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Capitol Report

Maine Bankers Association

May 1, 2020

News from Washington (Legislative & Regulatory)

The Federal Financial Institutions Examination Council (FFIEC) Issued a Statement on Cloud Computing Security. The FFIEC statement “does not contain new regulatory expectations; rather, this statement highlights examples of risk management practices for a financial institution’s safe and sound use of cloud computing services and safeguards to protect customers’ sensitive information from risks that pose potential consumer harm.” Click [here](#) to read the Statement.

Federal Reserve Waives Regulation D – Six Transactions Per Month Rule. The Federal Reserve announced last Friday that it would provide relief from the six-per-month limit on transfers or withdrawals from savings accounts under Regulation D, effective immediately. Read the detailed proposal [here](#). See the Compliance Alliance question regarding this issue at the end of this Report.

News from Augusta (Legislative & Regulatory)

Restarting Maine’s Economy. [Restarting Maine’s Economy](#) is a new page within the Office of the Governor’s website. The website provides the following: example of a checklist, guiding principles, an explanation of the staged approach to reopening, and established safety precautions.

Executive Order 49. The purposes of this Order are to continue to prioritize protection of public health and safety by keeping certain existing public safety measures for business and personal activities in effect through May 31, 2020 and to implement the Restarting Plan to assess how certain restrictions may, consistent with expert public health guidance, be safely eased to permit more economic and personal activity. Read the Order [here](#).

The following are important links to the Opening Up Maine Plan:

- [Restarting Maine’s Economy Booklet](#)
- [COVID-19: Public Health Considerations for Re-Opening Maine Presentation from Dr. Shah](#)
- [The General Business Checklist on the DECD Website](#)

Current Essential Business Regulations. Department of Economic & Community Development (DECD) Commissioner Johnson stated on a Zoom call Wednesday that [essential businesses](#)

currently open do not require an opening checklist from DECD. Essential businesses can continue to operate under the existing regulations. Our members are considered essential businesses.



**COMPLIANCE
ALLIANCE**

A Division of Bankers Alliance

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Compliance Alliance Feature Question

Question: Regarding the recent Regulation D amendments, are these temporary or permanent changes?

Answer: As the interim final rule is currently written, these changes do appear to be permanent, and not tied directly to the current COVID-19 pandemic:

"In January 2019, the FOMC announced its intention to implement monetary policy in an ample reserves regime. Reserve requirements do not play a role in this operating framework. In light of the shift to an ample reserves regime, the Board announced that, effective March 26, 2020, reserve requirement ratios were reduced to zero percent. This action eliminated reserve requirements for thousands of depository institutions and helped to support lending to households and businesses. As a result of the elimination of reserve requirements on all transaction accounts, the retention of a regulatory distinction in Regulation D between reservable "transaction accounts" and non-reservable "savings deposits" is no longer necessary. In addition, financial disruptions arising in connection with the novel coronavirus situation have caused many depositors to have a more urgent need for access to their funds by remote means, particularly in light of the closure of many depository institution branches and other in-person facilities."

p. 5: <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20200424a1.pdf>

Because this is an interim final rule, however, there is an allowance for comments--so it's possible that there can be changes to it after those are considered and a finalized rule is issued:

"III. Request for Comment The Board seeks comment on all aspects of this interim final rule. In particular, the Board seeks comment on the considerations that may lead depository institutions to choose, or to be required, to retain a numeric limit on the number of convenient transfers that may be made each month from a savings deposit."

p. 11: <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20200424a1.pdf>

Not a Member of Compliance Alliance (CA)? Learn more about membership with CA by attending one of our live demos:

- [Live Demo on Tuesday, May 5th @ 11:00am ET](#)
- [Live Demo on Thursday, May 7th @ 2:00pm ET](#)