a new type of qualified mortgage referred to as Seasoned QMs. The new category applies to first-lien, fixed-rate covered transactions that have met certain performance requirements, are held in portfolio by the originating creditor or first purchaser for a 36-month period, comply with general restrictions on product features and points and fees, and



Regulatory Spotlight

meet certain underwriting requirements. The final rule is effective **03/01/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-29/pdf/2020-27571.pdf>. *Federal Register*, Vol. 85, No. 249, 12/29/2020, 86402-86455.

FRB Revises Reserve Requirements for Depository Institutions.

The Board of Governors of the Federal Reserve System (FRB) issued a final rule to amend Regulation D, Reserve Requirements of Depository Institutions, to reflect the annual indexing of the reserve requirement exemption amount and the low reserve tranche for 2021. The annual indexing of the amounts is required notwithstanding FRB's action in March 2020 setting all reserve requirement ratios to zero. The Regulation D amendments set the reserve requirement exemption amount for 2021 at \$21.1 million of reservable liabilities (up from 16.9 million in 2020). The Regulation D amendments also set the amount of net transaction accounts at each depository institution (over the reserve requirement exemption amount) that could be subject to a reserve requirement ratio of not more than 3 percent (and which may be zero) in 2021 at \$182.9 million (up from \$127.5 million in 2020). This amount is known as the low reserve tranche. The adjustments to both of the amounts are derived using statutory formulas specified in the Federal Reserve Act. The annual indexing of the reserve requirement exemption amount and low reserve tranche, though required by statute, will not affect depository institutions' reserve requirements, which will remain zero. FRB has also announced changes in two other amounts, the nonexempt deposit cutoff level and the reduced reporting limit, that are used to determine the frequency at which depository institutions must submit deposit reports. The final rule is effective **01/11/2021**. The new low reserve tranche and reserve requirement exemption amount will apply to the fourteen-day reserve maintenance period that begins **01/14/2021**. For depository institutions that report deposit data weekly, the maintenance period corresponds to the fourteen-day computation period that begins **12/15/2020**. For depository institutions that report deposit data quarterly, the maintenance period corresponds to the seven-day computation period that begins **12/15/2020**. The new values of the nonexempt deposit cutoff level, the reserve requirement exemption amount, and the reduced reporting limit will be used to determine the frequency at which a depository institution submits deposit reports effective in either June or September 2021. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-11/pdf/2020-27083.pdf>. *Federal Register*, Vol. 85, No. 239, 12/11/2020, 79821-79823.

FRB Releases Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies.

FRB announced the 2020 aggregate global indicator amounts, as required under FRB's rule regarding risk-based capital surcharges for global systemically important bank holding companies (GSIB surcharge rule). The specific indicator amounts may be found in the chart within the notice. The notice is effective **12/17/2020**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-17/pdf/2020-27591.pdf>. *Federal Register*, Vol. 85, No. 243, 12/17/2020, 81923-81924.

FDIC Announces Intent to Terminate Receiverships.

The Federal Deposit Insurance Corporation (FDIC) has given notice that it intends, as Receiver for the fourteen institutions listed in the notice, to terminate its receivership for the listed institutions. The liquidation of the assets for each receivership has been completed. To the extent permitted by available funds and in accordance with law, the Receiver will be making a final dividend payment to proven creditors. Based upon the foregoing, the Receiver has determined that the continued existence of the receiverships will serve no useful purpose. Consequently, notice is given that the receiverships shall be terminated, to be effective no sooner than thirty days after the date of the notice. If any person wishes to comment concerning the termination of any of the receiverships, such comment must be made in writing, identify the receivership to which the comment pertains, and be sent within thirty days of the date of the notice to: Federal Deposit Insurance Corporation, Division of Resolutions and Receiverships, Attention: Receivership Oversight Department 34.6, 1601 Bryan Street, Dallas, TX 75201. No comments concerning the termination of the receiverships will be considered which are not sent within this time frame. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-28134.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83554-83555.

OCC Issues Licensing Amendments.

- The Office of the Comptroller of the Currency (OCC) issued a final rule to amend rules that relate to policies and procedures for corporate activities and transactions involving national banks and federal savings associations. The final rule is meant to update and clarify the policies and procedures, eliminate unnecessary requirements consistent with safety and soundness, and make other technical and conforming changes. The final rule is effective **01/11/2021**, except instruction 15g is effective **12/11/2020**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-11/pdf/2020-25595.pdf>. *Federal Register*, Vol. 85, No. 239, 12/11/2020, 80404-80470.



Regulatory Spotlight

- OCC issued a correction to its licensing rule. As listed in the previous paragraph, OCC published a final rule to revise its regulations relating to policies and procedures for corporate activities and transactions involving national banks and federal savings associations. OCC issued a correcting amendment to supplement the Effective Date discussion in the SUPPLEMENTARY INFORMATION section of the **12/11/2020**, final rule. The correction also makes three technical changes to the regulatory text of the final rule to correct typographical errors. The correction is effective **01/11/2021**. The correction may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-08/pdf/2021-00101.pdf>. *Federal Register*, Vol. 86, No. 5, 01/08/2021, 1254-1255.

OCC Issues Final Rule Regarding Activities and Operations of National Banks and Federal Savings Associations.

OCC issued a final rule to revise and reorganize its regulations relating to the activities and operations of national banks and federal savings associations and to amend its rules relating to federal savings association corporate governance. The final rule clarifies and codifies recent OCC interpretations, integrates certain regulations for national banks and federal savings associations, and updates or eliminates outdated regulatory requirements that no longer reflect the modern financial system. Additionally, the final rule includes related technical changes throughout these and other OCC regulations. The final rule is effective **04/01/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-26225.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83686-83737.

OCC Seeks Comment on Renewal of CRA Information Collection Survey.

OCC seeks comment on the renewal of a Community Reinvestment Act (CRA) Information Collection Survey. OCC seeks comment to help determine the CRA evaluation measure benchmarks, retail lending distribution test thresholds, and Community Development (CD) minimums under the final CRA rule recently published in June 2020. In finalizing its CRA rule, OCC analyzed currently available data to estimate how banks would have performed under the new rule's framework. The final CRA rule did not finalize the benchmarks, thresholds, or minimums as proposed. Instead, OCC plans to issue a separate proposed rule to determine the benchmarks, thresholds, and minimums that will correspond to the presumptive ratings in the final rule. The information collection seeks bank-specific data and information to supplement OCC's analyses and currently available data. OCC seeks particular information in a specific manner, including a requirement that responders answer all questions in the collection, and if the responder is not able to complete the instruction, to provide a reason for not answering a particular question. Please see the notice for specific requirements to comment. Comments are due **02/16/2021**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-15/pdf/2020-27524.pdf>. *Federal Register*, Vol. 85, No. 241, 12/15/2020, 81270-81279.

HUD Issues Final Rule on Section 542(c) Housing Finance Agency Risk Sharing Program.

The Department of Housing and Urban Development (HUD) issued a final rule regarding Section 542(c) Housing Finance Agency (HFA) Risk Sharing Program. Through the Program, HUD enters into risk-sharing agreements with qualified state and local HFAs so they can provide FHA (Federal Housing Administration) mortgage insurance and credit enhancement for new loans on multifamily affordable housing properties. The final rule amends the program's existing regulations, to better align with the policies of other HUD programs, reflect current industry and HUD practices, and conform to statutory amendments. Additionally, the final rule provides HUD with greater flexibility to operate the Section 542(c) HFA Risk Sharing Program more efficiently and provides HFAs which accept a greater share of the risk of loss on mortgages insured under the program with expanded program delegation. The final rule also updates outdated references and terminology and clarifies other provisions. The final rule is effective **01/21/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-27914.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83435-83446.

FEMA Issues Final Rules on Suspensions of NFIP Community Eligibility.

- The Federal Emergency Management Agency (FEMA) issued a final rule that identifies communities in the states of **Iowa** and **Wisconsin**, where the sale of flood insurance has been authorized under the National Flood Insurance Program (NFIP) that are scheduled for suspension on the effective dates listed within the final rule because of noncompliance with the floodplain management requirements of the program. If FEMA receives documentation that the community has adopted the required floodplain management measures prior to the effective suspension date given in the final rule, the suspension will not occur and a notice of this will be provided by publication in the *Federal Register* on a subsequent date. The effective date of each community's scheduled suspension is the third date ("Susp.") listed in the third column of the table within the final rule.



Regulatory Spotlight

The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-15/pdf/2020-27340.pdf>. *Federal Register*, Vol. 85, No. 241, 12/15/2020, 81142-81144.

