June 2021

Compliance Update

Community Bankers for Compliance Newsletter

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SAR Information & Tips from the Experts

By Terri Klemann; Consultant

While attending a continuing education webinar, information was shared that we believe will be beneficial to our bankers. The presenters were a panel of experts at the Financial Crimes Enforcement Network (FinCEN) that investigate Suspicious Activity Reports (SARs) filed by bankers.

Contrary to what many may think, the experts are not cloistered in a building in DC hunched over their computers. There are numerous SAR review team coordinators scattered across the country that are responsible for SARs submitted within their designated districts. When SARs are received and downloaded, they are shared with coordinators and the decision is made on which SAR merits additional investigation. They have heard the banker's line of thinking that our "common" SARs matter little, or that FinCEN is not interested in small-dollar SARs. It is a fact that some districts will set dollar thresholds for investigations to proceed on certain types of filings, but they noted a recent case where information from a $12,000 SAR matched pieces of information on other SARs filed by other banks, and which turned out to be a key piece to a large, ongoing investigation.

Interestingly, districts may investigate SARs related to specific areas – i.e., drugs and the opioid crisis, national security, human trafficking – while others focus on elder abuse. A team close to Washington, DC is investigating government waste fraud, abuse by government employees, charitable organizations, and political action committees. District investigators are comprised of "agents" from local police, the Drug Enforcement Administration (DEA), or the Internal Revenue Service (IRS). Because some districts have so many agents, they can handle multiple-layered cases.

Some helpful tips that were shared:

- Team leaders stressed the importance of banks using an internal SAR affidavit/referral

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form. They said the forms are invaluable and a case may actually be made or broken by this simple documentation (or lack of it). Key evidence to a case could include an employee-signed "affidavit"/referral form that details dated conversations between suspects and bank employees, or employee-described details memorialized while memories are fresh. Without that documentation, a case could be lost if the employee does not remember some/all details six months (or longer) from the time of filing or has left the employment of the bank.

- Advice was given on how to begin a SAR narrative. One problem the team leaders have is that a narrative may describe transactions or activity without being obvious about what was suspicious. They encouraged bankers to begin narratives by saying, for example, "We believe we found elder abuse fraud or structuring or _____ (fill in the blank)." It helps them if you make the suspicious activity "pop" instead of burying it within a narrative. You tell them what you think you found, and they will take it from there.
- Bankers have questioned whether they should report single instances of COVID CARES Act or other COVID-related fraud or should it all be reported on one SAR. One leader found single reports beneficial while another team leader has agents responsible for COVID "Super SARs" where multiple instances of suspected COVID fraud are reported.
- They all requested that SAR narratives NOT BE TYPED IN CAPS. Some attending bankers quickly messaged the webinar coordinators that for them, capitalized narratives could not be helped, it was a FinCEN software issue, so leaders agreed to discuss it with FinCEN technical support.
- They agreed that bankers should not assume FinCEN investigators or law enforcement are all knowing, because bankers often know more about a certain financial crime and their customers than the investigators do, and our insight and knowledge is valuable to them. Which leads to this last bit of advice.

I contacted one of the presenters for clarification concerning their recommendation for bankers to utilize their "tip" line. Ms. Gibbons stated that the tip line should be used when there are SARs a financial institution believes, based on your experience and intuition, deserve a closer look by law enforcement. She stressed they are not looking for one particular type of activity.

Some factors that may indicate a closer look is warranted:

- Successive SAR filings
- Indications the suspect knows their conduct is wrong, has been informed that their activity is suspicious (not that a SAR would be/was filed), especially if they continue doing something after being told
- Abuse of positions of trust
- If structuring is the basis for filing, and some other activity is being conducted in addition to structuring

As we often caution our bankers, Ms. Gibbons said it is that activity that you know is bigger "when you see it" a.k.a. your gut instinct.

The template below illustrates how contact information should be provided through the tip line. ❑

EDVA Email Tip Line

usavae.sars@usdoj.gov

Email Template

Send | To: usavae.sars@usdoj.gov | CC: | Subject: 3100000000001, NOVA

John Doe
Head of AML
National Bank
500 Main Street | Alexandria, VA
Telephone: 555.555.5555
Email: **John.Doe@NationalBank.com**

2020 FDIC Most Cited Examination Violations

By Karen Clower, CRCM; Director of Compliance

In last month's newsletter, there was an article titled "2020 FDIC Examination Violations" that gave an overview of the most frequently cited violations found during FDIC examinations in 2020. This article expands on that article and provides further details into the specific violations.

