



Banker Resource Center

Earlier this month the **FDIC** announced their unveiling of a “comprehensive overhaul of the agency’s flagship website.” The modernized website includes a wealth of information and provides easier-to-use navigation for consumers, bankers, and analysts.

Upon accessing the website, a user will find links across the top of the webpage that provide direct access to various commonly-used categories of information. Of specific interest to bankers will be the “Resources” link that puts a great deal of regulatory information at your fingertips. Besides finding information on Supervision and Examinations, and Laws and Regulations, the website contains a new **Banker Resource Center** that is specifically designed to provide quick access to supervisory resources for banking professionals. Once inside the Resource Center, information is provided on Supervisory Topics, General Information, and the FDIC Calendar.

Interested persons can find the FDIC website [here](#) and the Banker Resource Center [here](#).

Safety and Soundness Considerations

Just this month, the Federal Reserve, FDIC, OCC and the NCUA, as well as state financial regulators released: **Interagency Examiner Guidance for Assessing Safety and Soundness Considering the Effect of the COVID-19 Pandemic on Institutions**.

As institutions remain under long-term stresses of the coronavirus, the Agencies issued this examiner guidance for assessing safety and soundness. Of note, examiners will consider “**the unique, evolving, and potentially long-term nature of the issues confronting institutions and exercise appropriate flexibility in their supervisory response.**”

The statement clarifies that while they have issued numerous statements related to supervisory policy since the beginning of the national emergency, appropriate and good faith actions by institutions, would not be subject to criticism. Of note, the issuance addresses the evaluation of an institution’s **assessment of risk**, as well as various **credit-related issues** including new loans, PPP loans, modifications, nonaccrual and allowance for loan and lease losses. Other **operational and management** issues are addressed.

Interested persons can find the examiner guidance [here](#).

Online Compliance Consulting Update!

The Online Compliance Consulting Dashboard has been enhanced!

- UPDATED Compliance Alert – Reg. E / Remittance Transfers
- NEW COVID-19-Related Resources – *A searchable listing of announcements can be found at the top of the Online Compliance Dashboard in the COVID-19 section*
- NEW SBA Paycheck Protection Program FAQs
- NEW Webinar – TRID – Addressing Lingering Trouble Spots
- May 2020 News

To access this information and all other compliance features, go to:

<http://compliance.smslp.com/>

CRA FAQs – Activities in Response to the Coronavirus

At the end of May, the Federal Reserve, FDIC and the OCC, released FAQs that address **CRA consideration for activities in response to the coronavirus**.

We understand institutions have been eager to receive guidance on this topic, especially those institutions that participate in the SBA's Paycheck Protection Program (PPP). While the issuance covers a variety of issues, it does directly address PPP loans in multiple FAQs. For example, FAQ#5 reflects the following:

Question: *Are bank loans made under the Paycheck Protection Program (PPP) eligible for CRA consideration? For PPP loans that are eligible community development loans, what is the appropriate community development purpose?*

Response: *Generally, loans, including PPP loans, in amounts of \$1 million or less to for-profit businesses, or to nonprofit organizations that are secured by nonfarm, nonresidential real estate, are reported and considered as small business loans under the applicable retail lending test. PPP loans will be considered particularly responsive if made to small businesses with gross annual revenues of \$1 million or less or to businesses located in low- or moderate-income geographies or distressed or underserved nonmetropolitan middle-income geographies. Participation in such loan programs could also receive consideration as innovative or flexible lending practices.*

PPP loans in amounts greater than \$1 million may be considered as community development loans if they also have a primary purpose of community development as defined under the CRA. Generally, loans to small businesses with gross annual revenues \$1 million or less that create or retain jobs for low- or moderate-income individuals or in low- or moderate-income geographies, or that otherwise meet the economic development "size" and "purpose" tests, qualify as community development loans.

Such loans may also qualify if they help to revitalize or stabilize low- or moderate-income geographies or distressed or underserved nonmetropolitan middle-income geographies.

Interested persons can find the CRA FAQs [here](#).