- FEMA issued a final rule that identifies communities in the states of **Iowa, Michigan, and Wisconsin**, where the sale of flood insurance has been authorized under the National Flood Insurance Program (NFIP) that are scheduled for suspension on the effective dates listed within the final rule because of noncompliance with the floodplain management requirements of the program. If FEMA receives documentation that the community has adopted the required floodplain management measures prior to the effective suspension date given in the final rule, the suspension will not occur and a notice of this will be provided by publication in the *Federal Register* on a subsequent date. The effective date of each community's scheduled suspension is the third date ("Susp.") listed in the third column of the table within the final rule. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-28/pdf/2020-28478.pdf>. *Federal Register*, Vol. 85, No. 248, 12/28/2020, 84262-84264.

FEMA Issues Notices of Changes in Flood Hazard Determinations.

FEMA issued a notice with lists communities in the states of **Iowa, Illinois, Indiana, Michigan, Ohio, and Wisconsin**, where new or modified Base (1-percent annual chance) Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, and/or regulatory floodways (hereinafter referred to as flood hazard determinations) as shown on the indicated Letter of Map Revision (LOMR) for each of the communities listed in the table in the notice are finalized. Each LOMR revises the Flood Insurance Rate Maps (FIRMs), and in some cases the Flood Insurance Study (FIS) reports, currently in effect for the listed communities. Each LOMR was finalized as of the date listed in the table in the notice. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-28222.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83592-83597.

FEMA Proposes Revisions to Cost of Assistance Estimates in Disaster Declaration Process for Public Assistance Program.

FEMA proposed to substantively revise the "estimated cost of the assistance" disaster declaration factor it uses to review a Governor's request for a major disaster under the Public Assistance Program. FEMA proposed the revisions to more accurately assess the disaster response capabilities of the 50 states, District of Columbia, and U.S. territories, and to respond to the direction of Congress in the Disaster Recovery Reform Act. The Disaster Recovery Reform Act requires FEMA to review its disaster declaration factors and update them via rulemaking, as appropriate. Comments are due **02/12/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-14/pdf/2020-27094.pdf>. *Federal Register*, Vol. 85, No. 240, 12/14/2020, 80719-80745.

IRS Issues Procedures for Identification and Recovery of Misdirected Direct Deposit Refund.

The Internal Revenue Service (IRS) issued a final rule to provide procedures under section 6402(n) of the Internal Revenue Code for the identification and recovery of a misdirected direct deposit refund. The final rule reflects changes to the law made by the Taxpayer First Act. The final rule affects taxpayers who have made a claim for refund, requested the refund be issued as a direct deposit, but did not receive a refund in the account designated on the claim for refund. See the final rule for specific procedures, including procedures for coordination with financial institutions. The final rule is effective **12/22/2020**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-28167.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83446-83448.

IRS Issues Final Rule Regarding Certain Employee Remuneration.

IRS issued a final rule regarding regulations under section 162(m) of the Internal Revenue Code (Code), which for federal income tax purposes limits the deduction for certain employee remuneration in excess of \$1,000,000. Section 162(m)(1) disallows a deduction by any publicly held corporation for applicable employee remuneration paid or otherwise deductible with respect to any covered employee to the extent that such remuneration for the taxable year exceeds \$1,000,000. Section 162(m) was amended by section 13601 of the Tax Cuts and Jobs Act (TCJA) which amended the definitions of covered employee, publicly held corporation, and applicable employee remuneration in section 162(m). Section 13601 also provided a transition rule applicable to certain outstanding compensatory arrangements (commonly referred to as the grandfather rule). The final rule implements the amendments made to section 162(m) by TCJA and finalizes a proposed rule published in December 2019. The final rule affects publicly held corporations. The final rule is effective **12/30/2020**. See the final rule for dates of applicability. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-30/pdf/2020-28484.pdf>. *Federal Register*, Vol. 85, No. 250, 12/30/2020, 86481-86511.



Regulatory Spotlight

IRS Issues Small Business Taxpayer Exceptions.

IRS issued a final rule to implement legislative changes to sections 263A, 448, 460, and 471 of the Internal Revenue Code (Code) that simplify the application of those tax accounting provisions for certain businesses having average annual gross receipts that do not exceed \$25,000,000, as adjusted for inflation. The final rule addresses certain special accounting rules for long-term contracts under Code section 460. The final rule is effective **01/05/2021**. See the final rule for dates of applicability. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-05/pdf/2020-28888.pdf>. *Federal Register*, Vol. 86, No. 2, 01/05/2021, 254-278.

IRS Issues Rollover Rules for Qualified Plan Loan Offset Amounts.

IRS issued a final rule relating to amendments made to section 402(c) of the Internal Revenue Code (Code) by section 13613 of the Tax Cuts and Jobs Act (TCJA). Section 13613 provides an extended rollover period for a qualified plan loan offset. Any portion of a qualified plan loan offset (up to the entire qualified plan loan offset amount) may be rolled over to an eligible retirement plan by the individual's tax filing due date (including extensions) for the taxable year in which the offset occurs. The final rule sets forth the requirements that need be met in order to obtain the extended period. The regulations affect participants, beneficiaries, sponsors, and administrators of qualified employer plans. The final rule is effective **01/06/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-06/pdf/2020-27151.pdf>. *Federal Register*, Vol. 86, No. 3, 01/06/2021, 464-469.

IRS Issues Final Rule Regarding Timing of Income Inclusion Under Accrual Method of Accounting.

IRS issued a final rule regarding the timing of income inclusion under an accrual method of accounting, including the treatment of advance payments for goods, services, and certain other items. The final rule reflects changes made by the Tax Cuts and Jobs Act and affect taxpayers that use an accrual method of accounting and have an applicable financial statement. The final rule is effective **12/31/2021**. IRS also issued a correction to the final rule to correct the effective date of the rule. As a result of the correction the final rule is effective **12/31/2020**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-06/pdf/2020-28653.pdf>. *Federal Register*, Vol. 86, No. 3, 01/06/2021, 810-863. The correction may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-08/pdf/C1-2020-28653.pdf>. *Federal Register*, Vol. 86, No. 5, 01/08/2021, 1256.

IRS Proposes User Fee for Estate Tax Closing Letter.

IRS issued a proposed rule to establish a new user fee for authorized persons who wish to request the issuance of IRS Letter 627, also referred to as an estate tax closing letter. An estate tax closing letter informs an authorized person of the acceptance of the estate tax return and certain other return information, including the amount of the net estate tax, the state death tax credit or deduction, and any generation-skipping transfer tax for which the estate is liable. The proposed fee is \$67. The person liable for the fee is the estate of the decedent or other person properly authorized under section 6103 of the Internal Revenue Code to receive and therefore request the closing letter. Comments are due **03/01/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-31/pdf/2020-28931.pdf>. *Federal Register*, Vol. 85, No. 251, 12/31/2020, 86871-86876.

FinCEN Proposes Banks and MSBs Submit Reports and Keep Records Regarding Convertible Virtual Currency.

The Financial Crimes Enforcement Network (FinCEN) seeks comment on a proposal to require banks and money service businesses (MSBs) to submit reports, keep records, and verify the identity of customers in relation to transactions involving convertible virtual currency (CVC) or digital assets with legal tender status (LTDA) held in unhosted wallets (as defined in the rule), or held in wallets hosted in a jurisdiction identified by FinCEN. FinCEN has proposed to adopt the requirements pursuant to the Bank Secrecy Act (BSA). To effectuate certain of the proposed requirements, FinCEN proposes to prescribe by regulation that CVC and LTDA are "monetary instruments" for purposes of BSA. However, FinCEN is not proposing to modify the regulatory definition of "monetary instruments" or otherwise alter existing BSA regulatory requirements applicable to "monetary instruments" in FinCEN's regulations, including the existing currency transaction reporting (CTR) requirement and the existing transportation of currency or monetary instruments reporting requirement. Comments were due **01/04/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-23/pdf/2020-28437.pdf>. *Federal Register*, Vol. 85, No. 237, 12/23/2020, 83840-83862.



Regulatory Spotlight

FinCEN Seeks Comments on Existing BSA Information Collections.

- FinCEN seeks comment on the proposed renewal, without change, of a currently approved information collection found in existing Bank Secrecy Act (BSA) regulations. Specifically, the regulations provide procedures for requestors to seek, and for FinCEN to issue, administrative rulings. A FinCEN administrative ruling is a written ruling interpreting the relationship between the regulations which implement BSA at 31 CFR Chapter X and each situation for which such a ruling has been requested in conformity with the regulatory requirements. The regulations which implement the procedures for requestors to submit, and for FinCEN to issue, administrative rulings appear in Part 1010, Subpart G, Administrative Rulings. An administrative ruling has precedential value, and may be relied upon by others similarly situated, only if FinCEN makes them available to the public through publication on the FinCEN website or other appropriate forum. Comments are due **02/09/2021**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-11/pdf/2020-27370.pdf>. *Federal Register*, Vol. 85, No. 239, 12/11/2020, 80227-80228.
- FinCEN seeks comment on the proposed renewal, without change, of a currently approved information collection found in existing Bank Secrecy Act (BSA) regulations. Specifically, the regulations require casinos to develop and implement written anti-money laundering programs reasonably designed to ensure and monitor compliance with the requirements set forth in BSA regulations. Although no changes are proposed to the information collection itself, the request for comments covers a future expansion of the scope of the annual hourly burden and cost estimate associated with the regulations. Comments are due **02/22/2021**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-28255.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83676-83681.

