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Capitol Report

Maine Bankers Association

February 20, 2020

News from Washington (Legislative & Regulatory)

Fed Chairman Powell Testified Before Congress on February 11th. Chairman Powell testified before the House Financial Services Committee last week. The Chairman explained in his [opening statement](#) that the “economic expansion is well into its 11th year, and it is the longest on record.” Powell answered questions from lawmakers on a wide range of topics from CRA to cyber threats. The *ABA Banking Journal* reported that “when asked what he viewed as the most significant risk facing the financial system, Powell flagged cyber-attacks as a major concern for the central bank.” He stated that “we have a great game plan for traditional issues like bad loans. . . . [Cyber] is really the frontier where you worry.” Click [here](#) to watch Powell’s testimony.

LendingTree Announces Plans to Purchase Radius Bank Based in Boston. LendingTree’s press release stated that “Radius is a leading online bank founded in 1987 and based in Boston, MA, with more than \$1.4 billion in diversified assets.” The transaction must be approved by the OCC.

The National Taxpayers Union (NTU) Calls on Lawmakers to Revisit CU Tax

Exemption. Yesterday, the NTU released an [Issue Brief](#) stating that “according to the National Credit Union Administration (NCUA), there are more than 5,200 federally insured credit unions in the United States operating as not-for-profit institutions. Within the \$1.5 trillion credit union industry, at least 315 credit unions have assets north of \$1 billion, representing about 5 percent of credit unions, but more than two-thirds of the assets of the entire industry.” The NTU brief also references the disturbing trend of purchases of taxpaying banks by tax-exempt credit unions.

News from Augusta (Legislative & Regulatory)

MBA’s Emerging Leader Day at the State House. We will be having an Emerging Leaders Day at the State House in Augusta on March 19th. As a follow-up to our annual Emerging Leaders Conference, this event is free to attend and designed to promote advocacy efforts, as well as allow emerging leaders from Maine banks to meet with their legislators. Participants will receive an overview of the Maine legislative process, tour the Capital, and observe a Senate/House session, among other activities. Additional details and a registration form can be found [here](#).

The Judiciary Committee Voted Unanimously (8-0) Among the Members Present to Approve the Stakeholder Amendment for LD 1963 (Abandoned Real Estate). The [stakeholder’s](#)

[amendment](#) does the following: (1) It does not preempt, supersede or otherwise render inapplicable any rights granted to the mortgagee under the mortgage. (2) The penalties provision does not apply to any MBA member bank or a subsidiary of a member bank. (3) It includes an anti-harassment provision that is applicable to all parties.

The Health Coverage, Insurance and Financial Services Committee (HCIFS) Will Hold Another Work Session for LD 1767. Senator Sanborn (D-Portland) has proposed an [amendment](#) to LD 1767 that makes it a violation of the Maine Fair Debt Collections Practices Act (MFDCPA) to collect or attempt to collect a debt from medical expenses against an individual eligible for free or charity care. Also, the amendment adds requirements relating to collection actions for credit card debt and student loan debt. MBA has asked for [clarifying language](#) to be added to the amendment to ensure that the proposed changes will not impact MBA members. In addition, the Maine Bureau of Financial Institutions submitted a [comprehensive letter](#) to the Committee regarding the MFDCPA issue. Banks and credit unions are exempt from the MFDCPA because they must follow the Maine Consumer Credit Code regarding [Limitations on Creditor's Remedies](#).



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Compliance Alliance Feature Question

Question: Regarding the six-transaction limit imposed in Regulation D, can a bank reduce this limit to only two transactions?

Answer: Yes, the bank may set stricter limits than required under Reg. D. There is not a prohibition in doing using a stricter limit as long as it is disclosed in the bank's account agreement to avoid any potential UDAAP issues.

Not a member of Compliance Alliance? Learn more about membership with Compliance Alliance by attending one of our live demos:

- [Live demo on Tuesday, February 25th @ 10:00 am CT.](#)
- [Live demo on Thursday, February 27th @ 1:00 pm CT.](#)

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