

A background image of a city skyline at sunset, with a large blue diagonal overlay on the left side. The skyline features several tall buildings, some with lights on, and a bridge in the foreground. The sky is a mix of orange, yellow, and blue.

Compliance Monthly

Compliance Monthly is intended to keep you informed of regulatory changes in advance of their effective date so your institution can have the necessary policies, procedures and processes in place to be compliant at the time of enactment. Information contained in Compliance Monthly is not intended to provide specific advice and guidance. You should consult your own professional services provider in connection with matters affecting your own interests.

February 2022

Table of Contents

ACCUMULATE KNOWLEDGE, VALUE, RESOURCES

Focus of the Month	03
Regulator Roundup	04
Final Rules	08
Proposed Rules	10
Other Compliance News	13
AML News	15
Recommended Actions to Take	18

Looking for your Input!

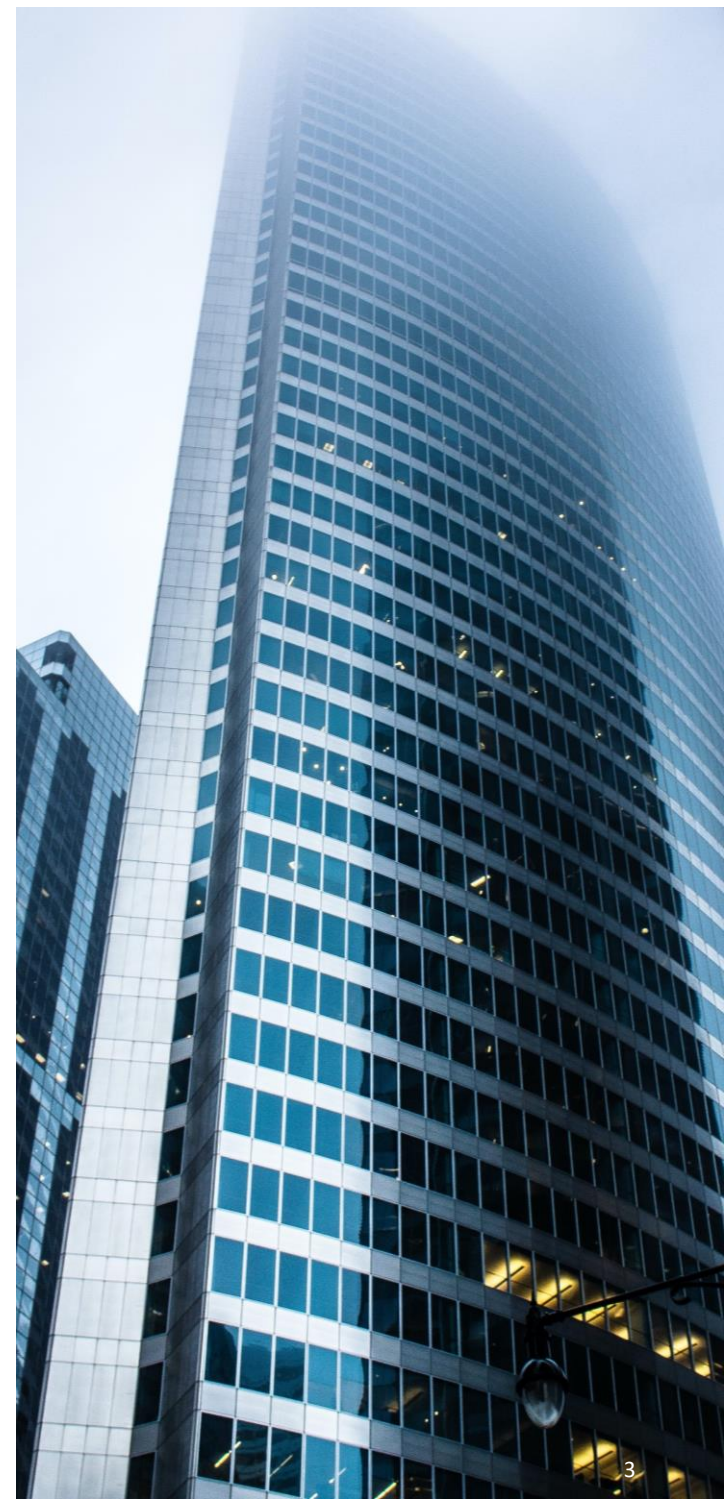
It is important to Accume to keep the compliance newsletter interesting and creative, so.... we are reaching out to our readers for new and creative ideas to improve the content, quality and excitement surrounding our compliance message! Our desire is to turn this static document into an exciting dynamic tool for our readers.