In the FDIC's March 2021 *Consumer Compliance Supervisory Highlights* publication, there is an article that discusses some of the most significant violations found during FDIC examinations in 2020. The issues involve the Real Estate Settlement Procedures Act (RESPA), Truth in Lending Act (TILA), and fair lending.

Real Estate Settlement Procedures Act (RESPA)

RESPA provides consumers with disclosures related to the home purchase and settlement process and prohibits certain real estate settlement practices. Section 8(a) of RESPA prohibits giving or accepting a thing of value for the referral of settlement service business involving a federally related mortgage loan.

In general, a RESPA Section 8(a) violation would exist if all three of the following occur:

- There is the payment or acceptance of a fee, kickback, or thing of value. A "thing of value" is a broad term. Cash is one "thing of value," but it could also include instances where a bank pays for another company's marketing or advertising services.
- There is an agreement to refer settlement services. An agreement does not need to be formal or written. In fact, it is rare to find a formal, written agreement to make referrals.
- There is an actual referral. A referral includes any action that has the effect of affirmatively influencing a person to select a particular settlement service provider. A referral can also occur whenever a person paying for a settlement service is required to use a particular provider of a settlement service.

RESPA findings

In 2020, the FDIC identified RESPA violations involving illegal kickbacks, disguised as above-market payments for lead generation, marketing services, and office space or desk rentals.

With these violations, the big question was whether the settlement service provider was paying for a lead (which is generally acceptable) or paying for a referral (which is prohibited). Therefore, examiners looked at whether the person providing the lead/referral was merely giving information about a potential borrower (generally acceptable) to the settlement service provider or was steering the consumer to select a certain provider (prohibited).

Mitigating RESPA risk

The FDIC provided the following risk-mitigating activities to consider when complying with RESPA:

- Provide training to executives, senior management, and staff responsible for and involved in mortgage lending operations.
- Perform due diligence when considering new third-party relationships or any individuals employed at or under contract to the bank, that generate leads or identify prospective mortgage borrowers.
- Develop a monitoring process for identifying, assessing, documenting, and reporting risks to executive and senior management.

Truth in Lending/Real Estate Settlement Procedures Integrated Disclosure (TRID) Rule

The TRID Rule replaced the RESPA Good Faith Estimate and HUD-1 Settlement Statement and Truth in Lending disclosures (estimated and final) with two documents – the Loan Estimate (LE) and Closing Disclosure (CD). The LE is intended to help consumers understand the key features, estimated costs, and risk of the mortgage loan they are applying for. The CD is supposed to help consumers understand the actual costs of the transaction and provide them with the opportunity to review costs and resolve any problems before closing.

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Under the TRID Rule, a creditor must provide the consumer with a "good faith estimate" of the settlement costs in the LE. If any information is unknown at the time the LE is provided, the creditor must make the disclosure based on the "best information reasonably available" at the time the disclosure is provided. This standard requires that the creditor, acting in good faith, exercise due diligence in obtaining this information.

TRID findings

In 2020, the FDIC identified instances where lenders extending Veterans Administration (VA) loans failed to comply with the "best information reasonably available" and due diligence standards by issuing LEs based on unavailable interest rates and loan terms. Additionally, potentially deceptive practices were noted when institutions represented certain terms for loans that were not generally available.

Mitigating TRID risk

The FDIC provided the following risk-mitigating measures that institutions may consider and find useful:

- Provide training to executives, senior management, and staff responsible for and involved in mortgage lending operations.
- Establish effective policies and procedures to assist staff in complying with regulatory requirements when carrying out activities such as preparing disclosures.
- Consider implementing a centralized process to complete or review disclosures to ensure accuracy.

Fair lending

As part of every consumer compliance examination, the FDIC conducts a fair lending review. A fair lending review evaluates the institution's compliance with the antidiscrimination laws and regulations, including the Equal Credit Opportunity Act (ECOA)/Regulation B and the Fair Housing Act (FHA). While most institutions maintain effective compliance programs, examiners occasionally identify violations. In rare cases when there is reason to believe that a creditor is engaged in a pattern or practice of discrimination in violation of the ECOA, the FDIC is required by law to refer the matter to the Department of Justice (DOJ). In 2020, the FDIC referred three fair lending matters to the DOJ.

