



# REGCORNER

June 25th, 2024

In this week's RegCorner, the CFPB proposes to ban medical bills from credit reports; MCUL submits comments on NCUA's Record Retention ANPR; CDFI publishes Interim Rule on the Capital Magnet Fund; The NCUA wants credit unions to complete CISA survey; and the CFPB expects to begin enforcing the Payday Lending Rule in 2025.

## MCUL

### Cheers! to Compliance

Our next Cheers! To Compliance is right around the corner! During this session, we will be joined by DIFS OCU Assistant Director Andrew Bedard, who will be discussing the consumer compliance examination component and answering any questions you may have. We will also be joined by Dan Holzman from Holzman Law to discuss the new Uniform Power of Attorney Act and also answering any questions you may have. See you there!

**Date:** Friday, June 28th

**Time:** 3:30pm

[REGISTER HERE](#)

## The Regulators

### NCUA

#### NCUA Encourages Credit Unions to Take CISA Critical Infrastructure Survey

Credit unions are encouraged to provide feedback to the Department of Homeland Security's Cybersecurity and Infrastructure Agency (CISA) on how they can best support critical infrastructure organizations.

Congress has directed CISA to provide scalable commercial cybersecurity shared services to the critical infrastructure community to detect and prevent cybersecurity threats and mitigate vulnerabilities to improve America's risk posture. CISA is prioritizing innovative solutions to customers but requires more feedback from these organizations.

Financial institutions—including credit unions of all sizes—are considered critical infrastructure in the United States and should always operate under the assumption that they are a target for cyber criminals and potentially hostile foreign nations. To ensure appropriate prioritization, CISA encourages credit unions to participate in the [Critical Infrastructure Pilot Customer Survey](#).

The information collected from this survey will inform the selection of cybersecurity services offered by CISA to Critical Infrastructure organizations such as credit unions in the future. The survey is live and will close on July 8, 2024.

6/13/24

#### NCUA Releases Q1 2024 State-Level Credit Union Data Report

[Read More](#)

For federally insured credit unions, assets and shares and deposits declined at the median over the year ending in the first quarter of 2024. At the same time, loans outstanding increased and delinquencies grew at the median, according to the latest [Quarterly U.S. Map Review](#) released today by the National Credit Union Administration.

While aggregate assets and shares and deposits in federally insured credit unions continued to grow during the year ending in the first quarter of 2024, at the median, assets declined by 0.8 percent and shares and deposits declined by 2.1 percent.

Loans outstanding rose by 4.0 percent at the median over the year ending in the first quarter of 2024. During the previous year, loans grew by 13.3 percent at the median. The median total delinquency rate was 53 basis points at the end of the first quarter of 2024, compared with 38 basis points at the end of the first quarter of 2023.

6/17/24

#### Last Week to Apply for 2024 CDRLF Grant Round

[Read More](#)

Low-income-designated credit unions have until **Monday, July 1** to apply for 2024 Community Development Revolving Loan Fund grants.

The agency will administer more than \$3.4 million in CDRLF grants to the most-qualified applicants, subject to the availability of funds. Eligibility and award categories information is available [here](#), and credit unions with questions about the grants should contact the NCUA's Office of Credit Union Resources and Expansion at [CUREAPPS@ncua.gov](mailto:CUREAPPS@ncua.gov).

A webinar explaining how to apply for a CDRLF grant is available on the NCUA's [YouTube Channel](#).

The 2024 CDRLF grant round is open to credit unions with a low-income designation. Minority depository institution credit unions are not eligible for funding in this year's grant round if they do not have the low-income designation.

6/24/24

### CFPB

#### CFPB Proposes Rule to Ban Medical Bills from Credit Reports

[Read More](#)

has proposed a new rule to remove medical bills from most credit reports, aiming to boost privacy protections, enhance credit scores, and prevent debt collectors from leveraging the credit reporting system to coerce payments. This initiative will prohibit credit reporting companies from sharing medical debts with lenders and restrict lenders from using medical information in their lending decisions. CFPB Director Rohit Chopra emphasized that the goal is to stop using the credit reporting system to pressure patients into paying inaccurate or non-existent medical bills, as these often have little predictive value regarding loan repayment.

The proposed rule seeks to close a regulatory loophole allowing creditors to use medical debt in credit decisions, thereby ensuring fairer credit scores and reducing coercive debt collection practices. Despite voluntary changes by major credit reporting agencies and scoring companies, 15 million Americans still face \$49 billion in medical debt collections. The CFPB expects the new rule to improve credit scores by an average of 20 points for those with medical debt, leading to approximately 22,000 additional safe mortgage approvals annually. The rule also includes provisions to prevent repossession of medical devices used as loan collateral.

