



REGCORNER

September 17th, 2024

In this week's RegCorner, MCUL summarizes recent *Cheers! to Compliance* session; NCUA Board approves two final rules; the CFPB proposes amendments to the Remittance Transfer Rule and also seeks public comment on a submitted standard setter application under the Open Banking rules; CDFI is hosting a webinar on how to engage SSBCI; and the US Mint terminates its coin exchange program.

MCUL

Cheers! To Compliance

MCUL held its Q3 *Cheers!* session this past Friday, September 27th, with guests from the CFPB and MI DHHS. For the first hour, we were joined by Melissa Stegman and Alan Ellison from the CFPB, who discussed elements of the Small Business Lending Rule. At the request of the presenters, this portion of the session was not recorded. During this discussion, Melissa and Alan discussed:

- **Litigation status:** While most of the litigation has cleared following the Supreme Court decision earlier this summer, there is still a lingering lawsuit or two that could result in at least another implementation pause. For the time being, however, the rule is moving forward.
- **Rule coverage:** the rule does not have an asset-size threshold, but rather, an origination threshold. If a credit union originates at least 100 covered small business loans in each of the two preceding years, then that credit union would be covered under the rule. For initial compliance, the years 2022 and 2023 are to be used.
- **Data collection flexibility:** the rule was noted to be accommodating to different types of models and credit processes, and it was emphasized that the Bureau is agnostic to when the information is collected as long as it is done before the credit decision is made. It was suggested that lenders use a form for demographic data collection, which the Bureau has provided and is available in translated versions. It was also explained that financial institutions have discretion on how to collect data for small businesses, and they can rely on information provided by the applicant or from appropriate third-party sources. To that end, credit unions can report the data as it has been presented to them. However, if they choose to verify this information, they must report the verified information.
- **Privacy:** The CFPB is required to release Section 1071 data to the public annually, but it was noted that modifications and deletions can be made by the Bureau to protect the confidentiality of business members. The firewall provision was also briefly discussed, which establishes a firewall to prevent credit union employees and officers from accessing applicants protected demographic information. However, the difficulty of maintaining such a firewall was acknowledged, and that a simple disclosure could provide the requisite protection.
- **Resources:** The pair noted the wealth of resources available to credit unions seeking to understand how best to comply with the rule. Resources include an Executive Summary, an information sheet with compliance dates, a data points chart, a Small Entity Compliance Guide, a Filing Instructions Guide, sample forms, and FAQs, all of which can be accessed via the Bureau's page for [small business lending collection and reporting requirements](#). It was also noted that, if you have questions on how to best to implement the rule in your own shops, a [Helpdesk](#) is available.

For the final 30 minutes of the call, we were joined by Cynthia Farrell, Director of Adult Services within MI DHHS. During this presentation, Cynthia informed us of the new Mandatory Online Reporting System (MORS), an electronic reporting portal for us to use when submitting reports to Adult Protective Services as a requirement under the MI Financial Exploitation Prevention Act. This portal went live on Monday, September 30th. The slides that Cynthia used during her presentation were emailed out to attendees and to the Compliance Network ListServ, which walked through, in detail, where to sign up for a MORS account, how to submit a report, the information to include in the report, and more. If you would like a copy of these slides, please email Bradley.Willett@mcul.org. Additionally, this portion of the Cheers! session was recorded, which you can find [HERE](#), along with a transcript of the recording.

Our final Cheers! session of the year is scheduled for Friday, December 13th at 3:30pm. Watch for details as they become available, and if you'd like to register early, you may do so [HERE](#).

From the Regulators

NCUA

NCUA September Board Meeting Approves Two Final Rules

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At its September 2024 meeting, the NCUA Board approved two key final rules. The first codifies the Second Chance Interpretive Ruling (IRPS 19-1) and the Fair Hiring in Banking Act into NCUA regulations, allowing individuals with minor or older convictions to work in credit unions without NCUA approval. The second simplifies share insurance regulations by creating a "trust accounts" category, aligning coverage of revocable and irrevocable trusts with FDIC guidelines.

