

News you can use

Capitol Report

Maine Bankers Association

January 21, 2021

News from Washington (Legislative & Regulatory)

President Biden Issues Memorandum to Halt Regulation in Process. The Biden Administration issued the memorandum to “ensure that the President’s appointees or designees have the opportunity to review any new or pending rules.” The ABA is reporting, “The language of the memo—which is customary for new administrations— was not specific about what agencies are covered and whether it applies to independent agencies. Since most banking agencies are independent, it was unclear whether pending rulemakings at those agencies would be covered.” MBA will continue to monitor this issue. Please click [here](#) to read a copy of the memo.

FHFA Extends Foreclosure and REO Eviction Moratoriums Until February 28th. On Tuesday, the FHFA announced they would extend the moratoriums on single-family foreclosures and real estate owned (REO) until February 28th. “The REO eviction moratorium applies to properties that have been acquired by an Enterprise through foreclosure or deed-in-lieu of foreclosure transactions.”

President Biden Announces Acting Federal Agency Leadership. “These individuals, nearly all of whom are career civil servants, will temporarily lead federal agencies while Cabinet nominees continue moving through the confirmation process,” according to the Biden Administration. Some of the leaders at departments and agencies pertinent to banks include:

- Matt Ammonn, acting secretary, Department of Housing and Urban Development
- Andy Baukol, acting secretary, Department of the Treasury
- Dave Uejio, acting director, Consumer Financial Protection Bureau
- Tami Perriello, acting administrator, Small Business Administration
- Al Stewart, acting secretary, Department of Labor
- Rob Fairweather, acting director, Office of Management and Budget

State News

Governor Mills Extends State of Civil Emergency. On January 19th, Governor Mills extended the emergency through February 17, 2021. “A State of Civil Emergency allows Maine to deploy all available tools to respond to and contain COVID-19. This is Governor Mills’ eleventh extension of the

State of Civil Emergency. Under Maine law, Proclamations of Civil Emergencies may be issued in thirty-day increments.”

Legislature Starts Printing Bills Based on Previously Released Bill Titles. Earlier this month, the Legislature released over 1600 bill titles with no text; however, now some of the titles have been turned into Legislation. The following are several bills of interest to the banking community.

Data Security

LD 51 *An Act to Enact the Maine Insurance Data Security Act.* This bill enacts the Maine Insurance Data Security Act. The bill establishes standards for information security programs based on ongoing risk assessment for protecting consumers' personal information. The bill establishes requirements for the investigation of and notification to the Superintendent of Insurance regarding cybersecurity events. **MBA Comment:** There is a limited GLBA exemption in the bill (page 11) for a licensee that is an insurance producer business entity, as licensed pursuant to 11 section 1420-E, owned by a depository institution. This bill was supported by the Committee last session but was not passed due to the early adjournment of the Legislature.

General Interest

LD 33 *An Act to Improve the Laws Governing Hemp by Bringing Them into Compliance with Federal Law.* This bill brings the Maine laws governing hemp into compliance with the federal Agriculture Improvement Act of 2018 and the United States Department of Agriculture's regulations in 7 Code of Federal Regulations, Part 990.

LD 99 *An Act to Require the State to Divest Itself of Assets Invested in the Fossil Fuel Industry.* This bill requires the State to divest itself of assets invested in the fossil fuel industry.

LD 160 *An Act to Allow Insurance Producers To Refer to Third Parties for Credit Card and Debit Card Payments.* This bill permits an insurance producer to refer clients to an authorized 3rd-party payment service provider for the purpose of accepting a credit card or debit card to pay the client's insurance premium. The bill also authorizes the 3rd party to impose a surcharge for payments made with a credit card or debit card.

Human Resources

LD 61 *An Act to Include Grandparents under Maine's Family Medical Leave Laws.* This bill allows a grandparent to request employee family medical leave in order to care for a grandchild who has a serious health condition.

Lending

LD 122 *An Act to protect Home Ownership.* This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to require mortgage lenders and servicers to take actions to avoid foreclosures resulting from financial hardships caused by the COVID-19 pandemic.

Maine Bureau of Financial Institutions (BFI) Releases Their Annual Report to the Legislature.

On January 15th, BFI released their Annual Report to the Legislature. In 2020, the Bureau provided regulatory supervision to 42 state-chartered financial institutions. Click [here](#) for a copy of BFI Report.

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: 35,638

Confirmed Cases: 28,999

Probable Cases: 6,639

Deaths: 536

Hospitalized: 1,294

Recovered: 12,128

Currently Hospitalized: 198



**COMPLIANCE
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Compliance Alliance Feature Question

Question: If the Bank is escrowing for flood insurance is there a regulatory requirement to also escrow for real estate taxes or can the bank waive it?

Answer: The federal regulations only require you to escrow for taxes and hazard insurance if the loan is an HPML. Escrowing for taxes and hazard insurance can also be required by internal or investor guidelines.

Reference:

Except as provided in paragraph (b)(2) of this section, a creditor may not extend a higher-priced mortgage loan secured by a first lien on a consumer's principal dwelling unless an escrow account is established before consummation for payment of property taxes and premiums for mortgage-related insurance required by the creditor, such as insurance against loss of or damage to property, or against liability arising out of the ownership or use of the property, or insurance protecting the creditor against the consumer's default or other credit loss.

12 CFR § 1026.35(b)(1): <https://www.consumerfinance.gov/rules-policy/regulations/1026/35/#b-1>

Not a member? Learn more about membership with Compliance Alliance by attending one of our live demos:

- [Live Demo on Tuesday, January 26th @ 11:00 am ET](#)
- [Live Demo on Thursday, January 28th @ 2:00 pm ET](#)

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