So, please take a few minutes to respond to the survey. It would help us immensely! Some things to consider:

- Topics. More consumer compliance, more BSA AML, more emerging topics?
- Q&As. We answer a lot of questions from our clients and internal staff. We feel that there are Q&As that come across our desk that everyone can benefit from.
- Case studies. We assist our clients in dealing with many situations from examination remediation to new product and service development. Knowledge of these situations can provide our clients with valuable approaches to conquering their own compliance issues!
- Creative content such as imbedded videos that bring a compliance expert to you!

[Please click here to submit your survey.](#) We are open to any and all ideas....sorry recipes and crossword puzzles already got the heave ho!

Thanks in advance for your insights and advice!





Regulator Roundup

CFPB Posts 2022 List of Rural and Underserved Communities

The rural or underserved counties lists use a methodology for identifying underserved counties described in the Bureau's interpretive rule: Truth in Lending Act (Regulation Z); Determining "Underserved" Areas Using Home Mortgage Disclosure Act Data.

These lists include the following U.S. territories as rural areas in their entirety: Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, and the U.S. Virgin Islands. These territories comprise areas that the U.S. Census Bureau treats as counties and that are neither metropolitan statistical areas or micropolitan statistical areas adjacent to metropolitan statistical areas.

Source: <https://www.consumerfinance.gov/compliance/compliance-resources/mortgage-resources/rural-and-underserved-counties-list/>

CFPB Releases Report on Diversity and Inclusion Within Financial Services

On January 19, 2022, the Bureau's Office of Minority Women and Inclusion (OMWI) released the CFPB Report on Diversity and Inclusion within Financial Services. As part of the mandate of Section 342 of the Dodd-Frank Act, the Bureau's Office of Minority and Women Inclusion (OMWI) is charged with developing standards for assessing diversity and inclusion at the financial entities the Bureau regulates. To further that effort, CFPB engaged in analysis of public data to gain a better understanding of diversity and inclusion within the financial services sector and compiled a report to share its findings. The Report can help industry understand more about diversity and inclusion initiatives that their peers are undertaking and the various options available to entities of different sizes.

Source: <https://www.consumerfinance.gov/data-research/research-reports/cfpb-report-on-diversity-and-inclusion-within-financial-services/>

CFPB Focuses on Religious Discrimination

In its January 14, 2022 blog, the CFPB focused on religious discrimination. The Consumer Financial Protection Bureau is concerned that some financial companies are unlawfully considering religion when making decisions on financial products. The Equal Credit Opportunity Act does not simply cover products for family or household use – it also covers other financial products, like small business loans.

The First Amendment to the U.S. Constitution guarantees the free exercise of religion. Many of our nation's laws, like the Equal Credit Opportunity Act, protect individuals from discrimination based on their religious beliefs..

Source: <https://www.consumerfinance.gov/about-us/blog/its-illegal-penalize-borrowers-being-religious/>

CFPB Issues Bulletin to Prevent Unlawful Medical Debt Collection and Credit Reporting

On January 13, 2022, the Consumer Financial Protection Bureau (CFPB) released a bulletin reminding debt collectors and credit bureaus of their legal obligations in light of the No Surprises Act, which protects consumers from certain unexpected medical bills. Companies that try to collect on medical bills that are prohibited by the No Surprises Act, or who furnish information to credit bureaus about such invalid debts, may face significant legal liability under the Fair Debt Collection Practices Act (FDCPA) and the Fair Credit Reporting Act (FCRA). The bulletin advises credit bureaus that the accuracy and dispute obligations imposed by the FCRA apply with respect to debts stemming from charges that exceed the amount permitted by the No Surprises Act.

Source: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-bulletin-to-prevent-unlawful-medical-debt-collection-and-credit-reporting/>

Frequently Asked Questions about Covered Savings Associations Pursuant to Section 5A of the Home Owners' Loan Act

The Board of Governors of the Federal Reserve System has developed the following frequently asked questions (FAQs) to assist covered savings associations (CSAs) and companies that control a CSA in complying with statutes and regulations administered by the Board. Except as noted below, these FAQs are staff interpretations and have not been approved by the Board of Governors. Staff may supplement or revise these FAQs as necessary or appropriate in the future. Any questions regarding these FAQs, or requests for modification, rescission, or waiver, should be submitted through the Board's Contact Us form.