Fair lending findings

In one matter referred to the DOJ in 2020, the institution originated unsecured loans through third-party partners. In general, the third party operated the website through which applicants could directly apply for credit. The institution's underwriting criteria for these online applications was reviewed and found to include prohibited bases of age and the receipt of public assistance income. If the applicant was under the age of 30, the application was denied. Separately, applicants had to select their source of income from a dropdown menu. The menu included options such as: "employment," "social security," and "pension." If the applicant chose any option other than "employment," the application was denied. For example, if the consumer selected "social security" from the menu, the application would be denied. Social Security is a source of public assistance income which is a prohibited basis for discrimination under the ECOA and Regulation B.

Another case involved an institution that used credit-scoring models developed by a third party for consumer unsecured lines of credit. One of the credit-scoring models scored younger applicants more favorably than elderly applicants. The credit model also scored applicants less favorably if they noted on their application that they were on maternity leave. Another model assigned less favorable scores based on whether the applicant relied on public assistance income as compared to income from employment. Collectively, this resulted in applicants being treated differently on the prohibited basis of age, sex, and the receipt of public assistance income.

In the third matter referred to the DOJ in 2020, a policy that provided a different pricing method for married joint applicants than for unmarried joint applicants was identified. If the applicants were married, the institution's policy stated that the loan officer should use the highest credit score of the two applicants to price the loan. If unmarried, the primary applicant's credit score was used. The institution considered the main applicant to be the person listed first on the credit application. The institution had a tiered scoring system with higher loan rates for applicants with lower credit scores and lower loan rates for applications with higher credit scores. Because married applicants were priced using the highest credit score and unmarried applicants using the "main"

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applicant's score, the effect of this policy was to price applicants differently on the prohibited basis of marital status. Examiners identified unmarried co-applicants who received less favorable pricing than similarly situated married applicants because of the institution's policy.

Mitigating fair lending risks

Including a prohibited basis for discrimination in a credit policy presents a significant risk of violating a federal fair lending law. Financial institutions should consider regularly reviewing credit policies to ensure compliance with the ECOA and Regulation B. A strong compliance management system helps ensure financial institutions treat consumers fairly by operating in compliance with fair lending laws. The FDIC provided the following steps to consider to further mitigate fair lending risks:

- Maintain written policies and procedures that include information for lending staff to reference when applying credit decision criteria and determining whether borrowers are creditworthy.
- Review any filters or other criteria used for online leads, website applications, or credit scoring models.

The March 2021 *Consumer Compliance Supervisory Highlights* publication can be found at

https://www.fdic.gov/regulations/examinations/consumer-compliance-supervisory-highlights/documents/ccs-highlights-march2021.pdf. ❑

FDIC Settles with Umpqua Bank for UDAAP Violations

By Sharon Bond, CRCM; Consultant

Umpqua Bank (Roseburg, OR) has paid a civil money penalty of $1,800,000 following a determination by the Federal Deposit Insurance Corporation (FDIC) that the bank engaged in violations of Section 5 of the Federal Trade Commission Act (FTC Act) in the commercial finance and leasing products issued by its wholly owned subsidiary, Financial Pacific Leasing, Inc. (FinPac).

The FDIC determined that FinPac's collection fee practices were unfair and deceptive. Specifically, FinPac charged various undisclosed collection fees to borrowers whose accounts were past due, such as collection call and letter fees, and third-party collection fees.

The FDIC also determined that certain collection practices at FinPac were unfair and deceptive. FinPac engaged in excessive and sequential collection calls to customers, even when customers requested that FinPac stop the calls. FinPac also disclosed information about the customers' debts to third parties. Lastly, FinPac advised borrowers that they would report delinquencies on commercial debt to the consumer reporting agencies when its policy and practice was not to report such delinquencies to the consumer reporting agencies.

Umpqua Bank agreed to the issuance of the order without admitting or denying these violations. In addition, the bank voluntarily paid restitution totaling approximately $1,628,000 to the 16,902 customers who were charged the undisclosed collection fees.

Lessons for other bankers

Bankers, we have not seen one of these fines in a long time so we thought we would share this article with you. Section 5 of the FTC Act relates to unfair or deceptive acts or practices in or affecting commerce, which we all know as UDAAP. Please make note of the practices above and make sure that your bank is not doing any of the things mentioned. Most banks collect their own debts from their customers rather than for other lenders so the Fair Debt Collection Practices Act (FDCPA) does not apply to them. However, the FTC Act's rules are prudent guidelines that all should follow. And remember, UDAAP does apply to your bank.

