

View in [web browser](#).

*News you can use*

## Capitol Report

### Maine Bankers Association

July 10, 2020

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

**CFPB Ratifies Previous Actions of the Agency After Supreme Court Decision.** Earlier this week, the CFPB ratified most regulatory actions it has undertaken between Jan. 4, 2012 and June 30, 2020, due to last week's Supreme Court decision *Seila Law v. CFPB*. The decision held that the bureau may continue to operate, but that its single powerful director must be able to be removed at will by the president – the CFPB. The CFPB stated, "The ratification of previous regulatory actions provides the financial marketplace with certainty that the rules are valid in light of the Supreme Court decision in *Seila Law*." Click [here](#) for more information.

**Fed Releases State-by-State Lender Guide for the Main Street Lending Program.** "Business borrowers can view a state-by-state listing of lenders participating in the Main Street Lending Program who are currently accepting applications from new customers by viewing the interactive map located below." Click [here](#) for a copy of the listing.

**MBA's Fraud Call Program Has Provided a Forum for Members and Law Enforcement to Discuss Unemployment Fraud in Maine.** MBA's Fraud Call occurs on the third Wednesday of each month at 9 AM. The calls provide MBA members with a forum to exchange information regarding current bank fraud in Maine. However, we have had several special calls recently to allow law enforcement from the US Attorney's Office, United States Secret Service and the Department of Labor to brief bankers on the scope of unemployment insurance fraud in Maine. Click [here](#) for more information from the United States Secret Service and Labor Department Office of Inspector General regarding unemployment fraud.

### **State News**

**UMaine School of Economics Maine Rapid Business Survey.** The Maine Rapid Business Climate Survey measures the challenges facing Maine's business community during the coronavirus (COVID-19) pandemic. We have provided links to the two survey results published since our last Capitol Report.

- Click [here](#) for Week # 4 Survey Results (Week: July 1, 2020)
- Click [here](#) for Week # 5 Survey Results (Week: July 8, 2020)

Click [here](#) for a Copy of Executive Order #2 FY 20/21 An Order Strengthening the Use of Face Coverings Released by Governor Mills This Week. This EO became effective immediately and mandates certain businesses require face coverings. It also has a very broad enforcement provision.

**Governor Mills Also Extended the State of Civil Emergency for Another 30 Days to August 6, 2020.** Click [here](#) for the State of Civil Emergency Proclamation.



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](mailto:info@compliancealliance.com) for more information about C/A's products.*

## Compliance Feature Question

**Question:** Can the bank convert a HELOC that is getting close to its maturity date into a closed-end, amortizing loan without requiring TRID disclosures?

**Answer:** Unfortunately, no--if during the loan term a HELOC is converted from open-end credit to closed-end credit, that would trigger closed-end credit requirements, including the TRID disclosures, as set out here:

“Converting open-end to closed-end credit. Except for home equity plans subject to § 1026.40 in which the agreement provides for a repayment phase, if an open-end credit account is converted to a closed-end transaction under a written agreement with the consumer, the creditor must provide a set of closed-end credit disclosures before consummation of the closed-end transaction... If consummation of the closed-end transaction occurs at the same time as the consumer enters into the open-end agreement, the closed-end credit disclosures may be given at the time of conversion. ...”

Comment for 1026.17(b)-2 Converting Open-End To Closed-End Credit:

<https://www.consumerfinance.gov/policy-compliance/rulemaking/regulations/1026/Interp-17/#17-b-Interp-2>

Also, if the bank is internally calling this action a "modification", it still would not change these requirements. Of course, this is assuming that the conversion is not part of an established repayment phase that was part of the original agreement, as described above.

Comment for 1026.17 - General Disclosure Requirements | Consumer Financial Protection Bureau  
The comment for 1026.17 is part of 12 CFR Part 1026 (Regulation Z). Regulation Z protects people when they use consumer credit.

<https://www.consumerfinance.gov/policy-compliance/rulemaking/regulations/1026/Interp-17/#17-b-Interp-2>

Also, if the bank is internally calling this action a "modification", it still would not change these requirements. Of course, this is assuming that the conversion is not part of an established repayment phase that was part of the original agreement, as described above.

Maine Bankers Association  
2 Thomas Drive  
Westbrook, ME 04092

207-791-8400 | [Website](#) | [Unsubscribe](#)