[Final Rule: Fair Hiring In Banking](#) (Effective Date: October 30, 2024)

[Final Rule: Simplification of Share Insurance Rules](#) (Effective Date: December 1, 2026)

Additionally, the Board was briefed on the National Credit Union Share Insurance Fund's second-quarter performance, which reported a year-to-date net income of \$154.3 million and an equity ratio of 1.28%.

The Board also reminded stakeholders about proposed changes to the Credit Union Call Report updates for March 2025, with comment periods ending on November 15, 2024.

Additional information available in the [Open Comment Calls](#) section.

Other NCUA News

- [Simplified CECL Tool](#) updated for September 2024
- NCUA [Prohibits](#) Two Individuals from Participating in the Affairs of Any Federally Insured Depository Institution

CFPB

CFPB Proposes Amendment to Remittance Transfer Rule

[Read More](#)

The CFPB has proposed a narrow amendment to the disclosure requirements for international money transfers (remittances). This change aims to provide clearer guidance to consumers on when to contact their remittance company directly for specific inquiries before reaching out to state regulators or the CFPB. The amendment is expected to help consumers resolve issues faster and reduce unnecessary complaints to regulatory bodies. The public has until November 4, 2024, to submit comments on the proposed rule.

Additional information available in the [Open Comment Calls](#) section.

CFPB Report Reveals Financial Challenges for Servicemembers and Veterans

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The CFPB has published its latest annual report highlighting the ongoing financial struggles for servicemembers, veterans, and military families, particularly in managing student loans. Active duty servicemembers report difficulties reaching loan servicers, enrollment issues with income-driven repayment (IDR) plans, and transcript withholding by colleges, which can obstruct career growth or prevent degree completion. These issues are exacerbated for those stationed overseas due to time

zone differences. Additionally, the report underscores a rise in scams targeting older veterans, with an increase in fraud complaints involving money transfers and virtual currencies. In 2023, complaints from the military community rose by 27%, indicating persistent challenges across consumer financial products like credit reporting, debt collection, and mortgages.

[Office of Servicemember Affairs 2023 Annual Report](#)

CFPB launches public comment process for open banking standard setter recognition

[Read More](#)

In June 2024, the CFPB finalized a [rule](#) outlining the qualifications to become a recognized industry standard-setting body, which can issue consensus standards that companies can use to help them comply with the CFPB's Personal Financial Data Rights Rule. The rule states that when an organization applies for recognition, the CFPB may publish the application and seek public input.

The CFPB is inviting public feedback on the first application from an organization seeking recognition as an open banking standard-setter. This is part of the CFPB's efforts to establish rules for open banking in the U.S., with the first application coming from the Financial Data Exchange (FDX).

Standard-setters are essential in creating a secure and competitive open banking framework. The CFPB is evaluating applicants based on five key criteria, including openness, transparency, balanced decision-making, consensus, and due process. Public comments on this application are encouraged to ensure that standards serve the best interests of consumers.

Additional information available in the [Open Comment Calls](#) section.

Other CFPB News

- CFPB publishes [FAQ guidance](#) on Buy Now, Pay Later (BNPL) products
- CFPB publishes [interim final rule and corrective amendment](#) updating regulatory compliance dates for the Small Business Lending Rule
- The CFPB published a [blog](#) on medical debt collectors that take advantage of surviving spouses and their vulnerabilities
- 2025 [Online HMDA Filing Instructions Guide](#) and [Supplemental Guide for Quarterly Filers](#) released
- CFPB issues [Advisory Opinion](#) on Deceptive and Unfair Collection of Medical Debt (Reg. F)

CDFI

Webinar: Scaling Community Finance with the State Small Business Credit Initiative

The CDFI Fund and the State Small Business Credit Initiative (SSBCI) will host a joint discussion on Scaling Community Finance with the SSBCI. The event will include two panel discussions. The first will present a case study of four states that deploy SSBCI funding to support small business lending through the Access Small Business Program managed by Calvert Impact. The second panel will focus on other ways jurisdictions can deploy SSBCI funding to expand CDFI lending and will feature discussion with the Initiative for Inclusive Entrepreneurship and Aspen Institute's Business Ownership Initiative about their assessment of opportunities to scale CDFI microlending using SSBCI. The goal of the event is to explore ways credit support from the SSBCI can enable secondary markets for CDFI loans and increase more CDFI lending throughout the country.