FHFA Establishes Enterprise Regulatory Capital Framework.

The Federal Housing Finance Agency (FHFA) issued a final rule to establish risk-based and leverage capital requirements for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Enterprises). The final rule also made conforming amendments to definitions in FHFA's regulations governing assessments and minimum capital and removes the Office of Federal Housing Enterprise Oversight's regulation on capital for the Enterprises. The final rule is effective **02/16/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-17/pdf/2020-25814.pdf>. *Federal Register*, Vol. 85, No. 243, 12/17/2020, 82150-82258.

FHFA Issues Final and Advanced Proposed Enterprise Housing Goals Rules.

- FHFA issued a final rule on the 2021 housing goals for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Enterprises). The Federal Housing Enterprises Financial Safety and Soundness Act requires FHFA to establish annual housing goals for mortgages purchased by the Enterprises. The housing goals include separate categories for single-family and multifamily mortgages on housing that is affordable to low-income and very low-income families, among other categories. The final rule establishes benchmark levels for each of the housing goals for 2021. See the chart in the final rule for the specific goals. The final rule is effective **02/19/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-21/pdf/2020-28083.pdf>. *Federal Register*, Vol. 85, No. 245, 12/21/2020, 82881-82896.
- FHFA seeks comment on a variety of questions related to potential changes to the regulation that establishes housing goals for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Enterprises). FHFA will consider comments received to inform rulemaking that is planned for 2021 to establish single-family and multifamily housing goals benchmark levels for 2022 and beyond, and to make other changes to the Enterprise housing goals regulation, as appropriate. Comments are due **02/28/2021**. The advance notice of proposed rulemaking may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-21/pdf/2020-28084.pdf>. *Federal Register*, Vol. 85, No. 245, 12/21/2020, 82965-82970.

FHFA Issues Proposed Rule to Implement Enterprise Liquidity Requirements.

FHFA seeks comment on a proposed rule that would implement four liquidity and funding requirements for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Enterprises). The proposed rule builds on the improvements made to the U.S. banking supervision framework's regulation of institutions' liquidity



Regulatory Spotlight

requirements, and on experience since the 2008 financial crisis—including the more recent 2020 COVID-19-related financial market stress. FHFA envisions that an appropriate framework would incent the Enterprises to build their liquidity portfolios in good times, so that it is available to be deployed as necessary in times of stress. Comments are due **03/09/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-08/pdf/2020-28204.pdf>. *Federal Register*, Vol. 86, No. 5, 01/08/2021, 1306-1326.

FHFA Issues Proposed Rule to Require Enterprises to Develop Resolution Plans.

FHFA seeks comment on a proposed rule that would require the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Enterprises) to develop plans to facilitate their rapid and orderly resolution in the event FHFA is appointed receiver. A resolution planning rule is an important part of FHFA's on-going effort to develop a robust prudential regulatory framework for the Enterprises, including capital, liquidity, and stress testing requirements, as well as enhanced oversight, which will be critical to FHFA supervision of the Enterprises after they exit the conservatorships. In addition, a proposed resolution plan requirement would: minimize disruption in the national housing finance markets by providing for the continued operation of an Enterprise's core business lines by a limited-life regulated entity; ensure that investors in mortgage-backed securities guaranteed by the Enterprises and in Enterprise unsecured debt bear losses in accordance with the priority of payments set out in the Safety and Soundness Act while minimizing unnecessary losses and costs to these investors; and, help foster market discipline in part through FHFA publication of "public" sections of Enterprise resolution plans. Comments are due **03/09/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-08/pdf/2020-28812.pdf>. *Federal Register*, Vol. 86, No. 5, 01/08/2021, 1326-1347.

SBA Issues Final Rule to Rescind Express Loan Program.

The Small Business Administration (SBA) issued a final rule to rescind the regulations published on **02/10/2020**, in the interim final rule entitled, Express Loan Programs; Affiliation Standards (Express IFR). The rescission is necessary to implement section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which permanently rescinded the interim final rule effective **03/27/2020**. As a result of the rescission, SBA removed the amended regulations added by Express IFR and reinstated the regulations that were in effect before the rule became effective on **03/11/2020**. The final rule is effective **03/27/2020**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-14/pdf/2020-26450.pdf>. *Federal Register*, Vol. 85, No. 240, 12/14/2020, 80581-80589.

SBA Issues Interim Final Rule to Implement Economic Aid Act Changes to PPP.

SBA issued an interim final rule to implement the sections of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act) which extends the authority to make PPP loans through **03/31/2021**, and revises certain Paycheck Protection Program (PPP) requirements. The interim final rule also consolidates twenty-three interim final rules, previously issued guidance, and an interim final rule issued by the Department of Treasury (Treasury). The interim final rule also incorporates the Economic Aid Act amendments required to be implemented by regulation within 10 days of enactment. The new interim final rule is not intended to substantively alter or affect PPP rules that were not amended by the Economic Aid Act. Rules related to the second draw PPP loans are published separately and is highlighted in the following paragraph. SBA also intends to issue a consolidated rule governing all aspects of loan forgiveness and loan review process. The interim final rule is intended to govern new PPP loans made under the Economic Aid Act, as well as applications for loan forgiveness on existing PPP loans where the loan forgiveness payment has not been remitted. In addition, in the interim final rule, Treasury exercised its authority under section 1109 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to allow borrowers of first draw PPP loans to use 2019 or 2020 to calculate their maximum loan amount. The interim final rule is effective upon publication in the *Federal Register*. The interim final rule applies to loan applications, including requests for increases, and applications for loan forgiveness submitted under the PPP following enactment of the Economic Aid Act. The interim final rule also applies to loan forgiveness applications submitted under the PPP before enactment of the Economic Aid Act where SBA has not remitted the forgiveness payment. Comments are due 30 days after date of publication in the *Federal Register*. The interim final rule may be viewed at: <https://www.sba.gov/sites/default/files/2021-01/PPP%20--%20IFR%20--%20Paycheck%20Protection%20Program%20as%20Amended%20by%20Economic%20Aid%20Act%20%281.6.2021%29.pdf>.

SBA Issues Interim Final Rule to Implement PPP Second Draw Loan Program.

SBA issued an interim final rule to implement 311 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act). The Economic Aid Act authorizes SBA to guarantee additional loans under the temporary Paycheck Protection



Regulatory Spotlight

Program (PPP), which was originally established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to provide economic relief to small businesses nationwide adversely impacted under the Coronavirus Disease 2019 Declaration issued by President Trump on **03/13/2020**. Section 311 of the Economic Aid Act adds a second temporary program to SBA's 7(a) Loan Program titled, Paycheck Protection Program Second Draw Loans. The interim final rule implements the key provisions of section 311 and seeks comment. The interim final rule is effective upon publication in the *Federal Register*. The interim final rule applies to loan applications and applications for loan forgiveness submitted for Paycheck Protection Program Second Draw Loans. Comments are due 30 days after date of publication in the *Federal Register*. The interim final rule may be viewed at: [https://www.sba.gov/sites/default/files/2021-01/PPP%20--%20IFR%20--%20Second%20Draw%20Loans%20\(1.6.2021\).pdf](https://www.sba.gov/sites/default/files/2021-01/PPP%20--%20IFR%20--%20Second%20Draw%20Loans%20(1.6.2021).pdf).

SBA Issues Forgiveness PPP Interim Final Rule.

SBA issued an interim final rule to implement changes related to the forgiveness and review of loans made under the Paycheck Protection Program (PPP), which was originally established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to provide economic relief to small businesses nationwide adversely impacted by the Coronavirus Disease 2019 (COVID-19). On **12/27/2020**, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act) was enacted which: extended the authority to make PPP loans through **03/31/2021**, revised certain PPP requirements, and permits second draw PPP loans. The interim final rule consolidates prior rules related to forgiveness and reviews of PPP loans and incorporates changes made by the Economic Aid Act, including with respect to forgiveness of second draw PPP loans. Unless otherwise specified in the Economic Aid Act, the provisions of the interim final rule are effective upon filing in the *Federal Register*. The interim final rule applies to PPP loans for which a loan forgiveness payment had not been remitted by SBA as of **12/27/2020**. Parts of the PPP SBA loan review procedure and related borrower and lender responsibilities apply to all PPP loans as outlined in the interim final rule. Comments are due within 30 days after publication in the *Federal Register*. The interim final rule may be viewed at: <https://www.sba.gov/sites/default/files/2021-01/PPP%20--%20IFR%20--%20Loan%20Forgiveness%20Requirements%20and%20Loan%20Review%20Procedures%20as%20Amended%20by%20Economic%20Aid%20Act%20%281.19.2021%29.pdf>

SBA Issues Quarterly Peg Rate.