CHARM Booklet Update

Earlier this month, the CFPB published a notice in the Federal Register (6/9/2020) announcing the availability of a revised **Consumer Handbook on Adjustable Rate Mortgages (CHARM) booklet**. The CHARM booklet, a required disclosure implemented by Regulations X and Z, is to be provided to consumers considering an adjustable rate mortgage.

The Bureau has clarified that an institution may, **at their option, immediately begin using the revised CHARM booklet**. However, they understand that some institutions may want to utilize existing stock and have stated that those **earlier versions of the booklet may be used until such existing supplies are exhausted**. However, in situations where the CHARM booklet is reprinted, the most recent version should be used.

Interested persons may find the Bureau's notice [here](#).

TRID Tools

Earlier this month, the CFPB published new **TILA-RESPA Integrated Disclosure (TRID) guidance**. A **Factsheet** providing clarity in the disclosure of title insurance, as well as updated TRID **FAQs** are now available. Interested persons may find these resources [here](#).

Calendar Reminders

- **7/1** – HMDA Closed-End Coverage Threshold is Raised from 25 to 100 Closed-End Mortgages
- **7/1** – Compliance Date for Reg. CC Adjusted Amounts for Inflation
- **7/21** – Reg. E Remittance Transfer – Sunsetting Provision and New Remittance Provisions
- **7/30** – HMDA Quarterly LAR Update

FinCEN Provides Information in Response to COVID-19

Earlier this quarter, FinCEN issued a notice that provides additional information to institutions in complying with a variety of **BSA-related responsibilities during the pandemic**.

One of the topics addressed is the **beneficial ownership** Information requirements for existing customers under the PPP. Of note, FinCEN clarified that: *"For eligible federally insured depository institutions and federally insured credit unions, PPP loans for existing customers will not require re-verification under applicable BSA requirements, unless otherwise indicated by the institution's risk-based approach to BSA compliance."*

Another topic focused on updates to **CTR filing** obligations. Of note, FinCEN addressed their **FIN-2020-R001** ruling on the reporting of transactions involving **sole proprietorships and entities operating under a DBA**. As noted, FinCEN is **suspending implementation** of that ruling until further notice. Until such issuance, institutions should continue to report transactions involving sole proprietorships and DBAs under the prior practice. However, if an institution has already implemented changes to comply with that 2020 ruling, it need not revert to the prior practice and may report CTRs in accordance with the now suspended ruling.

BSA stakeholders and interested persons are encouraged to read the issuance in its entirety, which may be found [here](#).

BSA/AML – 2020 Annual Compliance Webinar

Did you miss Sheshunoff's annual BSA/AML Compliance webinar on June 24th?

If so, Online Compliance Consulting clients may access a recording of this webinar in the near future. The recording will be placed in the Compliance Webinars section of the Online Compliance Consulting Dashboard.

Convenient and Affordable Compliance Assistance

Do you need help preparing for the upcoming regulatory requirements? SC+S can help with our **Online Compliance Consulting Services**, which combines the ease of online tools with the guidance of a compliance expert.

You will have access to an online compliance expert who will:

- Answer all of your compliance questions;
- Review your new policies and disclosures for compliance; and
- Train your Board of Directors on upcoming regulatory requirements.

You will also receive access to our online tools, including:

- Our Compliance Calendar;
- Our Dashboard Feature and Progress List, that enables you to determine what steps you will need to take to comply with the requirements and track your progress as you implement them;
- Our exclusive Knowledge Base of compliance Q&As; and
- FREE access to our quarterly Be Prepared! webinar series.

For more information or a free demo, contact Rhonda Coggins at 512-703-1509.



Our next **Be Prepared!** Compliance Update webinar will be scheduled in **September, 2020**.

When available, details may be found on BankersWeb, [here](#).

Contact Us

Sheshunoff Consulting + Solutions
901 S. Mopac Expressway
Barton Plaza V, Suite 140
Austin, TX 78746

© 2020 SCSR, L.L.C.

No further reproduction or distribution is allowed outside your organization without permission.