Date: Monday, October 7, 2024

Time: 3:30pm EST

[REGISTER](#)

CDFI Fund Seeks Public Comment on Capital Magnet Fund Application

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The U.S. Department of the Treasury's CDFI Fund is inviting public comments on the proposed Capital Magnet Fund (CMF) Application for fiscal years 2025-2027. The CMF provides financial assistance to certified Community Development Financial Institutions (CDFIs) and qualified nonprofits focused on affordable housing and community revitalization. The application process requires details about applicants' business strategies, community impact plans, and organizational capacity.

Public comments on the information collection, its necessity, and ways to improve its utility and clarity are due by November 25, 2024.

Additional information available in the [Open Comment Calls](#) section.

FinCEN

FinCEN Publishes Beneficial Ownership Reporting Outreach and Education Toolkit

[Read More](#)

FinCEN has issued another resource to familiarize small business owners with beneficial ownership reporting requirements. These reporting requirements are mandated by the Corporate Transparency Act, a bipartisan law enacted to curb illicit finance by supporting law enforcement efforts. This law requires many small businesses to report basic information to the Federal government about the real people who ultimately own or control them.

The toolkit contains templates and sample content that has been structured to allow private, public, and non-profit organizations to share and amplify this important information. The toolkit includes general background on the reporting requirements, as well as templates for newsletters, websites, and emails; sample social media posts and images; and information on how to contact FinCEN.

[Toolkit](#)

U.S. Mint

US Mint Finalizes Rule That Terminates the Mutilated Coin Redemption Program

[Read More](#)

The U.S. Mint has officially ended its Mutilated Coin Redemption Program, effective October 25, 2024. The decision comes after a rise in counterfeit coin submissions and the increasing difficulty in authenticating large volumes of damaged coins. The program, which allowed individuals and businesses to exchange bent or partial coins for full face value, has become unsustainable due to these challenges.

While the redemption program is no longer available, the U.S. Mint offers guidance on the disposal of damaged coins. Though there are restrictions on melting pennies and nickels, exceptions apply for coins damaged in recycling processes. For further details on melting regulations or license requests, the U.S. Mint provides information through official channels.

[Final Rule: Exchange of Coin](#)

America's Credit Unions Compliance Blog

- [9/19/24](#) – Under the Magnifying Glass
- [9/24/24](#) – Periodic Statement Requirements: Share Accounts
- [9/26/26](#) – In Focus: Fair Lending Risk

Submitted Regulatory Comment Letters

Regulatory Response Letters

- [NCUA Proposed Rule: Succession Planning](#)
 - America's Credit Unions [Comment Letter](#)
- [NCUA Request for Comment: Revisions to Credit Union Profile \(Form 4501A\)](#)
 - America's Credit Unions [Comment Letter](#)

Other Letters to Regulators

- [America's Credit Unions](#) Letter to CFPB on Overdraft Circular

Open Comment Calls

If you have input on any comment calls below that you would like to provide for consideration, please direct them to Bradley.Willett@mcui.org no later than 3 weeks prior to the comment due date.

