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Capitol Report

Maine Bankers Association

March 6, 2020

News from Washington (Legislative & Regulatory)

Treasury Secretary Mnuchin Says Congress, Not Regulators, Needs to Solve Cannabis Problem. Testifying before a House Appropriations [subcommittee](#), Mnuchin said that Congress can make it easier for cannabis-related businesses to do their banking. “There is not a Treasury solution to this,” he said. “There is not a regulator solution to this.” However, when asked what should be done to solve the problem, Mnuchin said, “We’re not taking a policy position on this.” The Secretary stated that the IRS has had to build entire rooms to take in large amounts of cash from businesses that remain unbanked, reflecting safety risks caused by conflicting state and federal laws.

OCC Issues FAQs for Third-Party Vendor Relationships. OCC Bulletin 2020-10 outlines [frequently asked questions](#) to supplement its guidance on third-party relationships issued in 2013. These FAQs are intended to clarify the OCC’s existing guidance and reflect evolving industry trends.

News from Augusta (Legislative & Regulatory)

Governor Mills Convenes Coronavirus Response Team. The [response team](#) will meet regularly to share information and coordinate coronavirus preparation and response across State government. The Maine Department of Labor (DOL) is encouraging Maine businesses to review the U.S. Center for Disease Control’s (CDC) [Guide for Businesses](#) regarding COVID-19 information. MBA has compiled a COVID-19 Resource Page [on our website](#) that includes links to information at the federal and state levels, as well as links to information specific to the banking industry.



MBA's Emerging Leaders 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](#).

Sue Norton (Executive Vice President/Chief Administrative Officer at First National Bank), Chair of MBA's Legislative Committee, briefs attendees during our last Emerging Leaders Day at the State House.

Maine's Revenue Forecasting Committee (RFC) [Announced](#) a Projected \$40 M in Additional Revenue for the Current Fiscal Year Ending in June 2020. The Committee revised the State's General Fund revenue forecast by upward of \$139 million, including a projected additional \$40 million for the current Fiscal Year which ends June 30, 2020. In their report, the RFC stated that the Consensus Economic Forecasting Commission (CEFC) discussed the potential economic impact of COVID-19 in their January 2020 meeting, although they did not make any specific modifications to the forecast. However, the RFC Report states that, "As of March 1, there are no economic or revenue data indicating any direct impact of COVID-19 on the Maine economy. The CEFC and the RFC will continue to monitor the economic and fiscal impacts of COVID-19 and if events warrant, will consider reconvening to review the current economic and revenue forecasts."



A Division of Bankers Alliance

Co-owned by Maine Bankers Association and 28 other state banker associations across the country. Contact C/A's Membership Development Team at (888) 353-3933 or info@compliancealliance.com for more information about C/A's products.

Compliance Alliance Feature Question

Question: Our bank is trying to find the law or regulation that states what period of time the bank must give a customer to stop conducting excessive transactions before the savings account is converted or closed.

Answer: Reg. D discusses the requirement to monitor transfers in a footnote in the regulation, however, it does not specify a precise number of months which the customer has to "continue to violate those limits", in order for the Bank to close the account or take away the transfer and draft capacities. As a best practice recommendation, a three-month time frame is common among members as well as from regulators, but again, the regulation doesn't specifically set out a number.

...In order to ensure that no more than the permitted number of withdrawals or transfers are made, for an account to come within the definition of "savings deposit," a depository institution must either:
(a) Prevent withdrawals or transfers of funds from this account that are in excess of the limits established by paragraph (d)(2) of this section, or

(b) Adopt procedures to monitor those transfers on an ex post basis and contact customers who exceed the established limits on more than occasional basis. For customers who continue to violate those limits after they have been contacted by the depository institution, the depository institution must either close the account and place the funds in another account that the depositor is eligible to maintain or take away the transfer and draft capacities of the account. An account that authorizes withdrawals or transfers in excess of the permitted number is a transaction account regardless of whether the authorized number of transactions is actually made. For accounts described in paragraph (d)(2) of this section, the institution at its option may use, on a consistent basis, either the date on the check, draft, or similar item, or the date the item is paid in applying the limits imposed by that section....

12 CFR 204.2(d)(2) FN 4: https://www.ecfr.gov/cgi-bin/text-idx?SID=4cfab07594dfb576e5e767d0261cb1a4&mc=true&node=se12.2.204_12&rgn=div8

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

- [Live demo on Tuesday, March 10th @ 10: 00 am CT.](#)
- [Live demo on Thursday, March 12th @ 1:00 pm CT.](#)

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