

FEBRUARY 2022 FREE COMPLIANCE NEWSLETTER

2022 HMDA FILING SEASON IN FULL SWING

The 2022 HMDA filing season (for 2021 HMDA data) is in full swing. Here are some reminders and tips for preparing and uploading your submission.

- **Filing Season Dates:** The 2022 filing season is now open for HMDA Data submissions. It will close for on-time submissions on Tuesday, March 1, 2022.
- **Need to Test a File?** Filers are encouraged to use the HMDA Beta Platform to test their loan/application register (LAR) files prior to submission. The HMDA Beta Platform (<https://ffiec.beta.cfbp.gov/filing/>) is available on an ongoing basis for filers and vendors to test files and review platform updates. Please note that the Beta Testing Platform is for testing purposes only. Data entered on the Beta Testing Platform will **NOT** be considered a HMDA submission for compliance with HMDA data reporting requirements.
- **What's my User Account?** Users can log in to the 2021 HMDA Data Platform using their existing credentials from previous filing seasons. If you are new to filing HMDA data and do not have an account, you can fill out a registration form here: <https://hmdahelp.consumerfinance.gov/accounthelp/>.
- **LEI Reminder:** The LEI, or Legal Entity Identifier, used to register with the HMDA Platform and submit HMDA data must relate to the institution covered by Regulation C. An institution may not use an LEI assigned to a parent company, holding company, or other affiliated institution.
- **Open End Threshold:** Effective, January 1, 2022, the threshold for reporting data about open-end lines of credit is 200 in each of the two preceding calendar years.
- **Initially Payable Data Field Reminder:** Except for purchased covered loans and transactions covered by a partial exemption, an institution must report whether the obligation arising from a covered loan was, or for an application would have been, initially payable to the institution. An institution can report "not applicable" for the initially payable data field only if it had not determined whether the loan would have been initially payable to the institution reporting the application when the application was withdrawn, denied, or closed for incompleteness. Therefore, an institution cannot report "not applicable" for this data field if it has determined to whom the application would have been initially payable at the time the application was withdrawn, denied, or closed for incompleteness.

You can find additional answers to your filing questions [here](#).

FDIC UPDATES FAQs ON BROKERED DEPOSITS RULE

The FDIC issued an update on the FAQs related to the Brokered Deposits Rule. One question was added under the Primary Purpose Exception section and two were added to the reporting section. You can find the FAQs [here](#).

MLA DATABASE TO ADD CERTAIN CADETS AND MIDSHIPMEN

The Department of Defense issued a notice to the public of a scheduled change to the Military Lending Act (MLA) Database. Effective February 1, 2022, cadets and midshipmen attending Military Service Academies of the Armed Forces, who are covered borrowers under the MLA, will be added to the population of covered borrowers identified in the MLA database. You can find the full notice [here](#).

CFPB ISSUES BULLETIN TO PREVENT UNLAWFUL MEDICAL DEBT COLLECTION AND CREDIT REPORTING

The 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. You can read the bulletin [here](#). You can find more information on the No Surprises Act [here](#).

CFPB LAUNCHES INITIATIVE TO SAVE AMERICANS BILLIONS IN JUNK FEES

The CFPB launched an initiative to save households billions of dollars a year by reducing exploitative junk fees charged by banks and financial companies. This initiative will give the public a chance to share their input in crafting the agency's rulemaking and guidance agenda, as well as its enforcement priorities in the coming months and years. In 2019, the CFPB found that major credit card companies charged over \$14 billion each year in punitive late fees and that bank revenue from overdraft and non-sufficient fees surpassed \$15 billion. Given these problems, the CFPB seeks input from the public to be able to craft rules, issue industry guidance, and focus supervision and enforcement resources that will strengthen competition in consumer finance. You can read the announcement [here](#). You can find the request for information [here](#). This announcement is inline with the CFPBs history of dislike towards bank overdraft and non-sufficient fee charges.

FINCEN ISSUES PROPOSED RULE FOR SAR SHARING PILOT PROGRAM

FinCEN issued a Notice of Proposed Rulemaking (NPRM) that proposes and solicits public comment on the establishment of a limited-duration pilot program for sharing suspicious activity reports (SARs), in accordance with Section 6212 of the Anti-Money Laundering Act of 2020. In the pilot program, a financial institution with a SAR reporting obligation would be permitted to share SARs and information related to SARs with foreign branches, subsidiaries, and affiliates for the purpose of combating illicit finance risks, provided FinCEN approves and approves the conditions. FinCEN will be accepting comments until March 28, 2022. You can find the full release [here](#). You can read the proposed rule [here](#).

FDIC SIMPLIFIES DEPOSIT INSURANCE COVERAGE RULES

The FDIC approved a final rule to simplify aspects of the agency's deposit insurance coverage rules. In particular, deposit insurance coverage for deposits held in connection with irrevocable and revocable trusts is simplified by combining these two deposit insurance categories under one simpler and common calculation. You can read the full release [here](#). You can read the final rule [here](#) and the accompanying fact sheet [here](#).

FEDERAL RESERVE BOARD EXAMINES USE OF U.S. DIGITAL CURRENCY

The Federal Reserve Board released a discussion paper that examines the pros and cons of a potential U.S. central bank digital currency, or CBDC. The Board invites comment from the public as the first step in a discussion of whether and how a CBDC could improve the safe and effective domestic payments system.



PART OF YOUR COMPLIANCE TEAM

The paper, titled *"Money and Payments: The U.S. Dollar in the Age of Digital Transformation"*, summarizes the current state of the domestic payments system and discusses the different types of digital payment methods and assets, such as stablecoins and other cryptocurrencies, that have emerged in recent years. It also details other key policy considerations such as downsides of using a digital currency, how to ensure a CBDC would preserve monetary and financial stability, and how it will complement existing means of payment. The report concludes by exploring the potential benefits and risks of a CBDC, and by identifying specific policy concerns. The Board will be accepting comments for 120 days from the date of its release. You can read the full announcement [here](#) and read the paper [here](#).

CFPB UPDATES THE RURAL AND UNDERSERVED AREAS AND COUNTIES LIST AND TOOL FOR 2022

The Bureau has updated the Rural and Underserved Areas and Counties lists published on its website to include the lists for areas determined to be "rural or underserved" and counties determined to be "rural" in 2021 for purposes of applying certain regulatory provisions in 2022. The Bureau has also updated the rural or underserved areas website tool with areas determined to be "rural" or "underserved" in 2021 for purposes of applying certain regulatory provisions in 2022. The lists and the tool help creditors determine the rural or underserved status of a property for purposes of applying certain regulatory provisions related to mortgage loans. The lists for use in 2022 can be found [here](#). The tool can be found [here](#).