Additional information available in the [Open Comment Calls](#) section.

#### Further Reading

- [America's Credit Unions](#): CFPB proposed rule would ban medical debt from credit reports
- [Washington Credit Union Daily](#): CFPB Proposes Prohibiting Lender Access to Consumer Medical Debts

6/11/24

#### CFPB to Begin Enforcing Payday Lending Rule Next Year

[Read More](#)

After a court-ordered delay, the CFPB expects to begin enforcing its payday lending rule on March 30, 2025. This rule, initially issued in 2017, limits lenders to two attempts to withdraw money from a

borrower's account if there are insufficient funds, preventing repeated overdraft fees without borrower authorization.

The rule's implementation faced several hurdles, including a lawsuit from the Community Financial Services Association of America, which argued the CFPB's funding was unconstitutional. Although the Fifth Circuit initially agreed, the U.S. Supreme Court recently upheld the Bureau's funding mechanism. With this ruling, the CFPB is set to enforce the rule, aiming to curb unfair and abusive collection practices by payday lenders.

6/18/24

### CFPB Takes Action Against Sutherland Global and NOVAD Management Consulting for Reverse Mortgage Servicing Failures

[Read More](#)

The CFPB has taken action against a reverse mortgage servicing operation involving Sutherland Global, its subsidiaries, and NOVAD Management Consulting, due to illegal activities that harmed older homeowners. The companies were found to have inadequate resources to manage up to 150,000 borrowers, resulting in failures to respond to thousands of homeowner requests. This negligence led to financial harm, including missed home sales and unnecessary costs. The CFPB's order permanently bans Sutherland Global, Sutherland Government Solutions, and NOVAD from reverse mortgage activities, imposes strict compliance requirements on Sutherland Mortgage Services, and mandates \$11.5 million in consumer redress and \$5 million in civil penalties.

Director Chopra highlighted the defendants' neglect, noting their failure to address complaints and assist homeowners, causing severe distress among older borrowers. Sutherland and NOVAD's violations of consumer protection laws included sending false repayment letters and failing to provide necessary loan information, leading to unjust financial burdens on seniors. The enforcement actions ensure these companies cease reverse mortgage activities and hold them accountable for their unlawful practices.

6/18/24

## FinCEN

### FinCEN Issues Advisory on the Illicit Procurement of Fentanyl Precursor Chemicals and Manufacturing Equipment

[Read More](#)

Secretary of the Treasury Janet L. Yellen announced today that the Financial Crimes Enforcement Network (FinCEN) has issued an advisory to alert U.S. financial institutions to new trends in the illicit fentanyl supply chain and urge vigilance in identifying and reporting suspicious activity associated with Mexico-based transnational criminal organizations and their illicit procurement of fentanyl precursor chemicals and manufacturing equipment from People's Republic of China-based suppliers. The supplemental advisory builds off FinCEN's 2019 [advisory](#) with new typologies and red flags to identify and report suspicious transactions, and fulfills the requirement in Section 3202 of the recently enacted FEND Off Fentanyl Act.

**Advisory:** [FIN-2024-A002](#)

FinCEN requests that financial institutions reference this supplemental advisory in SAR field 2 and the narrative by including the key term: "**FENTANYL FIN-2024-A002**"

6/20/24

## CDFI

### CDFI Fund Publishes Revisions to Capital Magnet Fund Interim Rule

[Read More](#)

The U.S. Department of the Treasury is issuing a revised Interim Rule for the Capital Magnet Fund (CMF), administered by the CDFI Fund. This revised Interim Rule addresses and incorporates written comments the CDFI Fund received in response to the Notice and Request for Information (RFI) that was published in the Federal Register on July 7, 2023, which was issued to obtain input about how to enhance and improve the impact of the CMF program to create and preserve affordable housing across the country, minimize administrative burden on program applicants and award recipients, and safeguard public funds.

Changes incorporated by the revised Interim Rule include, among other things:

1. Revisions to CMF program requirements and defined terms to improve and streamline the administration of the CMF program;
2. Revisions to project level requirements to better align CMF with other Federal housing programs and reduce burden on Recipients; and
3. Other programmatic updates to address current business practices in the affordable housing industry.

The Effective Date for this rule is June 25<sup>th</sup>, 2024. Any comments submitted must be received by August 26<sup>th</sup>, 2024.

Additional information available in the [Open Comment Calls](#) section.