SBA publishes an interest rate called the optional “peg” rate on a quarterly basis. The rate is a weighted average cost of money to the government for maturities similar to the average SBA direct loan. The rate may be used as a base rate for guaranteed fluctuating interest rate SBA loans. The rate will be **1.13 percent** for the January-March quarter of FY 2021. Pursuant to 13 CFR 120.921(b), the maximum legal interest rate for any third-party lender's commercial loan which funds any portion of the cost of a 504 project shall be 6% over the New York Prime rate or, in the event that rate exceeds the maximum interest rate permitted by the constitution or laws of a given state, the maximum interest rate will be the rate permitted by the constitution or laws of the given state. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-28/pdf/2020-28533.pdf>. *Federal Register*, Vol. 85, No. 248, 12/28/2020, 84451.

SBA Proposes Initiative to Streamline and Modernize the 7(a), Microloan, and 504 Loan Programs to Reduce Regulatory Burden.

SBA proposed to remove or revise various regulations affecting its business loan programs because the regulations are obsolete, unnecessary, ineffective, or burdensome. One of the regulations that SBA proposed to remove is cross-referenced in a regulation in SBA's Disaster Loan Program. SBA also proposed to make a conforming change to that regulation. Additionally, SBA proposed several technical amendments to incorporate recent statutory changes and other non-substantive changes. The changes are proposed to carry out the mandate in various Executive Orders to reduce the number and costs of the regulations that federal agencies impose on the public. Comments are due **02/12/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-14/pdf/2020-26446.pdf>. *Federal Register*, Vol. 85, No. 240, 12/14/2020, 80676-80686.

SBA Reopens Comment Period of PPP Forms 3509 and 3510.

SBA reopened the comment period for information collections regarding the Paycheck Protection Program (PPP). In particular, SBA seeks comment regarding SBA Form 3509, Loan Necessity Questionnaire (For-Profit Borrowers) and SBA Form 3510, Loan Necessity Questionnaire (Non-Profit Borrowers). Comments in response to the second comment notice will be evaluated in conjunction with comments received in response to previous notices. After evaluation, SBA will submit any resulting amendments



Regulatory Spotlight

to the information collection to the Office of Management and Budget (OMB) for approval. Comments are due **03/05/2021**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-04/pdf/2020-29012.pdf>. *Federal Register*, Vol. 86, No. 1, 01/04/2021, 172-173.

SBA Issues ANPR to Change its Structure of Secondary Market 7(a) Loan Pool Security.

SBA issued an advance notice of proposed rulemaking (ANPR) in consideration of a change in the structure of its secondary market 7(a) loan pool security to better align the collateral and cash flows to support the long-term viability of the SBA secondary market 7(a) loan pooling program. Specifically, SBA seeks comment on the alignment of cash flows between the collateral (the guaranteed portion of 7(a) loans) and the pool security (Pool Certificate), the timely payment of scheduled interest and actual principal, and the publication of additional loan-level disclosure. SBA also seeks comment on registering such securities in book-entry form. Comments are due **02/22/2021**. The ANPR may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-23/pdf/2020-28195.pdf>. *Federal Register*, Vol. 85, No. 247, 12/23/2020, 83837-83839.

FCA Announces Effective Dates for Previously Published Final Rules.

- The Farm Credit Administration (FCA) repealed the regulatory requirement that production credit associations amortize their loans in 15 years or less, while requiring Farm Credit System associations to address amortization through their credit underwriting standards and internal controls. In accordance with the law, the effective date of the rule is no earlier than 30 days from the date of publication in the *Federal Register* during which either or both Houses of Congress are in session. The final rule that amended 12 CFR part 614 as published in the *Federal Register* on **09/28/2020**, is effective **11/19/2020**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-21/pdf/2020-26619.pdf>. *Federal Register*, Vol. 85, No. 245, 12/21/2020, 82881.
- FCA issued a final rule that amended its investment regulations to authorize Farm Credit System (FCS) associations to purchase in the secondary market and hold as investments, portions of loans that non-FCS lenders originate, and that the United States Department of Agriculture (USDA) fully and unconditionally guarantees or insures as to the timely payment of principal and interest. In accordance with law, the effective date of the final rule is no earlier than 30 days from the date of publication in the *Federal Register* during which either or both House of Congress are in session. The final rule that amended 12 CFR part 615 as published in the *Federal Register* on **10/06/2020**, and corrected on **11/06/2020**, is effective **12/23/2020**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-23/pdf/2020-27144.pdf>. *Federal Register*, Vol. 85, No. 247, 12/23/2020, 83749.
- FCA issued a final rule that amended FCA regulations governing how a Farm Credit bank presents information on its related associations when preparing annual bank financial statements on a stand-alone basis. The final rule provides two presentation options when disclosing related association financial information in an annual bank report: by footnote or attached in a supplement. In accordance with law, the effective date of the rule is no earlier than 30 days from the date of publication in the *Federal Register* during which either or both Houses of Congress are in session. Based on the records of the sessions of Congress, the regulation that amended 12 CFR part 620 published in the *Federal Register* on **10/08/2020**, is effective **12/04/2020**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-05/pdf/2020-27191.pdf>. *Federal Register*, Vol. 86, No. 2, 01/05/2021, 223.

FSA Issues Final Rule Regarding Agricultural Disaster Indemnity Programs.

The Farm Services Agency (FS) issued a final rule regarding two agricultural disaster indemnity programs. In particular, the final rule establishes the Quality Loss Adjustment (QLA) Program to provide assistance to producers who suffered eligible crop quality losses due to hurricanes, excessive moisture, floods, drought, tornadoes, typhoons, volcanic activity, snowstorms, and wildfires occurring in calendar years 2018 and 2019. The final rule also amends the provisions for the Wildfire and Hurricane Indemnity Program Plus (WHIP+) to be consistent with the Further Consolidated Appropriations Act, by adding excessive moisture and drought occurring in 2018 and 2019 as qualifying disaster events and clarifying eligibility of sugar beets. The changes to WHIP+ were self-enacting and were previously implemented by FSA. The final rule is effective **01/06/2021**. Comment are due **03/08/2021**. The final may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-06/pdf/2020-28914.pdf>. *Federal Register*, Vol. 86, No. 3, 01/06/2020, 439-451.



Regulatory Spotlight

Agencies Seek Applications for Various FY 2021 Programs.

- The Rural Business Cooperative (RBC) issued a notice of solicitation of applications (NOSA) for loans and grants under the Rural Microentrepreneur Assistance Program (RMAP) for fiscal year (FY) 2021, subject to the availability of funding. The NOSA has been issued in order to allow applicants sufficient time to leverage financing, prepare and submit applications, and give RBC time to process applications within FY 2021. Successful applications will be selected by RBC for funding and subsequently awarded to the extent that funding may ultimately be made available through appropriations. RMAP provides the following types of support: loan only, combination loan and technical assistance grant, and subsequent technical assistance grants to Microenterprise Development Organizations (MDO). See the NOSA for specific program and application information. Applications are due in the USDA Rural Development State Office no later than 4:30 p.m. (local time) on: First Quarter, **09/30/2020**; Second Quarter, **12/31/2020**; Third Quarter, **03/31/2021**; and Fourth Quarter, **06/30/2021**. The NOSA may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-16/pdf/2020-27627.pdf>. *Federal Register*, Vol. 85, No. 242, 12/16/2020, 81445-81449.
- The Rural Business Cooperative (RBC) announced it is accepting applications for the Value-Added Producer Grant (VAPG) program. Approximately \$19 million is currently available. RBC may also utilize any funding that becomes available through enactment of fiscal year (FY) 2021 appropriations. RBC will publish program funding level on the Rural Development website at: www.rd.usda.gov/programs-services/value-added-producer-grants. Applications are due **03/22/2021**. Electronic applications are permitted via www.grants.gov only and must be received before midnight **03/16/2021**. RBC also issued a correction to the notice to remedy an inadvertent listing of two incorrect amounts of available funds and omitted an option for application submission via electronic mail. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-21/pdf/2020-27986.pdf>. *Federal Register*, Vol. 85, No. 245, 12/21/2020, 83038-83046. The correction may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-04/pdf/2020-29010.pdf>. *Federal Register*, Vol. 86, No. 1, 01/04/2021, 55.
- The Rural Utilities Service (RUS), seeking intent for loan applications under the Rural Energy Savings Program (RESP), announced the application process for those loans and deadlines for applications from eligible entities for funding in fiscal year (FY) 2021, until expended or further notice. To be considered, applications will be accepted immediately. The RESP application process is described in detail pursuant to 7 CFR 1719. A brief recap of the process may be found in the notice. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-15/pdf/2020-27576.pdf>. *Federal Register*, Vol. 85, No. 241, 12/15/2020, 81178-81179.

Agencies Issue Correction to OneRD Guarantee Fees.

