

Maine Bank Expo

April 6, 2021

Hot Topics & Remote Examinations

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COVID-19 RESOURCES & GUIDANCE

COVID-19 Webpage

<https://www.fdic.gov/coronavirus/bankers/>

FAQs – For Financial Institutions

Updated 3/3/21

<https://www.fdic.gov/coronavirus/faq-fi.pdf>

FAQs – For Bank Customers

Updated 1/21/21

<https://www.fdic.gov/coronavirus/faq-customer.pdf>

Paycheck Protection Program (PPP) Webinar

[FIL-01-2021 - Banker Webinar: Basics of New Paycheck Protection Program \(PPP\) Loan Programs](#)

Frequently Asked Questions (FAQs) For Financial Institutions

Q: Are bank loans made under the Paycheck Protection Program (PPP) eligible for CRA consideration? For PPP loans that are eligible community development loans, what is the appropriate community development purpose?

- Many PPP loans will be reported or considered as small business loans under the lending test. PPP loans will be considered particularly responsive if made to small businesses with gross annual revenues of \$1 million or less or to businesses located in low-or moderate-income geographies or distressed or underserved nonmetropolitan middle-income geographies.
- Participation in such loan programs could also receive consideration as innovative or flexible lending practices.

Frequently Asked Questions (FAQs) For Financial Institutions

- PPP loans in amounts greater than \$1 million may be considered as community development loans if they also have a primary purpose of community development as defined under the CRA.
- Economic development “size” and “purpose” tests
- Such loans may also qualify if they help to revitalize or stabilize low- or moderate-income geographies or distressed or underserved nonmetropolitan middle-income geographies.

Frequently Asked Questions (FAQs) For Financial Institutions

Q: Are PPP loans in amounts greater than \$1 million that are also in low- or moderate-income geographies or in distressed or underserved nonmetropolitan middle-income geographies automatically considered to be community development activities? *(Added 3/03/21)*

- Yes, PPP loans in amounts greater than \$1 million in one of these geographies will be considered an eligible community development activity. Pursuant to the Interagency Q&As, activities that revitalize or stabilize a low- or moderate-income geography or a distressed or underserved nonmetropolitan middle-income geography help to attract new, or retain existing, jobs, businesses, or residents. The PPP was enacted and signed into law in order to support smaller businesses and retain jobs.

Frequently Asked Questions (FAQs) For Financial Institutions

Q: CRA Activities. How will activities undertaken in response to COVID-19 that are responsive to community needs be considered in CRA examinations?

-banks will receive favorable CRA consideration for community development activities that are responsive to community needs and conducted in response to COVID-19. Qualifying activities include those that support community services targeted to low- or moderate-income individuals, economic development by meeting the “size” and “purpose” tests, affordable housing for low- or moderate-income individuals or families, or that help to revitalize or stabilize low- or moderate-income geographies or distressed or underserved nonmetropolitan middle-income geographies. As described in the Response to the question - Are COVID-19 affected states and jurisdictions considered CRA designated disaster areas? - qualifying activities also include those that help to stabilize COVID-19 designated disaster areas by protecting public health and safety, particularly for low- or moderate-income individuals or geographies.

Exams in a Remote Environment

Most exams have been conducted as planned.

When will exams be onsite again?

- FDIC – Currently remote through June 27, 2020
- Phase back to office plan
- No set date for examinations to resume onsite

Exams in a Remote Environment

Challenges:

- Dispersed exam team
- Dispersed bank management and staff
- Limited face-to-face interaction
- Non-imaged loan files and other documentation

Leveraging Technology

- Microsoft Teams or other platforms for “face-to-face” meetings using video capabilities
- File sharing via
 - Microsoft Teams – Remote Desktop Control
 - WebEx – Remote Desktop Control
 - EFX – FDICconnect

Regulatory Environment

- FIL-94-2020 - Agencies Adopt Final Rule on Certain Real Estate Transactions for Financial Institutions and Consumers Affected by the Coronavirus
 - *October 16, 2020 through December 31, 2020. Deferral no longer in effect.*
- Reg CC – Expedited Funds Availability Act – inflation adjustments
 - *Federal Register Notice*
 - *Compliance date - 7/1/2020*
- Flood Insurance

Flood Insurance – What is new?

- [FIL-8-2019: Issuance of Final Rule on Loans in Areas Having Special Flood Hazards – Private Flood Insurance](#)
- [FIL-67-2020: Flood Insurance: Proposed Revisions to Interagency Questions and Answers](#)
- [FIL-16-2021: Private Flood Insurance: Proposed New Interagency Questions and Answers](#)

In March 2021, the Agencies issued 24 proposed new Interagency Q&As Regarding Private Flood Insurance.

Flood Insurance continues to be a high-risk area. Risk of CMPs when a pattern or practice of violations is identified.

[FIL-61-2020 - The FDIC Updates its Enforcement Actions Manual for Flood Insurance Civil Money Penalties](#)

Commonly Cited Violations

Commonly cited violations nationwide continue to include the following:

- Truth in Lending Act (TILA)
- Flood Disaster Protection Act (FDPA)
- Truth in Savings Act (TISA)
- Electronic Funds Transfer Act (EFTA)
- Real Estate Settlement Procedures Act (RESPA)

Most recently reported in the Spring 2020 Compliance Supervisory Highlights.



Looking Forward

- E-Sign, Internet/Mobile Banking, Virtual Loan Closings
- Fair Lending
 - ECOA – timing/notice requirements
 - Modifications
 - [FIL-10-2021 - Technical Assistance Videos on Fair Lending](#)
 - [Identifying and Mitigating Potential Redlining Risks](#)
- Skip-a-pay or similar programs
- LIBOR transition
 - [FIL-68-2020 - FFIEC Joint Statement on Managing the LIBOR Transition](#)
 - [FIL-104-2020 - Interagency Statement LIBOR Transition for Loans](#)
- Artificial Intelligence and Machine Learning
 - [FIL-109-2020 - Banker Webinar: Banks' Use of Artificial Intelligence, including Machine Learning](#)

ADDITIONAL RESOURCES FOR FDIC- SUPERVISED INSTITUTIONS

Director's Resource Center

<https://www.fdic.gov/regulations/resources/director>

Regional Quarterly Newsletters

Each FDIC Regional Office provides quarterly newsletters to keep FDIC-supervised institutions updated of compliance-related regulatory changes and issues identified by examiners.

Banker Teleconference Series

The FDIC hosts a Banker Teleconference Series to update bank management and staff on important bank regulatory and emerging issues in the industry.

<https://service.govdelivery.com/accounts/USFDIC/subscriber/new>

Questions?