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## Capitol Report

### Maine Bankers Association

May 14, 2020

### **News from Washington (Legislative & Regulatory)**

**Federal Reserve Chairman Powell Says More Fiscal Support May Be Needed.** Powell's comments were made during a May 13th webcast. "At the Fed, we will continue to use our tools to their fullest until the crisis has passed and the economic recovery is well under way. Recall that the Fed has lending powers, not spending powers. A loan from a Fed facility can provide a bridge across temporary interruptions to liquidity, and those loans will help many borrowers get through the current crisis. But the recovery may take some time to gather momentum, and the passage of time can turn liquidity problems into solvency problems. Additional fiscal support could be costly, but worth it if it helps avoid long-term economic damage and leaves us with a stronger recovery." Click [here](#) to read Chairman Powell's full comments.

**IRS Updates FAQs to Address Several Issues Including Payments to Deceased Individuals.**

The IRS has updated its [FAQs](#) on the CARES Act economic impact payments to reflect that the deceased (as well as heirs receiving payments in their name), non-resident aliens, and incarcerated individuals are not eligible to receive EIPs and must return them. The obligation to return funds is on the ineligible recipients, not on banks.

**Comptroller of the Currency Otting Discusses Efforts to Support the Federal Banking System's Response to COVID-19.** Otting testified yesterday, during a hearing held by the Senate Banking Committee. "The Comptroller's testimony discussed the agency's efforts to support the safe, sound, and fair operation of the federal banking system and promote its ability to meet the needs of its customers during the national public health emergency created by COVID-19." Click [here](#) for a full transcript of Mr. Otting's Testimony.

### **News from Augusta (Legislative & Regulatory)**

**Governor's Economic Recovery Committee.** The first virtual meeting will be held on May 15 @ 8 AM. The purpose of the Governor's Economic Recovery Committee is to develop recommendations to mitigate the damage to Maine's economy caused by the ongoing COVID-19 pandemic and to jumpstart a long-term economic recovery for Maine people, businesses, and organizations.

Anyone can listen, but you will need to register in advance to attend. Register [here](#).

**Yesterday Governor Mills Extended Her State of Emergency for 30 Additional Days.** “The State of Civil Emergency allows state government to deploy all available resources to protect the health and safety of Maine people and to respond quickly and as-needed to the COVID-19 pandemic,” said Governor Mills. “It also allows us to continue to draw critical Federal resources that help us equip frontline workers with needed protective equipment and to use Federal resources to support the State’s response.” Click [here](#) for a copy of the Governor’s Proclamation.



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## Compliance Alliance Feature Question

**Question:** Are banks required to report SBA Paycheck Protection Program (PPP) loans to the credit bureaus? I thought that SBA 7(a) loans are required to be reported, but I don’t know if this extends to PPP loans.

**Answer:** You are right that there is a general requirement to report SBA loans. That being said, this requirement was not specifically cross referenced in the PPP rules, so it’s currently still not clear whether this requirement extends to PPP loans. While the intent does not appear to be to require institutions who currently do not report to begin the reporting process for PPP loans, the bank will ultimately have to make an internal judgment call until further guidance is issued.

*2. Reports to Credit Reporting Agencies In accordance with the Debt Collection Improvement Act of 1996, Lenders are required to report information to the appropriate credit reporting agencies whenever they extend credit via an SBA loan. Thereafter, they should continue to routinely report information concerning servicing, liquidation, and charge-off activities throughout the life-cycle of the loan. (See Chapter 26 for more information regarding credit reporting requirements for loans in charge-off status.)*

SBA SOP 50 57 2, p. 28: [https://www.sba.gov/sites/default/files/files/SOP\\_50\\_57\\_2\\_1.pdf](https://www.sba.gov/sites/default/files/files/SOP_50_57_2_1.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 19th @ 11:00am ET](#)
- [Live Demo on Thursday, May 21st @ 2:00pm ET](#)

Compliance rules and regulations change quickly! For timely compliance updates, [subscribe to Compliance Alliance’s email newsletters](#).