The Rural Business-Cooperative Service (RBS), Rural Housing Service (RHS), and Rural Utilities Service (RUS) (collectively, the agencies) published a document on **09/01/2020**, to announce the Guarantee Fee rates, Guarantee Percent for Guaranteed Loans, Periodic Retention Fee, and Fee for Issuance of the Loan Note Guarantee Prior to Construction Completion for FY 2021, to be used when applying for guarantee loans under the mentioned guarantee loan types. The document missed a guarantee percentage specific to the State of Alaska and information regarding collection of the periodic guarantee retention fee. The notice corrects the oversight. The correction may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-07/pdf/2021-00005.pdf>. *Federal Register*, Vol. 86, No. 4, 01/07/2021, 1087-1088.

SEC Issues Accountant Qualification Final Rule.

The Securities and Exchange Commission (SEC) issued a final rule to adopt amendments to update certain auditor independence requirements. The amendments are intended to more effectively focus the independence analysis on those relationships or services that are more likely to pose threats to an auditor's objectivity and impartiality. The final rule is effective **06/09/2021**. See Section II.G of the final rule for further information on transitioning to the final rule. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-11/pdf/2020-23364.pdf>. *Federal Register*, Vol. 85, No. 239, 12/11/2020, 80508-80542.

SEC Issues Final Rule Regarding Use of Derivatives by Registered Investment Companies and Business Development Companies.

SEC adopted a new exemptive rule under the Investment Company Act designed to address the investor protection purposes and concerns underlying section 18 of the Act and to provide an updated and more comprehensive approach to the regulation of funds'



Regulatory Spotlight

use of derivatives and the other transactions the new rule addresses. In addition, SEC adopted new reporting requirements designed to enhance SEC's ability to effectively oversee funds' use of and compliance with the new rule, and to provide SEC and the public additional information regarding funds' use of derivatives. Finally, SEC adopted amendments under the Investment Company Act to allow leveraged/inverse exchange traded funds that satisfy the rule's conditions to operate without the expense and delay of obtaining an exemptive order. SEC, accordingly, has rescinded certain exemptive relief that has been granted to the funds and their sponsors. The final rule is effective **02/19/2020**. Mandatory compliance is **08/19/2022**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-21/pdf/2020-24781.pdf>. *Federal Register*, Vol. 85, No. 245, 12/21/2020, 83162-83298.

SEC Issues Delegation of Authority to Director of the Division of Enforcement.

SEC issued a final rule to revise its regulations with respect to the delegations of authority to the Director of the Division of Enforcement. The revisions are the result of SEC's experience with its nonpublic investigations, litigation in federal court, and disgorgement and Fair Fund plans in administrative and cease-and-desist proceedings instituted by SEC. The revisions are intended to conserve SEC resources and make SEC operations more efficient by delegating to the Director the discretion to take the actions described in the final rule. The final rule is effective **12/29/2020**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-29/pdf/2020-27537.pdf>. *Federal Register*, Vol. 85, No. 249, 12/29/2020, 85512-85514.

SEC Revises Rules of Practice to Require Electronic Filings.

SEC issued a final rule to adopt amendments to its Rules of Practice to require persons involved in SEC administrative proceedings to file and serve documents electronically. The final rule is effective **01/29/2021**, except for Instruction 8 which is effective **07/21/2021**. Compliance with the amended rule is required **04/12/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-30/pdf/2020-25747.pdf>. *Federal Register*, Vol. 85, No. 250, 12/30/2020, 86464-86481.

SEC Issues Final Rule on Good Faith Determination of Fair Value.

SEC adopted a new rule under the Investment Company Act to address valuation practices and the role of the board of directors with respect to the fair value of the investments of a registered investment company or business development company (fund). The final rule provides requirements for determining fair value in good faith for purposes of the Act. The determination will involve assessing and managing material risks associated with fair value determinations; selecting, applying, and testing fair value methodologies; and overseeing and evaluating any pricing services used. The final rule permits a fund's board of directors to designate certain parties to perform the fair value determinations, who will then carry out the functions for some or all of the fund's investments. The designation will be subject to board oversight and certain reporting and other requirements designed to facilitate the board's ability to effectively oversee the party's fair value determinations. The final rule also includes a specific provision related to the determination of the fair value of investments held by unit investment trusts, which do not have boards of directors. The final rule also defines when market quotations are readily available under the Act. SEC has also adopted a separate rule providing the recordkeeping requirements that will be associated with fair value determinations and has rescinded previously issued guidance on the role of the board of directors in determining fair value and the accounting and auditing of fund investments. The final rule is effective **03/08/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-06/pdf/2020-26971.pdf>. *Federal Register*, Vol. 86, No. 3, 01/06/2021, 748-808.

SEC Proposes Modernization of Rules and Forms for Compensatory Securities Offerings and Sales.

SEC proposed amendments to Rule 701 under the Securities Act which provides an exemption from registration for securities issued by non-reporting issuers pursuant to compensatory arrangements, and Form S-8, the Securities Act registration statement for compensatory offerings by reporting issuers. The amendments are designed to modernize the exemption and registration statement in light of the significant evolution in compensatory offerings since SEC last substantively amended the regulations, consistent with investor protection. Comments are due **02/09/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-11/pdf/2020-26390.pdf>. *Federal Register*, Vol. 85, No. 239, 12/11/2020, 80232-80271.

SEC Seeks Comment on Amendments to Alternative Trading Systems.

SEC proposed amendments to Regulation ATS under the Securities Exchange Act for alternative trading systems (ATS). SEC has proposed to amend Regulation ATS for ATS that trade government securities as defined under Section 3(a)(42) of the Exchange Act (government securities) or repurchase and reverse repurchase agreements on government securities (Government Securities ATS)



Regulatory Spotlight

to: (1) eliminate the exemption from compliance with Regulation ATS for an ATS that limits its securities activities to government securities or repurchase and reverse repurchase agreements on government securities, and registers as a broker-dealer or is a bank; (2) require the filing of public Form ATS-G, which would require a Government Securities ATS to disclose information about its manner of operations and the ATS-related activities of the registered broker-dealer or government securities broker or government securities dealer that operates the ATS and its affiliates; (3) require, among other things, public posting of certain Form ATS-G filings and to provide a process for SEC to review Form ATS-G filings and, after notice and opportunity for hearing, declare Form ATS-G filings ineffective; and (4) apply the fair access rule under Rule 301(b)(5) of Regulation ATS to Government Securities ATS that meet certain volume thresholds in U.S. Treasury Securities or in a debt security issued or guaranteed by a U.S. executive agency, or government-sponsored enterprise (Agency Securities). SEC also proposed changes to correct and modernize Regulation ATS, Form ATS, Form ATS-N, and Form ATS-R. In addition, SEC proposed to amend Regulation Systems Compliance and Integrity to apply it to ATS that meet certain volume thresholds in U.S. Treasury Securities or Agency Securities. Finally, SEC issued a concept release on the regulatory framework for electronic platforms that trade corporate debt and municipal securities. Comments are due **03/01/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-31/pdf/2020-21781.pdf>. *Federal Register*, Vol. 85, No. 251, 12/31/2020, 87106-87253.

SEC Proposes Temporary Rule to Include Certain “Platform Workers” in Compensatory Offerings Under Rule 701 and Form S-8.

SEC proposed amendments to the exemption from registration under the rules of the Securities Act for securities issued by non-reporting companies pursuant to compensatory arrangements and to Form S-8, the registration statement for offerings by reporting companies pursuant to employee benefit plans. The amendments would establish a temporary provision under Securities Act rules that, on a trial basis, would permit a non-reporting issuer to offer and sell securities for a compensatory purpose to an expanded group of workers without having to register the offers and sales under the Securities Act, as long as certain conditions are met. Specifically, the proposed amendments would permit the issuer to offer and sell securities to those workers who provide services available through the issuer’s internet-based marketplace platform or through another widespread, technology-based marketplace platform or system (platform workers). The amendments would similarly, on a trial basis, permit a reporting issuer to include such workers in compensatory offerings registered on Form S-8. The proposed amendments would expire, absent further action by SEC, five years from the effective date. SEC also proposed to amend the rules under the Securities Exchange Act. The amendment would extend the exclusion from the definition of “held of record” and corresponding safe harbor, which currently applies to securities held by persons who received them pursuant to an employee compensation plan, to securities held by persons who received them pursuant to a compensation plan for platform workers under the proposed Securities Act rule amendment. The proposed exclusion and safe harbor for securities issued to platform workers under Exchange Act rules would not be temporary. Comments are due **02/09/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-11/pdf/2020-26374.pdf>. *Federal Register*, Vol. 85, No. 239, 12/11/2020, 79936-79963.

CFTC Issues Swap Execution Facility Requirements.

