



## Exciting News – Online Knowledge Base

Sheshunoff's Online Compliance Consulting area has BIG news! **Our Online Knowledge Base has reached a milestone threshold and is now populated with over 2,000 items!** This represents a tremendous increase in the resource information available.

Our clients have access to our **Knowledge Base** that serves as an "electronic library" containing a wide variety of compliance and risk-related information. If you are not familiar with this tool, it is an immense resource that puts tremendous information right at your fingertips!

Once inside the Online Compliance Consulting Dashboard, clients can access the Knowledge Base in 3 ways. You can **search** and **browse**, but for clients with access to submit questions, you will also have **additional, unique access**, as follows:

**During the entry of a Compliance Question within the Online Compliance Dashboard, the inquirer will observe the auto-population of "Related Knowledge Base Articles" on the right hand side of their computer screen. Depending on the content of your question, related articles appear that will possibly address your issue.**

If you haven't explored this feature yet, we urge you to try it out and see for yourself. Information is provided in a Q&A format, often containing a link to additional guidance.

## Continued Expansion – COVID-19 Resources

As announced earlier this month, our **Online Compliance Dashboard** also includes a section dedicated to **COVID-19**.

In this area, we've included links to many announcements and regulatory guidance documents related to the **pandemic**. At the time of this article, it contains almost 200 linked issuances and is updated frequently.

If you have not already checked out this valuable resource, we hope you do soon. Clients can find this information on the Online Compliance Dashboard, by accessing it via the following link: <https://compliance.smslp.com/>

## Online Compliance Consulting Update!

The Online Compliance Consulting Dashboard has been enhanced!

- Over 2,000+ Articles in the Knowledge Base!
- NEW Pandemic-Related Resources
- NEW SBA Paycheck Protection Program FAQs
- NEW FCRA FAQs
- NEW Beneficial Ownership FAQs
- NEW TRID FAQs
- NEW Homeownership Protection Act FAQs
- Updated Compliance Calendar
- March 2020 News

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

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

## UPDATED BSA/AML Examination Manual

On April 15th, the FFIEC released several updates to the **BSA/AML Examination Manual** along with an **Interagency Statement**. The updates were made to provide greater transparency into the current examination process and should not be interpreted as establishing any new requirements. The FFIEC has also indicated they are in the process of reviewing the remainder of the BSA/AML Examination Manual and will release additional updates upon completion.

Within this update, the FFIEC changed the structure of the **“Core Examination Procedures”** chapter from the 2014 BSA/AML Examination by separating out each of the four sections (“Scoping and Planning”, “BSA/AML Risk Assessment”, “BSA/AML Compliance Program”, and “Developing Conclusions and Finalizing the Examination”) into their own chapters. Within each of those chapters, areas that were previously subsections were modified to sections. The result is that it is easier to navigate the document and find the testing procedures that apply to each different examination function.

Notwithstanding these changes, the content of the 2020 chapters is fairly similar to the 2014 iteration. However, BSA professionals should be aware of several key changes. The updated manual provides more detailed instructions to examiners for tailoring BSA/AML examinations to risk profiles, assessing the adequacy of BSA/AML programs and risk assessments, developing conclusions, and finalizing exams. Additionally, updates reflect newer regulations, technology, and guidance – particularly the “Joint Statement on the Risk-Focused Approach to BSA/AML Supervision” and “Joint Statement on Innovative Efforts to Combat Money Laundering and Terrorist Financing.” Lastly, the FFIEC’s updates and communications provide a much clearer demarcation between regulatory obligations and guidance-based supervisory expectations. While these exam manual updates may not warrant any immediate program changes, management involved with administering BSA Programs should familiarize themselves with them and be prepared for more robust analysis and testing by their regulators in future exams.

The FFIEC BSA/AML Examination Manual Updates and Interagency Statement can be found [here](#).

## APR / APY Calculators

On April 16<sup>th</sup>, the **OCC** issued its **Bulletin 2020-40** to address calculation programs for Annual Percentage Rates (APRs) and Annual Percentage Yields (APYs). As referenced, the OCC has **discontinued their APRWIN and APYWIN programs** and they are no longer available for download.

On that same day, the **FFIEC** announced the availability of their new **federal disclosure computational tools**, as follows:

### APR Program

This online tool is designed to streamline the process by which examiners and institutions can verify finance charges and APRs included on consumer loan disclosures subject to the Truth in Lending Act. It supports the verification of disclosed APR calculations related to unsecured and secured installment loans, as well as Military Annual Percentage Rate (MAPR) limits under the Military Lending Act.



## Calendar Reminders

- **4/30** – Quarterly HMDA LAR Update Deadline
- **5/30** – Quarterly HMDA LAR Submission Deadline for Certain Reporters (*Note: While an institution may quarterly report, the CFPB's 3/26/2020 issuance stated that, until further notice, it does not intend to take action against an institution's failure to quarterly report HMDA data.*)
- **6/24** – Quarterly Be Prepared! Webinar

## APY Program

This online tool can be used for verifying APYs on consumer deposit account disclosures subject to the Truth in Savings Act.

Interested persons may find these new online tools on the FFIEC website [here](#).

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## ICYMI - Recent Bureau Activity

**In case you missed it**, the Compliance Team wanted to ensure you were aware of two recent final rules.

With so many new, pandemic-related challenges facing our industry, it can be easy to overlook some *lower-profile* issuances. However, the CFPB posted two new final rules on their website, addressing two compliance regulations.

### Regulation C - HMDA

On April 16th, the CFPB issued a new final rule amending **Regulation C**, which implements HMDA. The rule amends certain thresholds reflected in the regulation.

We know that since the 2015 HMDA rule was released, the initial thresholds have been amended over the course of time. Most recently, the Bureau extended to 1/1/2022, the temporary threshold of 500 open-end lines of credit for open-end coverage.

With this issuance:

- **Effective 7/1/2020**, the final rule permanently raises the **closed-end coverage threshold from 25 to 100 closed-end mortgage loans** in each of the two preceding calendar years. The final rule also amends the regulation so that institutions have the option to report closed-end data collected in 2020, if certain criteria are met.
- **Effective 1/1/2022**, the final rule sets the permanent **open-end threshold at 200 open-end lines of credit**, upon expiration of the temporary threshold of 500 open-end lines of credit.

Interested persons may find the CFPB's new final rule [here](#).

### Regulation E - EFTA

On April 13<sup>th</sup>, the CFPB issued an interpretive rule entitled "**Treatment of Pandemic Relief Payments Under Regulation E and Application of the Compulsory Use Prohibition.**"

The focus of the rule is to provide guidance to government agencies distributing aid to consumers in response to the **COVID-19 pandemic**. More specifically, the Bureau concludes that **certain pandemic-relief payments are not "government benefits"** for the purposes of Regulation E and are therefore not subject to the compulsory use prohibition in the Electronic Funds Transfer Act, if certain conditions are met.

Interested persons may find the CFPB's new final rule [here](#).

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Mark your calendar for our next **Be Prepared!** Compliance Update webinar. It is scheduled for **June 24, 2020**.

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

## 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.**

## Contact Us

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