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Capitol Report

Maine Bankers Association

May 28, 2020

News from Washington (Legislative & Regulatory)

FDIC Will Not Join OCC in Final CRA Rule. On May 20th, The OCC released a final rule modernizing the agency's regulations under the Community Reinvestment Act (CRA). The new rule will only impact OCC-supervised banks because neither the FDIC nor the Federal Reserve supported the new rule. Click [here](#) for the news release from the OCC regarding the new CRA Rule.

Webinar for Potential Lenders in the Main Street Lending Program. The Federal Reserve will be hosting a webinar on Thursday, June 4th from 2-3 PM EDT for potential lenders in the Main Street Lending Program. Click [here](#) for more information and to register.

MBA Joined ICBA and Other State Banking Associations in Writing to Congress Seeking More Workable Forgiveness Loan Terms Under the Small Business Administration's Paycheck Protection Program. The letter contained the following suggested changes to the PPP:

1. **More Flexible Spending to Preserve Small Business Viability and Employment.** Provide more flexible forgiveness terms. Strongly recommend a "50/50 split" which would allow borrowers needed flexibility to spend up to 50 percent of loan proceeds on allowable, non-payroll expenses. Provide more flexibility and options on the current 8-week period for spending PPP funds.
2. **Easy-to-Use Forms and Procedures for PPP Forgiveness.** For all loans with an original balance of \$1 million or less, allow a presumption of compliance based on the borrower's certification that the funds were used in accordance with the terms of the program. Provide a straightforward, easy-to-apply approach to loan forgiveness. Provide a PPP loan forgiveness calculator to allow the borrower and lender to easily determine the forgiven amount. Create a streamline form, comparable to the 1040 EZ, for self-employed borrowers and independent contractors with less resources needed to complete a complex form.
3. **Preserve Expense Deduction for PPP Borrowers.** Allow PPP borrowers that also obtain loan forgiveness to deduct payroll and other business expenses. (Small Business Expense Protection Act of 2020, S. 3612)

Click [here](#) for a copy of the full letter.

OCC Issues Interim Final (IFR) Rule Regarding Director, Shareholder, and Member Meetings.

This IFR will update the OCC's regulations to conform with modern technologies and enable national banks and Federal savings associations to hold these meetings without violating social distancing restrictions imposed in response to the coronavirus disease 2019 (COVID-19) emergency. Click [here](#) for a copy of the IFR.

News from Augusta (Legislative & Regulatory)

MBA Hosts Briefing Calls with Federal Law Enforcement Regarding Unemployment Fraud.

MBA has hosted several briefing calls for bankers with the United States Secret Service, the US Attorney's Office and an investigator from the US Department of Labor. Earlier this week, state and federal officials released a statement on this issue. "United States Attorney Halsey B. Frank, Maine Attorney General Aaron Frey and Maine Commissioner of Labor Laura Fortman warned that scammers are taking advantage of pandemic unemployment assistance programs to file fraudulent claims by using the personal information of other people, including Maine residents. They urged Mainers to notify the Maine Department of Labor if they believe that someone has used their identity to fraudulently apply for or obtain unemployment benefits." The online complaint form is at <https://www.maine.gov/unemployment/idtheft/>. Click [here](#) for a copy of the full release.



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