The Commodity Futures Trading Commission (CFTC) issued a final rule to amend certain parts of its regulations relating to the execution of package transactions on swap execution facilities (SEFs) and the resolution of error trades on SEFs. The matters are currently the subject of relief in certain no-action letters from CFTC staff. The final rule is effective **02/16/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-18/pdf/2020-26555.pdf>. *Federal Register*, Vol. 85, No. 244, 12/18/2020, 82313-82332.

CFTC Issues Final Margin Rule.

CFTC issued a final rule to adopt amendments to its margin requirements for uncleared swaps for swap dealers (SDs) and major swap participants (MSPs) for which there is not a prudential regulator (CFTC Margin Rule). CFTC amended the CFTC Margin Rule to revise the calculation method for determining whether certain entities come within the scope of its initial margin (IM) requirements for uncleared swaps beginning in the last phase of the phased compliance schedule, which starts **09/01/2022**, and the timing for compliance with the IM requirements after the end of the phased compliance schedule. The amendments align certain aspects of the CFTC Margin Rule with the Basel Committee on Banking Supervision and the International Organization of Securities Commissions’ Framework for margin requirements for non-centrally cleared derivatives. CFTC also amended the CFTC Margin Rule to allow SDs and MSPs subject to the CFTC Margin Rule to use the risk-based model calculation of IM of a counterparty that is a CFTC-registered SD or MSP to determine the amount of IM to be collected from the counterparty and to determine whether the IM threshold amount



Regulatory Spotlight

for the exchange of IM has been exceeded such that documentation concerning the collection, posting, and custody of IM would be required. The final rule is effective **02/04/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-05/pdf/2020-27736.pdf>. *Federal Register*, Vol. 86, No. 1, 01/04/2021, 229-250.

CFTC Issues Exemptions from Derivatives Clearing Organization Registration.

CFTC issued a final rule to adopt policies and procedures that CFTC will follow with respect to granting exemptions from registration as a derivatives clearing organization (DCO). In addition, CFTC amended certain related delegation provisions in its regulations. The final rule is effective **02/08/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-07/pdf/2020-26527.pdf>. *Federal Register*, Vol. 86, No. 4, 01/07/2021, 949-971.

CFTC Issues Interim Final Rule to Amend Definition of Material Terms.

CFTC issued an interim final rule to adopt, and invite comments on, amendments to the definition of “material terms” to maintain current portfolio reconciliation requirements for swap dealers (SDs) and major swap participants (MSPs) following the effective date of changes to a recently amended CFTC regulation. To maintain the status quo for portfolio reconciliation requirements under § 23.502 and ensure that SDs and MSPs can continue to engage in their required portfolio reconciliation exercises without disruption, in the interim final rule CFTC has copied existing appendix 1 of part 45 as a new appendix 1 to subpart I of part 23, and amended § 23.500(g) to reference appendix 1 to subpart I of part 23 instead of appendix 1 to part 45. By doing so, CFTC will enable SDs and MSPs to avoid having to modify their portfolio reconciliation procedures and practices under § 23.502 despite the changes made by the swap data repositories rule. CFTC has also made technical organizational changes to its regulations to ensure that market participants will continue to engage in portfolio reconciliation exercises in their current manner, without disruption. The interim final rule is effective **01/05/2021**. Comments are due **03/08/2021**. The interim final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-05/pdf/2020-26536.pdf>. *Federal Register*, Vol. 86, No. 2, 01/05/2021, 223-229.

FCC Proposes Process to Submit Information About Violations of the TRACED Act.

The Federal Communications Commission (FCC) issued a proposed rule to implement the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act (TRACED Act) to streamline the process by which private entities may submit information to FCC about violations. FCC proposed to create an online portal located on FCC’s website that the Enforcement Bureau would monitor. FCC believes that the portal will streamline the collection of information pertaining to robocall and spoofing violations, in conformance with section 10(a) of the TRACED Act. FCC proposed that the mechanism will be in addition to, and distinct from, the informal complaint process that the Consumer and Governmental Affairs Bureau manages. FCC anticipates that private entities will use the portal to submit information about suspected robocall or spoofing violations. FCC also seeks comment on alternative or additional methods to streamline the collection of information from private entities for potential enforcement of robocalling or spoofing violations. Comments are due **02/03/2021**. Reply comments are due **02/18/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-04/pdf/2020-28612.pdf>. *Federal Register*, Vol. 86, No. 1, 01/04/2021, 44-47.

NCUA Extends Temporary COVID-19 Related Relief.

The National Credit Union Administration (NCUA) issued a final rule to extend the effective date of its temporary final rule, which modified certain regulatory requirements to help ensure that federally insured credit unions (FICUs) remain operational and can properly conduct appropriate liquidity management to address economic conditions caused by the COVID-19 pandemic. Specifically, the temporary final rule issued by NCUA in April 2020 temporarily raised the maximum aggregate amount of loan participations that a FICU may purchase from a single originating lender to the greater of \$5,000,000 or 200 percent of the FICU’s net worth. The rule also temporarily suspended limitations on the eligible obligations that a federal credit union (FCU) may purchase and hold. In addition, given physical distancing practices necessitated by COVID-19, the rule also tolled the required timeframes for the occupancy or disposition of properties not being used for FCU business or that have been abandoned. Unless extended, each of these temporary modifications expire on **12/31/2020**. Due to the continued impact of COVID-19, NCUA decided it is necessary to extend the effective period of the temporary modifications until **12/31/2021**. The final rule is effective **12/22/2020**. The expiration date of the temporary final rule published on **04/21/2020** (85 FR 22010), is extended through the close of **12/31/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-28279.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83405-83409.



Regulatory Spotlight

NCUA Amends Fees Paid by FCUs.

NCUA issued a final rule to amend its regulation governing assessment of an annual operating fee to federal credit unions (FCUs). First, for purposes of calculating the annual operating fee, the final rule amends the current rule to exclude from total assets any loan an FCU reports under the Small Business Administration's Paycheck Protection Program (PPP) or similar future programs approved for exclusion by NCUA. Second, the final rule deletes from the current regulation references to the Credit Union System Investment Program and the Credit Union Homeowners Affordability Relief Program, both of which no longer exist. Third, the final rule amends the period used for the calculation of an FCU's total assets. Currently, total assets are calculated using the FCU's December 31st Call Report of the preceding year. Under the final rule, total assets will be calculated as the average total assets reported on the FCU's previous four Call Reports available at the time NCUA approves its budget for the upcoming year, adjusted for any excludable programs as determined by NCUA. Finally, the final rule makes some minor technical changes. The final rule is effective **02/01/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-31/pdf/2020-28490.pdf>. *Federal Register*, Vol. 85, No. 251, 12/31/2020, 86797-86803.

NCUA Issues Methodologies for Overhead Transfer Rate and Operating Fee Schedules.

NCUA issued its overhead transfers rate (OTR) and operating fee schedule methodologies. In July 2020, NCUA invited comment on the methodology used to determine OTR. NCUA also requested comment on proposed changes to the methodology it uses to determine how it apportions operating fees charged to federal credit unions. NCUA also proposed to: clarify the treatment of capital project budgets when calculating the operating fees, clarify the treatment of miscellaneous revenues when calculating the operating fees, and modify the approach for calculating the annual inflationary adjustments to the thresholds for the operating fee rate tiers. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-28/pdf/2020-28487.pdf>. *Federal Register*, Vol. 85, No. 248, 12/28/2020, 84376-84388.

NCUA Issues Proposal to Allow FCUs to Purchase Mortgage Servicing Rights from Federally-Insured Credit Unions.

NCUA issued a proposed rule to amend its investment regulation to permit federal credit unions (FCUs) to purchase mortgage servicing rights from other federally-insured credit unions under certain conditions. Under the proposed rule, eligible FCUs may purchase the mortgage servicing rights of loans that the FCU is otherwise empowered to grant, provided the investments are consistent with safety and soundness and made in accordance with the FCU's policies and procedures that address the risk of the investments and servicing practices. Comments are due **02/01/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-31/pdf/2020-28278.pdf>. *Federal Register*, Vol. 85, No. 251, 12/31/2020, 86867-86871.

NCUA Seeks Comment on Revision to Corporate Credit Union Monthly Call Report and Annual Report to Officers.

NCUA seeks comment on call report form, NCUA 5310: Corporate Credit Union Monthly Call Report and Annual Report of Officers. Section 202(a)(1) of the Federal Credit Union Act requires federally-insured credit unions to make reports of condition to NCUA upon dates selected by NCUA. Corporate credit unions report the information monthly on NCUA Form 5310. The financial and statistical information is essential to NCUA in carrying out its responsibility for supervising corporate credit unions. The Federal Credit Union Act specifically requires federal credit unions to report the identity of credit union officials. Section 741.6(a) requires federally-insured credit unions to submit a Report of Officials annually to NCUA containing the annual certification of compliance with security requirements. The branch information is requested under the authority of § 741.6 of the NCUA Rules and Regulations. NCUA utilizes the information to monitor financial conditions in corporate credit unions and to allocate supervision and examination resources. Comments are due **01/21/2021**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-28182.pdf>. *Federal Register*, Vol. 85, No. 246, 12/22/2020, 83625.