Source: <https://www.federalreserve.gov/supervisionreg/legalinterpretations/covered-savings-associations-frequently-asked-questions.htm>

CFPB Releases Report Detailing Consumer Complaint Response Deficiencies of the Big Three Credit Bureaus

On January 5, 2022, the CFPB released a new analysis that reveals how changes in complaint responses provided by nationwide consumer reporting companies resulted in fewer meaningful responses and less consumer relief. In 2021, Equifax, Experian, and TransUnion together reported relief in response to less than 2% of covered complaints, down from nearly 25% of covered complaints in 2019.

Source: https://files.consumerfinance.gov/f/documents/cfpb_fcra-611-e_report_2022-01.pdf

Consumer Financial Protection Bureau to Examine Colleges' In-House Lending Practices

On January 20, 2022, the Consumer Financial Protection Bureau (CFPB) announced it will begin examining the operations of post-secondary schools, such as for-profit colleges, that extend private loans directly to students. The CFPB is issuing an update to its exam procedures including a new section on institutional student loans. As the CFPB begins its supervision, the exam procedures inform industry about practices that CFPB examiners will review, including placing enrollment restrictions, withholding transcripts, improperly accelerating payments, failing to issue refunds, and maintaining improper lending relationships.

Source: <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-to-examine-colleges-in-house-lending-practices/>

FRB Releases Discussion Paper That Examines Pros and Cons of a Potential U.S. Central Bank Digital Currency (CBDC)

On January 20, 2022, the Federal Reserve Board on Thursday released a discussion paper that examines the pros and cons of a potential U.S. central bank digital currency, or CBDC. It invites comment from the public and is the first step in a discussion of whether and how a CBDC could improve the safe and effective domestic payments system. The paper does not favor any policy outcome.

Source: <https://www.federalreserve.gov/publications/files/money-and-payments-20220120.pdf>

Consumer Financial Protection Bureau Launches Initiative to Save Americans Billions in Junk Fees

On January 26, 2022, the CFPB launched an initiative to save households billions of dollars a year by reducing exploitative junk fees charged by banks and financial companies. Today's request is a chance for the public to share input that will help shape the agency's rulemaking and guidance agenda, as well as its enforcement priorities in the coming months and years.

Source: https://files.consumerfinance.gov/f/documents/cfpb_fees-imposed-by-providers-of-consumer-financial-products-services_rfi_2022-01.pdf



Final Rules

Simplification of Deposit Insurance Rules

On January 21, 2022, the Federal Deposit Insurance Corporation amended its regulations governing deposit insurance coverage. The amendments simplify the deposit insurance regulations by establishing a “trust accounts” category that governs coverage of deposits of both revocable trusts and irrevocable trusts using a common calculation, and provide consistent deposit insurance treatment for all mortgage servicing account balances held to satisfy principal and interest obligations to a lender. The rule is effective on April 1, 2024.

Source: <https://www.fdic.gov/news/board-matters/2022/2022-01-21-notational-fr-a.pdf>



Proposed Rules

Proposed Rule	Comment Period Close	Summary
Framework for the Supervision of Insurance Organizations	60 days after publication in FR	<p>The Board is seeking comment on a new supervisory framework for depository institution holding companies significantly engaged in insurance activities, or supervised insurance organizations. The proposed framework would provide a supervisory approach that is designed specifically to reflect the differences between banking and insurance. Within the framework, the application of supervisory guidance and the assignment of supervisory resources would be based explicitly on a supervised insurance organization's complexity and individual risk profile. The proposed framework would formalize the ratings applicable to these firms with rating definitions that reflect specific supervisory requirements and expectations. It would also emphasize the Board's policy to rely to the fullest extent possible on work done by other relevant supervisors, describing, in particular, the way it will rely more fully on reports and other supervisory information provided by state insurance regulators to minimize the burden associated with supervisory duplication.</p> <p>https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20220128a2.pdf</p>
FinCEN Pilot Program on Sharing of Suspicious Activity Reports and Related Information With Foreign Branches, Subsidiaries, and Affiliates	March 28, 2022	<p>FinCEN is issuing a notice of proposed rulemaking to seek public comment on the proposed establishment of a limited-duration pilot program, subject to conditions set by FinCEN, to permit a financial institution with a suspicious activity report (SAR) reporting obligation to share SARs and information related to SARs with the institution's foreign branches, subsidiaries, and affiliates for the purpose of combating illicit finance risk, in accordance with Section 6212(a) of the Anti-Money Laundering Act of 2020 (AML Act).</p> <p>https://www.federalregister.gov/documents/2022/01/25/2022-01331/pilot-program-on-sharing-of-suspicious-activity-reports-and-related-information-with-foreign</p>