<p>HUD Proposed Rule: Disbursing Multifamily Mortgage Proceeds: Permitting Mortgagees To Disburse Mortgage Proceeds With Mortgagor-Provided Funds</p> <p>Docket No. HUD-2024-0063</p> <p>When funds provided by a mortgagor to a mortgagee are not fully disbursed with the initial advance of the insured mortgage proceeds, the proposed rule would permit mortgagees to disburse up to 1 percent of the mortgage amount initially endorsed for insurance before requiring that the funds provided by the mortgagor be disbursed in full. This proposed change would allow mortgagees to pool mortgages into mortgage-backed securities guaranteed by the Government National Mortgage Association prior to the funds provided by the mortgagor being disbursed in full.</p>	<p>Comments Due: October 7, 2024</p> <p><i>Agency Announcement</i></p> <p>Federal Register Regulations.gov</p>
<p>NCUA Joint Proposed Rule: Anti-Money Laundering and Countering the Financing of Terrorism Program Requirements</p> <p>Docket No. NCUA-2024-0033</p> <p>The NCUA, along with the OCC, the Board of Governors of the Federal Reserve System, and the FDIC are inviting comment on a proposed rule that would amend the requirements that each Agency has issued for its supervised banks (currently referred to as “Bank Secrecy Act (BSA) compliance programs”) to establish, implement, and maintain effective, risk-based, and reasonably designed Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) programs. The amendments are intended to align with changes that are being concurrently proposed by the Financial Crimes Enforcement Network (FinCEN) as a result of the Anti-Money Laundering Act of 2020 (AML Act).</p> <p>The proposed rule incorporates a risk assessment process in the AML/CFT program rules that requires, among other things, consideration of the national AML/CFT Priorities published by FinCEN. The proposed rule also would add customer due diligence requirements to reflect prior amendments to FinCEN’s rule and, concurrently with FinCEN, propose clarifying and other amendments to codify longstanding supervisory expectations and conform to AML Act changes.</p> <p><u>Additional relevant information:</u> Interagency Statement on the Issuance of the AML/CFT Program Notices of Proposed Rulemaking</p>	<p>Comments Due: October 8, 2024</p> <p>Agency Announcement</p> <p>Federal Register Regulations.gov</p>
<p>CFPB Request for Comment: Financial Data Exchange application for open banking standard setter recognition</p> <p>Docket No. CFPB-2024-0048-0001</p> <p>In June 2024, the CFPB finalized a rule outlining the qualifications to become a recognized industry standard-setting body, which can issue consensus standards that companies can use to help them comply with the CFPB’s Personal Financial Data Rights Rule. The rule states that when an organization applies for recognition, the CFPB may publish the application and seek public input.</p> <p>The CFPB is inviting public feedback on the first application from an organization seeking recognition as an open banking standard-setter. This is part of the CFPB’s efforts to establish rules for open banking in the U.S., with the first application coming from the Financial Data Exchange (FDX).</p> <p>Standard-setters are essential in creating a secure and competitive open banking framework. The CFPB is evaluating applicants based on five key criteria, including openness, transparency, balanced decision-making, consensus, and due process. Public comments on this application are encouraged to ensure that standards serve the best interests of consumers.</p> <p><u>Additional relevant information:</u></p> <ul style="list-style-type: none">Financial Data Exchange Application	<p>Comments Due: October 16, 2024</p> <p>Agency Announcement</p> <p><i>Federal Register</i> Regulations.gov</p>
<p>NCUA Joint Proposed Rule: Financial Data Transparency Act Joint Data Standards</p> <p>RIN 3133-AF57 Docket Number: NCUA–2024–0105</p> <p>This proposed rule would establish data standards to promote interoperability of financial regulatory data across these agencies. Final standards established pursuant to this rulemaking will later be adopted for certain collections of information in separate rulemakings by the agencies or through other actions taken by the agencies. The agencies are proposing this rule as required by the Financial Data Transparency Act of 2022.</p> <p>America’s Credit Unions is encouraging credit unions to submit feedback to them by October 9th for their comment letter.</p>	<p>Comments Due: October 21, 2024</p> <p>Agency Announcement</p> <p>Federal Register Regulations.gov</p>
<p>CDFI Request for Comment: CDFI/NACA Program Award Recipient and NMTCA Allocatee Annual Report including CDFI ERP</p> <p>OMB No. 1559-0027</p> <p>The CDFI Fund is seeking public feedback on proposed changes to the Transaction Level Report (TLR) that will capture data related to the Community Development Financial Institutions Equitable Recovery Program (CDFI ERP). This program, which allocated \$1.73 billion in 2023 to help low- and moderate-income communities and minority borrowers impacted by the COVID-19 pandemic, requires updated reporting templates to track the program’s specific impacts. The CDFI Fund invites comments on the proposed modifications, which aim to streamline reporting and ensure accurate tracking of CDFI ERP activities. Feedback must be submitted within 60 days of the Federal Register notice publication.</p> <p><u>Additional relevant information:</u></p> <ul style="list-style-type: none">CDFI ERP Transaction Level Report Data Point Guidance (For comment)	<p>Comments Due: October 21, 2024</p> <p>Agency Announcement</p> <p>Federal Register <i>Regulations.gov</i></p>
<p>FHFA Proposed Rule: 2025-2027 Enterprise Housing Goals</p> <p>RIN 2590-AB34</p> <p>The Federal Housing Finance Agency (FHFA) is issuing a proposed rule and requesting comments on the housing goals for Fannie Mae and Freddie Mac (the Enterprises) for 2025 through 2027 as required by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. The housing goals and subgoals include separate categories for single-family and multifamily mortgages on housing affordable to low-income and very low-income families, among others. The proposed rule also includes criteria for when housing plans would be required for 2025-2027, and it</p>	<p>Comments Due: October 28, 2024</p> <p>Agency Announcement</p> <p>Federal Register Regulations.gov</p>