NCUA Seeks Comment on Communication and Transparency.

NCUA seeks comment on its communication methods and related initiatives to promote efficiency and increase transparency. NCUA seeks input on how to make its communications with federally-insured credit unions more effective, consistent, and clear to minimize unnecessary regulatory and operation burdens as much as possible and to promote compliance with all applicable laws and



Regulatory Spotlight

regulations. While NCUA's communications are essential to fulfill its statutory mandate, NCUA recognizes the amount of information it provides to credit unions can create challenges and may impose unintended burdens for institutions. NCUA intends to remove outdated, duplicative, and superseded regulatory and supervisory guidance from its website. Additionally, NCUA seeks initiatives that would maximize efficiency and minimize burdens associated with obtaining information on federal laws, regulations, policies, guidance, and other materials relevant to federally insured credit unions. Comments are due **03/09/2021**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-08/pdf/2020-29270.pdf>. *Federal Register*, Vol. 86, No. 5, 01/08/2021, 1532-1533.

Bureau of Indian Affairs Proposes Modernization of Land Title and Records Office.

The Bureau of Indian Affairs (BIA) issued a proposed rule to modernize the current regulations governing the Land Title and Records Office (LTRO). The LTRO maintains title documents for land held in trust or restricted status for individual Indians and Tribes (Indian land). The proposed rule would replace outdated provisions and allow for more widespread efficiencies by reflecting current practices, while creating a framework for future LTRO operations. Comments are due **02/09/2021**. The proposed rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-11/pdf/2020-26721.pdf>. *Federal Register*, Vol. 85, No. 239, 12/11/2020, 79965-79972.

FASAB Seeks Comment on Annual Report and Three-Year Plan.

The Federal Accounting Standards Advisory Board (FASAB) issued its Annual Report for Fiscal Year (FY) 2020 and Three-Year plan. The report and plan are available on the FASAB website at: <https://www.fasab.gov/our-annual-reports/>. Respondents are encouraged to comment on the content of the annual report, FASAB's project priorities for the next three years, and the potential projects FASAB will consider moving forward. Comments are due **01/21/2021**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-15/pdf/2020-27566.pdf>. *Federal Register*, Vol. 85, No. 241, 12/15/2020, 81206.

DOL Amends Fiduciary Duties Regarding Proxy Voting and Shareholder Rights.

The Department of Labor (DOL) issued a final rule to amend the "Investment Duties" regulation to address the application of the prudence and exclusive purpose duties under the Employee Retirement Income Security Act (ERISA) to the exercise of shareholder rights, including proxy voting, the use of written proxy voting policies and guidelines, and the selection and monitoring of proxy advisory firms. The final rule also removes Interpretive Bulletin 2016-01 from the Code of Federal Regulations as it no longer represents the view of DOL regarding the proper interpretation of ERISA with respect to the exercise of shareholder rights by fiduciaries of ERISA-covered plans. The final rule is effective **01/15/2021**. See the final rule for dates of applicability. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2020-12-16/pdf/2020-27465.pdf>. *Federal Register*, Vol. 85, No. 242, 12/16/2020, 81658-81695.

DOL Issues Final Rule Regarding Independent Contractor Status Under Fair Labor Standards Act.

DOL issued a final rule to revise its interpretation of independent contractor status under the Fair Labor Standards Act (FLSA) to promote certainty for stakeholders, reduce litigation, and encourage innovation in the economy. The final rule adopts general interpretations to which courts and DOL have long adhered. For example, the final rule explains that independent contractors are workers who, as a matter of economic reality, are in business for themselves as opposed to being economically dependent on the potential employer for work. The final rule also explains that the inquiry into economic dependence is conducted by applying several factors, with no one factor being dispositive, and that actual practices are entitled to greater weight than what may be contractually or theoretically possible. The final rule sharpens the inquiry into five distinct factors, instead of the five or more overlapping factors used by most courts and DOL previously. The regulatory guidance promulgated in the final rule regarding independent contractor status under FLSA is generally applicable across all industries. The final rule is effective **03/08/2021**. The final rule may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2021-01-07/pdf/2020-29274.pdf>. *Federal Register*, Vol. 86, No. 4, 01/07/2021, 1168-1248. ■



Compliance Notes

▲ SBA has released several Procedural Notices regarding the most recent round of PPP loan programs. Below is a listing of the notices. The recently released interim final rules may be found in the Regulatory Spotlight section of this publication.

- January 13, 2021: First Draw PPP Loan Increases After Enactment of the Economic Aid Act: www.sba.gov/sites/default/files/2021-01/5000-20076-508.pdf
- January 15, 2021: PPP Excess Loan Amount Errors: www.sba.gov/sites/default/files/2021-01/5000-20078-508.pdf
- January 15, 2021: PPP Borrower Resubmission of Loan Forgiveness Applications Using Form 3508S, Lender Notice Responsibilities to PPP Borrowers, and Offset of Remittance to Lenders for Lender Debts: www.sba.gov/sites/default/files/2021-01/5000-20077-508.pdf
- January 17, 2021: PPP How to Calculate Maximum Loan Amounts for First Draw PPP Loans and What Documentation to Provide – By Business Type: www.sba.gov/sites/default/files/2021-01/PPP%20--%20How%20to%20Calculate%20Maximum%20Loan%20Amounts%20for%20First%20Draw%20PPP%20Loans%20and%20What%20Documentation%20to%20Provide%20%E2%80%93%20By%20Business%20Type%20%281.17.2021%29.pdf
- January 19, 2021: Second Draw PPP Loans: How to Calculate Revenue Reduction and Maximum Loan Amounts Including What Documentation to Provide: www.sba.gov/sites/default/files/2021-01/Second%20Draw%20PPP%20Loans%20--%20How%20to%20Calculate%20Revenue%20Reduction%20and%20Maximum%20Loan%20Amounts%20Including%20What%20Documentation%20to%20Provide%20%281.19.2021%29.pdf

▲ FinCEN, jointly with FRB, FDIC, OCC, NCUA, and in consultation with staff of certain other federal functional regulators, issued FAQs regarding SARs and other AML considerations for financial institutions covered by SAR rules. The FAQs clarify the regulatory requirements related to SARs to assist such financial institutions with their compliance obligations, while enabling financial institutions to focus resources on activities that produce the greatest value to law enforcement agencies and other government users of BSA reporting. The FAQs neither alter existing BSA/AML legal or regulatory requirements, nor establish new supervisory expectations. The FAQs may be viewed at: www.fdic.gov/news/financial-institution-letters/2021/fil21005a.pdf

▲ IRS issued the 2021 standard mileage rates to be used to calculate the deductible costs of operating an automobile for business, charitable, medical, or moving purposes. Beginning **01/01/2021**, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be: 56 cents per mile driven for business use, 15 cents per mile driven for medical, or moving purposes for qualified active-duty members of the armed forces, and 14 cents per mile driven in service of charitable organizations. Information about the rate and related information may be found in IRS NOTICE 2021-02, which may be viewed at: www.irs.gov/pub/irs-drop/n-21-02.pdf

▲ On **12/21/2020**, FHA announced the extension of its foreclosure and eviction moratorium for single-family FHA-issued mortgages through **02/28/2021**. In its notice, FHA also announced the extension through **02/28/2021**, for the deadline for single family borrowers with FHA-insured mortgages to request an initial COVID-19 forbearance from their mortgage servicer to defer or reduce their mortgage payments for up to six months, which can be extended for an additional six months. FHA has also extended: (a) the timeframe for providing an insurance endorsement on single family mortgages in forbearance through **03/31/2021**, (b) temporary re-verification of employment guidance and exterior-only appraisal inspection option through **02/28/2021**, and (c) temporary provisions for verification of self-employment, rental income, and 203(k) Rehabilitation Mortgage escrow accounts through **02/28/2021**.