Proposed Rule	Comment Period Close	Summary
Proposed Rule to Require Federal Credit Unions to Have Succession Plans	60 days after publication in FR	<p>Through this proposed rule, the NCUA Board (Board) would require that Federal Credit Union (FCU) boards of directors establish and adhere to processes for succession planning. The succession plans will help to ensure that the credit union has plans to fill key positions, such as officers of the board, management officials, executive committee members, supervisory committee members, and (where provided for in the bylaws) the members of the credit committee to provide continuity of operations. In addition, the proposed rule would require directors to be knowledgeable about the FCU's succession plan. Although the proposed rule would apply only to FCUs, the Board's purpose is to encourage and strengthen succession planning for all credit unions. The proposed rule would provide FCUs with broad discretion in implementing the proposed regulatory requirements to minimize any burden.</p> <p>https://www.ncua.gov/files/agenda-items/succession-planning-proposed-rule-20220127.pdf</p>



Other Compliance News

FFIEC HMDA Platform

Access to the FFIEC's HMDA Platform is available at <https://ffiec.cfpb.gov/filing/2021/>

FFIEC Issues Statement of Principles on Examination Information Requests

On January 21, 2022, the Federal Financial Institutions Examination Council on behalf of its members issued a statement announcing best practices for requesting examination information from supervised entities, and a common authentication solution for secure access to the FFIEC members' supervision systems.

The statement presents the results of the final phase of the Examination Modernization Project in which FFIEC members addressed the feedback provided by supervised entities regarding examination requests and authentication requirements for FFIEC members' supervision systems.

Source: https://www.ffiec.gov/press/PDF/FFIEC_Statement_of_Principles.pdf



AML News

Pilot Program on Sharing of Suspicious Activity Reports and Related Information With Foreign Branches, Subsidiaries, and Affiliates

On December 27, 2021, the Department of the Treasury's Office of Foreign Assets Control (OFAC) amended the Weapons of Mass Destruction Trade Control Regulations to add a June 28, 2005 Executive order as an authority, remove the appendix to the part, and modify three definitions referencing the appendix.

Source: <https://www.federalregister.gov/documents/2021/12/27/2021-27868/weapons-of-mass-destruction-trade-control-regulations>

FDIC and FinCEN Open Registration for Digital Identity Tech Sprint

On February 1, 2022, the FDIC and the Financial Crimes Enforcement Network (FinCEN) opened the registration period for interested parties to participate in a Tech Sprint to help measure the effectiveness of digital identity proofing—the process used to collect, validate, and verify information about a person. Through the Tech Sprint, FDIC's tech lab (FDITECH) and FinCEN seek to increase efficiency and account security; reduce fraud and other forms of identity-related crime, money laundering, and terrorist financing; and foster customer confidence in the digital banking environment. Read more about FDIC and FinCEN's Tech Sprint, *Measuring the Effectiveness of Digital Identity Proofing for Digital Financial Services*