No bank wants to see its name in this type of article.

For more information regarding the settlement, please visit the Order to Pay Civil Money Penalty at https://www.fdic.gov/news/press-releases/2021/pr21042a.pdf?source=govdelivery&utm_medium=email&utm_source=govdelivery. ❑

FRB Extends Regulation O PPP Rule Again

The Federal Reserve Board (FRB) announced the third extension of a rule amending Regulation O to boost the effectiveness of the Small Business Administration's (SBA) Paycheck Protection Program (PPP). Like the earlier extensions, this one will temporarily modify the FRB's rules so that certain bank directors and shareholders can apply to their banks for PPP loans for their small businesses.

The rule extension, which is effective immediately, applies to PPP loans made from March 31 through June 30, 2021. The rule change will continue to apply if the PPP is extended, with the change ultimately sunsetting on March 31, 2022. Comments will be accepted until July 6, 2021. The Interim Final Rule (with request for comment) may be read at https://www.govinfo.gov/content/pkg/FR-2021-05-21/pdf/2021-10711.pdf. ❑

CFPB Adds TRID FAQs

The Consumer Financial Protection Bureau (CFPB) has added five new Frequently Asked Questions (FAQ) relating to housing assistance loans to its TRID FAQs page.

The new FAQs explain how the Building Up Independent Lives and Dreams (BUILD) Act affects the TRID rule requirements for certain housing assistance loans. The new FAQ category titled "Housing Assistance Loans" is comprised of the following questions (with answers from the CFPB):

1. Are housing assistance loans covered by the TRID rule? (Generally, yes.)
2. What are the criteria for the Regulation Z Partial Exemption from the Loan Estimate and Closing Disclosure requirements? (Details given.)
3. What are the criteria for the BUILD Act Partial Exemption from the Loan Estimate and Closing Disclosure requirements? (Details given.)
4. If a creditor opts for one of the partial exemptions, from which disclosure requirements is the transaction exempt? (Details given.)
5. Can a creditor provide the Loan Estimate and Closing Disclosure for a loan that qualifies for the BUILD Act Partial Exemption? (Yes.)

The new "Housing Assistance Loans" FAQs are available at https://www.consumerfinance.gov/compliance/compliance-resources/mortgage-resources/tila-respa-integrated-disclosures/tila-respa-integrated-disclosure-faqs/#housing-assistance-loans. ❑

Agencies Release Host State LTD Ratios

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

The Federal Deposit Insurance Corporation (FDIC), Federal Reserve Board (FRB), and Office of the Comptroller of Currency (OCC) issued host state loan-to-deposit (LTD) ratios that the banking agencies will use to determine compliance with Section 109 of the Riegle-Neal Interstate Banking Efficiency Act of 1994 (Interstate Act). The test will be applied during routine compliance or Community Reinvestment Act (CRA) examinations.

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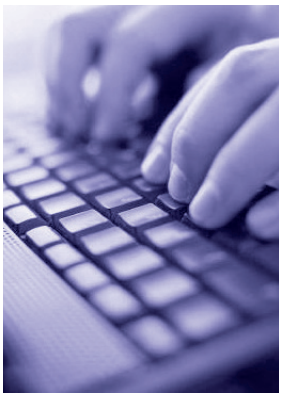

Federal Deposit Insurance Corporation
http://www.fdic.gov

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

Federal Reserve
http://www.federalreserve.gov

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

Federal Financial Instutions Examination Council
http://www.ffiec.gov

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

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

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

Background

The FRB, OCC and the FDIC approved final rules in October 1997 regarding interstate branching to assure that an interstate bank's branches in states other than its home state meet the credit needs of the communities served by those offices. The coverage of these rules was extended, effective October 1, 2002, to banks controlled by out-of-state holding companies, implementing statutory changes in the Gramm-Leach-Bliley Act (GLBA). The regulations implementing the Interstate Act rules are an extension of the regulation implementing CRA.

The Interstate Act generally provides expanded authority for U.S. and foreign banks to establish or acquire interstate offices beginning June 1, 1997. One section prohibits such branching if the primary purpose of the interstate branch(es) would be to accept deposits rather than serve the credit needs of a community. In other words, "deposit production offices," to siphon funds from the host state to make loans in the bank's home state, are not permitted.

Branches covered by this provision do not include those established under different laws, such as a national bank moving its headquarters under the 30-mile rule, even across state lines, and retaining the old office as a branch.

