

*November 2021 Free Compliance Newsletter*

#### **CFPB RELEASES FAQ ON THE DEBT COLLECTION RULE IN REGULATION F**

The Bureau released a set of Frequently Asked Questions that discusses limited-content messages and the call frequency provisions under the Debt Collection Rule in Regulation F. You can find the FAQs and other information [HERE](#).

#### **HUD ISSUES AN ADVANCE NOTICE OF PROPOSED RULEMAKING ON TRANSITION AWAY FROM LIBOR**

The Department of Housing and Urban Development (HUD) issued an Advance Notice of Proposed Rulemaking (ANPR) in the Federal Register. In the ANPR, HUD explains that it is considering a rule that would address a Secretary-approved replacement index for existing FHA loans and provide for a transition date consistent with the cessation of the LIBOR index. HUD is also considering replacing the LIBOR index with the SOFR interest rate index, with a compatible spread adjustment to minimize the impact of the replacement index for legacy ARMs. Public comments are due by December 6, 2021. You can find the ANPR [HERE](#).

#### **CFPB UPDATES 2022 HMDA FILING INSTRUCTIONS GUIDE**

The Bureau has released an update to the Filing Instructions Guide for data collected in 2022. This is a technical resource to help financial institutions file HMDA data collected in 2022 and reported in 2023. The updates are as follows (in bold):

- Edit V720-2 will be updated from "If Co-Applicant or Co-Borrower, Name and Version of Credit Scoring Model is 1, 2, 3, 4, 5, 6, or 11, Credit Score of Co-Applicant or Co-Borrower should be greater than 279." to "If Co-Applicant or Co-Borrower, Name and Version of Credit Scoring Model is 1, 2, 3, 4, 5, 6, or 11, Credit Score of Co-Applicant or Co-Borrower **should be 280 or above.**" for consistency with edit V720-1.
- Edit V721-2 will be updated from "If Age of Co-Applicant is not 8888, indicating Not Applicable, it must be the co-applicant or co-borrower's age and cannot be 1111." to "If Age of Co-Applicant is not 8888, indicating Not Applicable, **or 9999, indicating No Co-Applicant,** it must be the co-applicant or co-borrower's age and cannot be 1111."
- The affected data field column for edit Q657 will be updated from "Any data field with a numeric data field type that is not eligible for an exemption code" to "Any data field that **accepts a numeric data field type** that is not eligible for an exemption code."

You can find the guide [HERE](#).

#### **FinCEN ANNOUNCES CIP RELIEF FOR CASINOS AND ISSUES RANSOMWARE TRENDS REPORT**

FinCEN announced that it had granted limited exceptive relief (FIN-2021-R001) to casinos from certain customer identity verification requirements in the context of online gaming. Specifically, the relief allows a casino to utilize suitable non-documentary methods to verify the identity of online customers, though the suitability or non-suitability of any particular method must be evaluated based on risk. You can find the relief document [HERE](#).

FinCEN also issued a financial trend analysis on ransomware trends in Bank Secrecy Act reporting filed between January 2021 and June 2021. This report, which was required by the Anti-Money Laundering Act of 2020, focuses on pattern and trend information pertaining to ransomware, in line with FinCEN's issuance of government-wide priorities for anti-money laundering and countering the financing of terrorism policy. You can find the report [HERE](#).

#### **OFAC PUBLISHES SANCTIONS GUIDE FOR VIRTUAL CURRENCY**

The Department of the Treasury's Office of Foreign Assets Control (OFAC) announced a new industry-specific brochure, "Sanctions Compliance Guidance for the Virtual Currency Industry." In their release, the Treasury explained that this new resource is designed to help members of the virtual currency industry navigate and comply with OFAC sanctions. You can access the sanctions guide [HERE](#).

#### **HMDA REMINDER – USE THE 2020 CENSUS DATA BEGINNING JANUARY 1, 2022.**

In February 2021, the U.S. Census Bureau released the 2020 Census Data tract boundaries. As a reminder, Regulation C - 12 CFR 1003.4(a)(9)(ii)(C) requires financial institutions to provide census tract information for certain properties. To determine what to report for this data point, a covered financial institution must look to the "most recent decennial census conducted by the U.S. Census Bureau" and "use the boundaries and codes in effect on January 1 of the calendar year covered by the loan/application register that it is reporting." As a result, for data collected beginning January 1, 2022, financial institutions should use census tract information provided in the 2020 Census. Consistent with this approach, the FFIEC's Geocoder will use census tract information from the 2020 Census beginning January 1, 2022. You can access the Geocoder [HERE](#).

#### **CFPB ANNOUNCES THRESHOLD ADJUSTMENTS UNDER TILA (REGULATION Z)**

The Consumer Financial Protection Bureau has announced that it is issuing a final rule amending the official interpretations for Regulation Z, which implements the Truth in Lending Act (TILA). The Bureau is required to calculate annually the dollar amounts for several provisions in Regulation Z. This final rule revises the dollar amounts for provisions implementing TILA and amendments to TILA, including under the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act), the Home Ownership and Equity Protection Act of 1994 (HOEPA), and the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). These adjustments are applicable January 1, 2022, consistent with relevant statutory or regulatory provisions. You can access the notice [HERE](#). The threshold adjustments start on page 2.

#### **OCC ISSUES FAQ REGARDING NOTICE OF PROPOSED RULEMAKING TO RESCIND THE OCC'S JUNE 2020 CRA RULE**

The OCC has issued responses to frequently asked questions about a notice of proposed rulemaking soliciting comments on the proposal to rescind the OCC's Community Reinvestment Act (CRA) rule issued on June 5, 2020. The notice, which was published in the Federal Register, proposes that the June 2020 CRA rule largely be replaced with the rules adopted jointly by the OCC, the Federal Reserve Board, and the FDIC in 1995. You can view the bulletin [HERE](#).