<p>makes several technical changes to enhance clarity and conform the regulation to existing practice.</p>	
<p>CFPB Proposed Rule: Remittance Transfers Under the Electronic Fund Transfer Act (Regulation E)</p> <p>Docket No. CFPB-2024-0045</p> <p>The Bureau is proposing a narrowly tailored amendment to certain remittance transfer disclosure requirements in the remittance rule in Regulation E (Remittance Rule or Rule), which implements the Electronic Fund Transfer Act, and certain accompanying model forms, to ensure that consumers sending a remittance transfer have information about the types of inquiries that may be most efficient to direct to the CFPB and the State agency that licenses or charters their remittance transfer provider.</p>	<p>Comments Due: November 4, 2024</p> <p>Agency Announcement</p> <p>Federal Register</p> <p>Regulations.gov</p>
<p>NCUA Proposed Information Collection Activity; Request for Comment: Revision and Extension of NCUA Call Report (Form 5300)</p> <p>Docket No. NCUA-2024-0115</p> <p>The NCUA has approved the publication of a proposal to revise and extend for three years the NCUA Call Report (Form 5300), which is a currently approved information collection, for public comment. The NCUA is submitting the following extension and revision of the currently approved information collection to the OMB for review and clearance. The revisions are proposed to take effect with the March 31, 2025, report date. Key changes include adding and removing accounts related to loans, deposits, and assets, and updating terminology to better reflect current practices. The proposal focuses on improving the reporting of credit union officials' loans, pledged assets, brokered shares, deposits, and uninsured deposits. Additionally, the agency invites feedback on ways to minimize the reporting burden, including the use of automated collection techniques.</p>	<p>Comments Due: November 15, 2024</p> <p><i>Agency Announcement</i></p> <p>Federal Register</p> <p>Regulations.gov</p>
<p>CDFI Request for Comment: Capital Magnet Fund Application</p> <p>Docket No. CDFI-2024-0003-0001</p> <p>The CDFI Fund is soliciting comments concerning the Capital Magnet Fund (CMF) Application for the fiscal year funding rounds 2025-2027. The CDFI Fund is required by law to make the Application publicly available for comment prior to submission for a new PRA number. The CDFI Fund is requesting public comment on the data and information collection for the Application:</p> <ul style="list-style-type: none"> (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) The accuracy of the agency's estimate of the burden of the collection of information; (c) Ways to enhance the quality, utility, and clarity of the information to be collected; (d) Ways to minimize the burden of the collection of information on respondents, including through the use of technology; (e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services required to provide information; and (f) Whether any additional questions or factors should be considered as part of the CMF Application and/or review process. 	<p>Comments Due: November 25, 2024</p> <p>Agency Announcement</p> <p>Federal Register</p> <p>Regulations.gov</p>

Relevant Federal Rulemaking Links

Agency	Unified Rulemaking Agenda (Spring 2024 Update)	Agency Rulemaking Tracker	Federal Register	Regulations.gov
NCUA	LINK	LINK	LINK	LINK
CFPB	LINK	LINK	LINK	LINK
Treasury <i>CDFI Fund</i> <i>FinCEN</i>	LINK n/a n/a	n/a LINK LINK	LINK LINK LINK	LINK LINK LINK
Federal Reserve System	LINK	LINK	LINK	LINK
FHFA	LINK	LINK	LINK	LINK
FTC	LINK	n/a	LINK	LINK
HUD	LINK	n/a	LINK	LINK
FCC	n/a	LINK	LINK	LINK