Testing compliance

Section 109 of the Interstate Act provides a two-step process to test compliance with the statutory requirements.

- The first step in this process is that the supervisory agencies will perform an LTD ratio screen to compare a bank's statewide LTD ratio to the host state LTD ratio. If the bank's statewide ratio in a state is at least one-half of the published host state LTD ratio, the bank complies with Section 109.

  For example, an Ohio-based bank or an Indiana bank controlled by an Ohio holding company – that operates a branch(es) in Indiana must lend out 44.5 percent of its Indiana deposits to borrowers there, or half the 89 percent average of that state's (Indiana) local banks.

- If the bank's ratio is less than 50 percent of the host state LTD ratio, the second step requires the agencies to determine if the bank is reasonably helping to meet the credit needs of the communities served by its interstate branch(es).

A bank that fails both steps is in violation of Section 109 and subject to sanctions by the agencies. The sanctions can include the agency ordering that the interstate branch(es) be closed.

States dominated by community banks consistently have lower ratios nationwide. Observers note that branching into these states will be made somewhat easier by these low ratios. Community banks tend to have lower LTD ratios because their funding for loans still comes predominately from deposits rather than capital markets.

Host state LTD ratio

The agencies calculate the host state LTD ratios using data from the Call Reports and Summary of Deposit reports, as of June 30 each year. The latest ratios are based on June 30, 2020 data. Because lending data is not reported geographically and the agencies are forbidden by Congress from imposing an additional regulatory burden to get this information, the agencies use a proxy to estimate the host state ratios.

The host state LTD ratio is calculated by first determining the percentage of the home state bank's total deposits attributable to branches located in its home state (from the Summary of Deposits) and applying this percentage to the bank's total domestic loans (from the Call Report) to estimate the amount of loans attributable to the home state. The host state LTD ratio is then calculated by separately totaling loans and deposits for the home state banks, and then dividing the sum of the loans by the sum of the deposits.

The five highest, and the five lowest, host state LTD ratios among states and the District of Columbia (not including territories) are shown in the following table.

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Host State Loan-To-Deposit Ratios

Highest		Lowest	
State/Territory	LTD ratio	State/Territory	LTD ratio
New Jersey	102%	Delaware	51%
Maryland, Michigan	97%	South Dakota	61%
New Hampshire	96%	Wyoming	63%
Maine, Rhode Island	94%	New Mexico, North Carolina,	64%
Idaho, Massachusetts, Pennsylvania	93%	Colorado	71%

Source: FDIC, FRB, OCC

Credit card banks and banks designated as limited purpose or wholesale banks under CRA were excluded from the host state LTD calculations. The agencies understand that these banks could have very large loan portfolios, but may have few deposits. Beginning in 2001, special purpose banks, including bankers' banks, were excluded because these banks do not engage in traditional deposit taking or lending.

The host state LTD ratios, and any changes to the calculation method, will be made public annually. The latest host state LTD ratios are available at https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20210521a1.pdf. ❑

OCC to Reconsider June 2020 CRA Rule

The Office of the Comptroller of the Currency (OCC) announced it will reconsider the final Community Reinvestment Act (CRA) rule published on June 5, 2020. While this reconsideration is ongoing, the OCC will not object to the suspension of the development of systems for, or other implementation of, provisions with a compliance date of January 1, 2023, or January 1, 2024, under the 2020 rule.

At this time, the OCC also does not plan to finalize the December 4, 2020, proposed rule that requested comment on an approach to determine the CRA evaluation measure benchmarks, retail lending distribution test thresholds, and community development minimums under the June 2020 rule. In addition, the OCC is discontinuing the CRA information collection pursuant to the Paperwork Reduction Act notice published in the *Federal Register* in December 2020.

While this reconsideration is ongoing, the OCC will not implement or rely on the evaluation criteria in the June 2020 rule pertaining to:

- Quantification of qualifying activities (12 CFR 25.07 and 25.08)
- Assessment areas (12 CFR 25.09)
- General performance standards (12 CFR 25.10 through 25.13)
- Data collection (12 CFR 25.21)
- Recordkeeping (12 CFR 25.25), and
- Reporting (12 CFR 25.26)

However, the OCC will continue to implement the provisions of the June 2020 CRA rule that had a compliance date of October 1, 2020. The OCC interpreted and explained these provisions in OCC Bulletin 2020-99. These implementation efforts include:

- Issuance of OCC Bulletin 2021-5 providing bank type determinations, lists of distressed and underserved areas, and the median hourly compensation value for community development service activities

