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Capitol Report

Maine Bankers Association

November 13, 2020

News from Washington (Legislative & Regulatory)

Independent Agency Leadership Overview. The Independent Community Bankers of America (ICBA) recently published a useful chart on the status of agency leadership moving forward. The ICBA explains, “independent agency heads have fixed terms and are generally not replaceable by the president until their terms end or they resign prior to the end of the term. However, acting directors are replaceable, as is the CFPB director and, depending on a forthcoming Supreme Court ruling, the Federal Housing Finance Agency (FHFA) director.”

Agency and Leadership	Term Ends	Replaceable by President
FDIC, Jelena McWilliams	June 2023	No
OCC, Brian Brooks	Acting	Yes
Federal Reserve, Jerome Powell	February 2022 (as chair)	No
CFPB, Kathy Kraninger	December 2023	Yes
FHFA, Mark Calabria	April 2024	Possibly, depending on SCOTUS decision expected in mid-2021

The Board of Governors of the Federal Reserve System Released its October 2020 Senior Loan Officer Opinion Survey on Bank Lending Practices. The Survey addresses changes in the standards and terms on, and demand for, bank loans to businesses and households over the past three months, which generally correspond to the third quarter of 2020. Click [here](#) for the Survey Results.

State News

An Overview of the State Level Election in Maine. The national news media and the federal banking trades have done an excellent job providing information regarding the national election. MBA will focus our election reporting on state-level offices. First, we would like to thank all the candidates for their willingness to step forward and decide to serve their communities if elected. We look forward to working with the members of the 130th Maine Legislature to ensure the continued vitality of Maine’s banking industry and economy. Maine citizens and businesses benefit tremendously from a robust state economy, and our banks are a vital component of Maine’s economy. The full state-level election results are as follows:

The Democrats will retain control of both House of the Legislature.

Senate. The Democrats picked up an additional seat in the Senate, so the numbers will be 22-13 in favor of the Democrats. Former Minority Leader, Senator Dana Dow (R-Lincoln), lost his bid for reelection, and Senator Carpenter (D-Aroostook), the current chair of the Judiciary Committee, lost his bid for reelection. Click [here](#) for a list of the apparent senate winners.

Senate Leadership

- Senate President, Senator Troy Jackson (D-Aroostook)
- Majority Leader, Senator Nate Libby (D-Androscoggin)
- Assistant Majority Leader, Senator Eloise Vitelli (D-Sagadahoc)
- Minority Leader, Senator Jeff Timberlake (R-Androscoggin)
- Assistant Minority Leader, Senator Matt Pouliot (R-Kennebec)

House. The Democrats will retain control of the House; however, the election night surprise was that the Republicans will pick up several additional seats. The projected House numbers are as follows: 80 Ds and 67 Rs with 4 Independents or unenrolled. Click [here](#) for a list of the apparent house winners.

Recounts - There are two recounts scheduled in House elections for Districts 96 and 98. The recounts were delayed until Friday, November 20th because the Bureau of Corporations, Elections & Commissions is closed, due to an employee testing positive for COVID-19.

House District 96 includes the towns of Belmont, Liberty, Lincolnville, Montville, Morrill, Palermo and Searsmont. Unofficial results show Stanley Zeigler Jr. winning with a 1.14% lead over Katrina Smith.

House District 98 includes the towns of Frankfort, Searsport, Swanville and Winterport. Unofficial results show Scott Cuddy winning with a 2.13% lead over Jessica Connor. Per Maine law, a \$500 deposit is required for a recount with a margin above 1.5%.

House Leadership

- Speaker of the House, Rep. Ryan Fecteau (D-Biddeford)
- Majority Leader, Rep. Michelle Dunphy (D-Old Town and Penobscot Indian Island)
- Assistant Majority Leader, Rep. Rachel Talbot-Ross (D-Portland)
- Minority Leader, Rep. Kathleen Dillingham (R-Oxford)
- Assistant Minority Leader, Rep. Joel Stetkis (R-Canaan)

Maine COVID-19 Statistics. Members have requested that we provide the current COVID-19 numbers reported by the State with the publication of each Capitol Report.

Total Cases: 8,639

Confirmed Cases: 7,748

Probable Cases: 891

Deaths: 162

Hospitalized: 566

Recovered: 6,428

Trending

Currently Hospitalized: 66

Deaths in Last 30 Days: 17



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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 retail staff is looking to have changes made to our CIP policy in regard to the collection of identification regarding business accounts. The CIP regulation states that the bank should obtain documents showing the legal existence of the entity, such as articles of incorporation or business licenses. We have found that most businesses cannot produce their articles of incorporation or equivalent and we are currently having them fill out our internal resolutions. Does the regulation require us to obtain the original documents showing the formation of the entity?

Answer: The regulation requires that your CIP policy establish a way to verify the existence of the entity through documentary and/or non- documentary processes. If you're going to verify through documents, the regulation lists as examples: articles of incorporation, a government-issued business license, a partnership agreement, etc. There is not any particular form of documentation required by regulation and so long as the bank is satisfied that the legal existence of the entity is proven through whatever documentation that the entity is able to provide, then that is all that is required by the regulation. But it is already important to remember bank policy, best practices as well as any investor requirements or examiner input.

Reference:

- (A) Verification through documents. For a bank relying on documents, the CIP must contain procedures that set forth the documents that the bank will use. These documents may include:
- (2) For a person other than an individual (such as a corporation, partnership, or trust), documents showing the existence of the entity, such as certified articles of incorporation, a government-issued business license, a partnership agreement, or trust instrument.

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