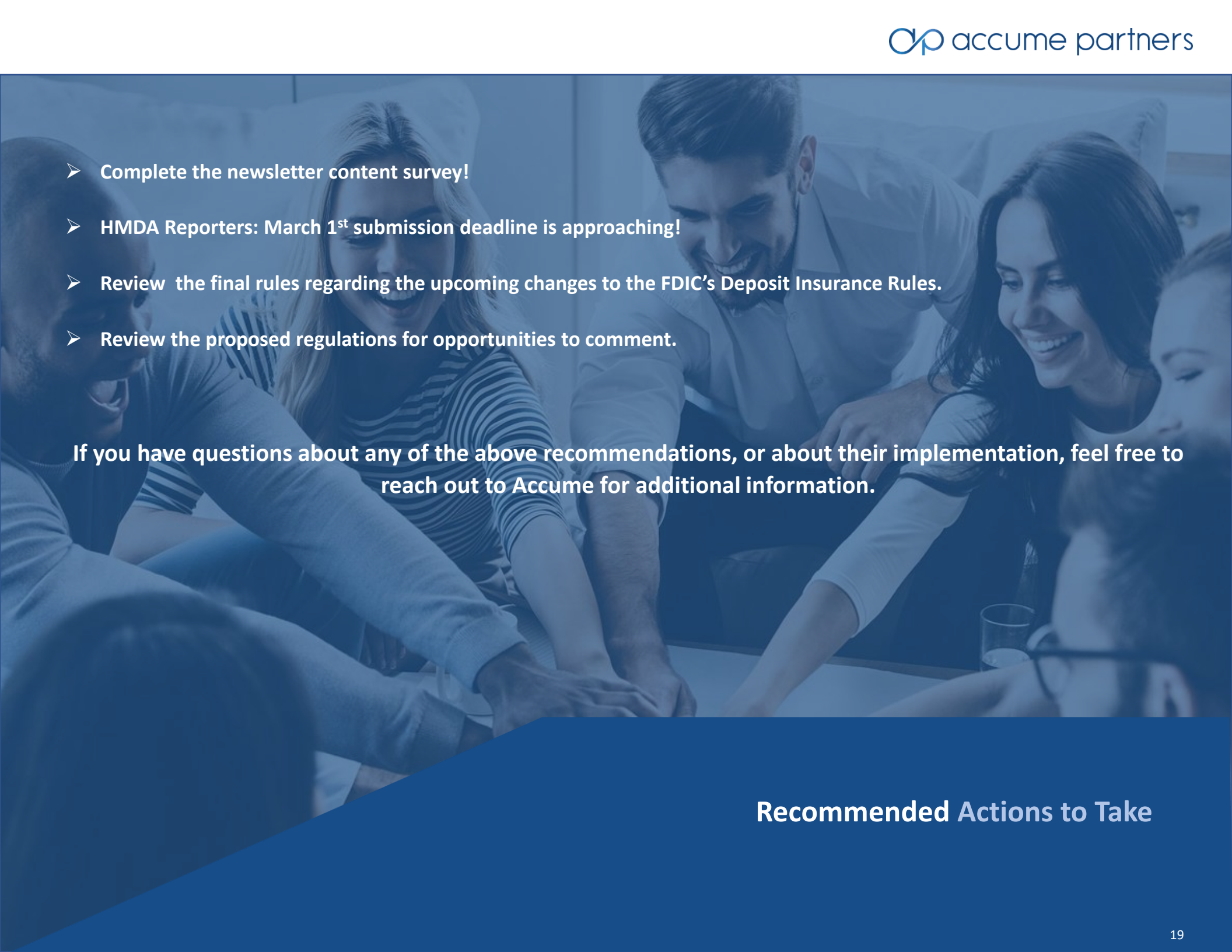
Digital identity proofing is a foundational element to enable digital financial services to function properly. This element is challenged by the proliferation of compromised personally identifiable information (PII), the increasing use of synthetic identities, and the presence of multiple, varied approaches for identity proofing. The FDIC and FinCEN seek participants to answer the following question: *“What is a scalable, cost-efficient, risk-based solution to measure the effectiveness of digital identity proofing to ensure that individuals who remotely (i.e., not in person) present themselves for financial activities are who they claim to be?”*

Interested individuals may submit applications requesting participation by 5 p.m. ET on February 15, 2022. Additional questions about the Tech Sprint can be sent to Innovation@FDIC.gov.

Source: <https://www.fincen.gov/news/news-releases/fdic-and-fincen-open-registration-digital-identity-tech-sprint>



Recommended Actions to Take

- 
- Complete the newsletter content survey!
 - HMDA Reporters: March 1st submission deadline is approaching!
 - Review the final rules regarding the upcoming changes to the FDIC's Deposit Insurance Rules.
 - Review the proposed regulations for opportunities to comment.

If you have questions about any of the above recommendations, or about their implementation, feel free to reach out to Accume for additional information.

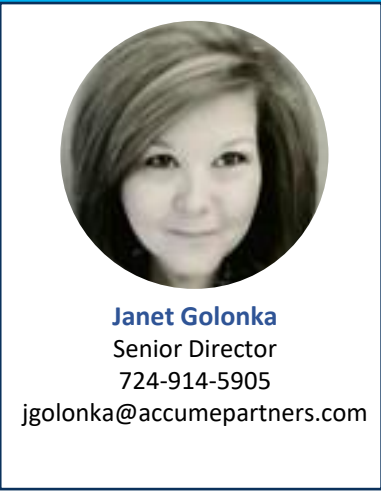
Recommended Actions to Take

Trusted Advisor

Specialized Resources: Big 4, Industry

Cost-Effective

Agile

[illegible]

Janet Golonka
Senior Director
724-914-5905
jgonka@accumepartners.com

Contact Us

Accume Partners

12 East 49th Street – 5th Floor,
New York, NY 10017

P: 888-696-1515

E: info@accumepartners.com