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- Deployment of the CRA Qualifying Activities Confirmation Request process for banks and other stakeholders to request confirmation whether an activity meets the qualifying criteria under the June 2020 CRA rule, and
- Providing training on provisions of the June 2020 rule with the October 1, 2020, compliance date in a series of webinars for examiners and bankers

The OCC announcement in OCC Bulletin 2021-24 may be read at https://www.occ.gov/news-issuances/bulletins/2021/bulletin-2021-24.html. ❑

OCC Offering Virtual Workshops for Bank Directors

The Office of the Comptroller of the Currency (OCC) has announced a schedule of free, virtual workshops on compliance risk for boards of directors of community national banks and federal savings associations.

These OCC examiner-led workshops will provide training and guidance on the critical elements of an effective compliance risk management program, regulations such as the Bank Secrecy Act (BSA) and the Equal Credit Opportunity Act (ECOA), and other emerging issues regarding compliance risk. Registration is open for workshops in July and August, and additional workshops will be offered in the fall.

The Compliance Risk Workshop is one of several virtual training opportunities offered by the OCC for community bank directors of national banks and federal savings associations. The other workshops are:

- Building Blocks: Keys to Success for Directors and Senior Management,
- Risk Governance: Improving Director Effectiveness,
- Credit Risk: Directors Can Make a Difference, and
- Operational Risk: Navigating Rapid Changes.

To view the schedule of virtual workshops and register online, visit the OCC's website at https://www.occ.gov/publications-and-resources/information-for/bankers/community-bank-director-workshops/index-community-bank-director-workshops.html. For questions or other assistance about the workshops, please contact the OCC Bank Director Workshop Team at (202) 649-6490 or BankDirectorWorkshop@occ.treas.gov. ❑

Compliance Calendar

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

June 2021

- FEMA no longer publishing community suspensions from the NFIP in the *Federal Register*.

July 2021

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

August 2021

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

September 2021

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

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October 2021

- Final FEMA flood rule to implement Biggert-Waters and HFIAA changes (including maximum flood insurance amounts and minimum deductibles) effective October 1, 2021.
- Renewed FinCEN GTOs due to expire on October 31, 2021.

November 2021

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

December 2021

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

January 2022

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

February 2022

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

March 2022

- Retirement Date related to revised URLA and updated AUS – March 1, 2022. No legacy URLA and loan application submissions based on previous AUS specifications accepted from this date on (regardless whether dated before March 1, 2021). End of pipeline transition period.
- 2021 HMDA LAR must be submitted to the CFPB by March 1, 2022.
- 2021 CRA small business, small farm, and community development loan data must be submitted to applicable regulator by March 1, 2022 (except "small banks").
- Lenders begin using Daylight Time designations for rate lock and estimated closing costs expirations on TRID Loan Estimates on March 13, 2022 (e.g., EDT, CDT, etc.).
- FRB interim final rule to except certain PPP loans from the requirements of FRB Regulation O extends to such loans made through March 31, 2022.

April 2022

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

July 2022

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

August 2022

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

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September 2022

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

October 2022

- Regulation Z changes implementing changes to "general QM" rule mandatory beginning October 1, 2022.

November 2022

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

December 2022

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

January 2023

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

March 2023

- 2022 HMDA LAR must be submitted to the CFPB by March 1, 2023.
- 2022 CRA small business, small farm, and community development loan data must be submitted to applicable regulator by March 1, 2023 (except "small banks").
- Lenders begin using Daylight Time designations for rate lock and estimated closing costs expirations on TRID Loan Estimates on March 12, 2023 (e.g., EDT, CDT, etc.).

April 2023

- Update information in CRA public file by April 1, 2023.
- Update HMDA-LAR with loans and applications that reached final disposition in first calendar quarter 2023 by April 30, 2023.
- Update FHHLDS home loan activity format with first calendar quarter 2023 data by April 30, 2023 [non-HMDA reporting national banks receiving 50 or more home loan applications last year].

July 2023

- Update HMDA-LAR with loans and applications that reached final disposition in second calendar quarter 2023 by July 31, 2023.
- Update FHHLDS home loan activity format with second calendar quarter 2023 data by July 31, 2023 [non-HMDA reporting national banks receiving 50 or more home loan applications last year].

August 2023

- Large HMDA reporters (60,000 or more entries in 2020) electronically file second calendar quarter 2023 LAR by August 29, 2023.