On **01/21/2021**, FHA announced the extension of its foreclosure and eviction moratorium for FHA-insured single family mortgages or guaranteed by the Office of Native American Programs' Section 184 and 184A loan guarantee programs through **03/31/2021**. The moratorium applies to the initiation of foreclosures and foreclosure-related evictions for HUD-insured or guaranteed single family forward and reverse mortgages, except for those secured by legally vacant and abandoned properties. Further, mortgage servicers are required to provide up to six months of COVID-19 forbearance when a borrower experiencing a financial hardship due to COVID-19 requests the assistance, and up to an additional six months of COVID-19 forbearance for a borrower who requests an extension of the initial forbearance. and to foreclosures in process. The January announcement does not seem to change the other effective dates for non-foreclosure and non-eviction related timelines provided in FHA's December notice, as highlighted above. The December and January announcements may be viewed at the following links, respectively: www.hud.gov/press/press_releases_media_advisories/HUD_No_20_214 and www.hud.gov/press/press_releases_media_advisories/HUD_No_20_214



Compliance Notes

▲ IRS has updated its FAQs regarding the latest round of Economic Impact Payments (EIPs). The update also include details of how to use its Get My Payment tool. IRS also announced the start of sending approximately eight (8) million EIPs by prepaid debit card. The EIP cards follow the millions of payments already made by direct deposit and the ongoing mailing of paper checks. The cards were to be sent in a white envelope that prominently displays the US Treasury seal. The card has the VISA name on the front of the card and the issuing bank name, MetaBank, N.A., on the back of each card. Each mailing includes instructions on how to securely activate and use the card. The IRS release shares an images of the card, and may be found at: <https://home.treasury.gov/news/press-releases/sm1229> The IRS FAQ update may be viewed at: www.irs.gov/coronavirus/get-my-payment-frequently-asked-questions#paymentnot

▲ The new administration has issued a memo to announce a regulatory freeze pending review. Such a review is typical when there has been a change in administration. The pause allows new agency leadership to review pending or recently finalized final rules. The notice may be viewed at: www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/regulatory-freeze-pending-review/

▲ OCC announced its 2021 schedule of free, virtual workshops for board of directors of national banks and federal savings associations. The OCC examiner-led workshops provide practical training and guidance to directors of national community banks and federal savings associations in a virtual learning environment to support the safe and sound operation of community-based financial institutions. The announcement may be viewed at: www.occ.gov/news-issuances/news-releases/2021/nr-occ-2021-9.html

▲ CFPB's Taskforce on Federal Consumer Financial Law has released a report which includes recommendations on how to improve consumer protection in the financial marketplace. The taskforce used five interrelated principals that serve as the foundation for proposed systemic changes to the current legal and regulatory framework, consumer protection, information and education, competition and innovation, regulatory modernization and flexibility, and inclusion and access. Chartered in January 2020, the taskforce examined the existing legal and regulatory environment facing consumer and financial service providers. The report may be viewed at: www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureaus-taskforce-on-federal-consumer-financial-law-releases-its-report/

▲ FHFA has released its third quarter 2020 *Foreclosure Prevention and Refinance Report*. The report shows that Fannie Mae and Freddie Mac (collectively, the Enterprises) completed 539,451 foreclosure prevention actions in 2020 third quarter. The report also outlines:

(a) Forbearance: newly initiated forbearance dropped significantly 231,000 from 1.5 million in the 2020 second quarter. The total number of loans in forbearance plans at the end of the quarter was 1 million, representing approximately 3.66 percent of the total loan serviced and 79 percent of total delinquent loans.

(b) Mortgage Performance: the 60+ days delinquency rate decreased from 4.08 percent at the end of the second quarter to 3.58 percent at the end of the third quarter. Overall, delinquency rates remained much higher than pre-coronavirus rates due to the forbearance programs being offered to borrowers affected by the pandemic. The Enterprises' serious (90 days or more) delinquency rate jumped to 3.14 percent at the end of the third quarter. This compared with 10.76 percent for FHA loans, 5.77 percent for VA loans, and 5.16 percent for all loans (industry average). Foreclosure starts decreased 10 percent from 7,551 in the second quarter to 6,809 in the third quarter of 2020. Refinances: increased to 1.8 million in the third quarter, from 1.5 in the first quarter of 2020. REO inventory decreased 25 percent in 3Q2020.

The report may be viewed at: www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Releases-3rd-Quarter-Foreclosure-Prevention-and-Refinance-Report.aspx

▲ OCC also released third quarter 2020 mortgage metrics in its *OCC Mortgage Metrics Report, Third Quarter 2020*. The report showed that 92.5 percent of mortgages included in the report were current and performing at the end of the quarter, compared to 96.4 percent a year earlier. The percentage of seriously delinquent mortgages (mortgages that are 60+ days past due and all mortgages held by bankrupt borrowers whose payments are 30+ days past due) was 5.8 percent in the third quarter of 2020, compared to 6.8 percent in the prior quarter and 1.5 percent a year ago.

Servicers initiated 369 new foreclosures during the third quarter of 2020, a 48.2 percent increase from the previous quarter and a 98.3 percent decrease from a year ago. Events associated with the COVID-19 pandemic, including foreclosure moratoriums, caused significant decreases in these metrics.



Compliance Notes

Servicers completed 14,097 mortgage modifications in the third quarter of 2020, and 40.8 percent of the modifications reduced borrowers' monthly payments. Of these 14,097 modifications, 10,050, or 71.3 percent, were "combination modifications" meaning the modifications included multiple actions affecting affordability and sustainability of the loan, such as an interest rate reduction and a term extension. Among the 10,050 combination modifications completed during the quarter, 78.1 percent included capitalization of delinquent interest and fees, 69.9 percent included an interest rate reduction or freeze, 54.4 percent included a term extension and 47.4 percent included principal deferral. Of the modifications with a single action, 3,692 or 91.9 percent received a term extension.

The first-lien mortgages included in OCC's quarterly report comprise 27 percent of all residential mortgage debt outstanding in the United States or approximately 14.4 million loans totaling \$2.87 trillion in principal balances. The report provides information on mortgage performance through **09/30/2020**. The report may be viewed at: www.occ.gov/news-issuances/news-releases/2020/nr-occ-2020-172.html ■

Are you a WBA member with a compliance question?

Contact the WBA Legal Call Program

This WBA member-exclusive program provides information in response to compliance questions.
call: 608-441-1200



Conferences | Summits

Schools | Boot Camps

Seminars | Workshops

WBA Webinars

Other Events

JANUARY 2021

- **Community Bankers for Compliance (CBC) – Session I**
26-27 Virtual – 2021 Membership/Pricing Options Vary
- **Branch Manager Boot Camp: Managing a Successful Branch (1 of 4 sessions)**
27 Virtual Half-Days – \$800/attendee, includes 4 sessions

FEBRUARY 2021

- **Bank Executives Conference**
1-3 Virtual - \$795/bank, includes up to 10 attendees
- **Compliance Forum: Session 3**
23-24 Virtual – Membership/Pricing Options Vary
- **Branch Manager Boot Camp: Leading Service Excellence (1 of 4 sessions)**
27 Virtual Half-Days – \$800/attendee, includes 4 sessions

MARCH 2021

- **Loan Compliance School**
8-12 Wisconsin Dells or Virtual – \$1,295/attendee
- **Real Estate Compliance School**
10-12 Wisconsin Dells or Virtual – \$795/attendee
- **Call Report Review & Update Workshop**
18-19 Virtual Half-Days – \$295/attendee
- **American Mortgage Conference**
23 Virtual – \$250/attendee
- **Security Officer Workshops**
23-24 Virtual Half-Days – \$175/attendee
- **Branch Manager Boot Camp: Business Development (1 of 4 sessions)**
24 Virtual Half-Days – \$800/attendee, includes 4 sessions
- **Advanced IRA Workshop**
30 Virtual – \$245/attendee

APRIL 2021

- **Agricultural Bankers Conference**
7-8 Wisconsin Dells or Virtual – \$300/ag section member; \$350/non-section member banker
- **FIPCO Software & Compliance Forum: Deposit**
14-15 TBD

APRIL 2021 *continued*

- **Introduction to Commercial Lending School**
19-21 Madison – \$795/attendee
- **Power of Community Week**
19-24 www.wisbank.com/BanksPowerWI
- **Branch Manager Boot Camp: Maintaining Superior Team Performance (1 of 4 sessions)**
21 Virtual Half-Days – \$800/attendee, includes 4 sessions
- **Women in Banking Conference**
26 Wisconsin Dells or Virtual – \$250/each first two attendees; \$195/each additional attendee
- **Community Bankers for Compliance (CBC) – Session II**
27 Stevens Point – Membership/Pricing Options Vary
28 Madison – Membership/Pricing Options Vary
- **Residential Mortgage Lending School**
27-30 Madison – \$1,045/attendee
- **Principles of Banking Course**
TBD Locations TBD - \$550/attendee

MAY 2021

- **Personal Banker School**
4-5 Wausau/Rothschild – \$495/attendee
- **Compliance Management School**
4-6 Madison or Virtual – \$795/attendee
- **School of Bank Management**
10-14 Madison – \$1,395/attendee
- **Trust Conference**
18 Madison – \$220/Trust Section member; \$245/non-section member banker
- **Credit Analysis Boot Camp**
20-21 Madison – \$495/attendee

KEY: Color-Coded Event Descriptions...

- **Conferences|Summits** – One or more days, based on hot topics, industry news and best practices; scheduled time for peer networking.
- **Schools|Boot Camps** – Focused on a particular area of banking, allowing for a deep dive into that focused area over the course of two to six days.
- **Workshops|Seminars** – One-day programs, sometimes in multiple locations, focused on a specific topic or area of banking.
- **WBA-Hosted Webinars** – Two-hour webinars instructed with a particular focus on Wisconsin state law and rules.
- **Other Events**.