6/24/24

## Michigan

### MI Treasury

#### MI Treasury Reminds Property Holders of Annual Unclaimed Property Reporting Requirements

Due Date: July 1, 2024

##### What do I need to do?

The [Manual for Reporting Unclaimed Property](#) (Manual) contains general instructions, a summary of new reporting requirements, a detailed list of all reportable types of property, associated dormancy periods, and other important information.

##### What if I forget to report previous years?

If you have properties that should have been previously reported, Treasury offers an opportunity to avoid penalty and interest charges through its [Voluntary Disclosure Program](#).

##### What if I have nothing to report?

Credit Unions with no unclaimed property to report in 2024 are strongly encouraged to create a Zero/Negative Report. This will establish a filing history and document your compliance with Michigan's Unclaimed Property Act. Those meeting the parameters described above should file a negative report using the [online process](#); do not submit a NAUPA file. Detailed instructions for submitting a negative report can be found on page 15 of the manual.

## Other Points of Interest

- [Washington Credit Union Daily](#): NACUSO Says Congress Should Not Give NCUA Vendor Exam Powers

## Relevant Blog Pages/Posts

- [America's Credit Unions Compliance Blog](#)
  - [6/11/24](#) – Are Unlawful Terms in Your Contract a Deceptive Act or Practice?
  - [6/13/24](#) – Share Certificate or CD?
  - [6/18/24](#) – CFPB Issues SSO Rules for Open Banking
  - [6/20/24](#) – Branching Authority of Federal Credit Unions

## Submitted Regulatory Comment Letters

### Regulatory Response Letters

- NCUA ANPR: Records Preservation Program and Appendices-Record Retention Guidelines; Catastrophic Act Preparedness Guidelines

- America's Credit Unions [Letter](#)
- MCUL [Letter](#)

**Other Letters to Regulators**

- n/a

**Open Comment Calls**

If you have input on any comment calls below that you would like to provide for consideration, please direct them to [Bradley.Willett@mcu.org](mailto:Bradley.Willett@mcu.org) no later than 3 weeks prior to the comment due date.

**NCUA Annual Regulatory Review**

**Docket No.** NCUA-2024-0014

The NCUA Board is voluntarily reviewing agency regulations to identify rules that are outdated, unnecessary, or unduly burdensome on federally insured credit unions. The NCUA is not statutorily required to undertake the review; however, the Board has elected to participate in the decennial review process. The NCUA divided its regulations into 10 categories outlined in the included chart.

Regulation Part	Description
748	Security Program, Suspicious Transactions, Catastrophic Acts, Cyber Incidents, and Bank Secrecy Act Compliance
749	Records Preservation Program and Appendices – Record Retention Guidelines; Catastrophic Act Preparedness Guidelines
750	Golden Parachute and Indemnification Payments
760	Loans in Areas Having Special Flood Hazards
761	Registration of Residential Mortgage Loan Originators
790	Description of NCUA; Requests for Agency Action
791	Rules of NCUA Board Procedure; Promulgation of NCUA Rules and Regulations; Public Observation of NCUA Board Meetings
792	Requests for Information Under the Freedom of Information Act and Privacy Act, and by Subpoena; Security Procedures for Classified Information
793	Tort Claims Against the Government
794	Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the National Credit Union Administration
796	Post-Employment Restrictions for Certain NCUA Examiners
797	Procedures for Debt Collection

**Comments Due:**  
June 28, 2024

[Agency Announcement](#)  
[Federal Register](#)  
[Regulations.gov](#)

**Federal Reserve Board Request for Comment:** Expansion of Fedwire Funds Service and National Settlement Service Operating Hours

**Docket No.** OP-1831

The Federal Reserve Board is seeking feedback on a proposal to extend the operating days of the Federal Reserve Banks' two large-value payments services to include weekends and holidays, effectively making them available every day of the year. Currently, both the Fedwire Funds Service and the National Settlement Service operate Monday through Friday, excluding holidays. The proposal suggests maintaining the same operating hours each day, with participation being voluntary for banks and credit unions. This expansion aims to enhance the safety and efficiency of the U.S. payment system and prepare the nation's payment infrastructure for future demands, potentially improving credit risk management and operational efficiency for financial institutions, encouraging innovation in payment solutions, and facilitating more efficient cross-border payments.

**Comments Due:**  
July 8, 2024

[Agency Announcement](#)  
[Federal Register](#)  
[Regulations.gov](#)

**Joint Proposed Rule:** Customer Identification Programs for Registered Investment Advisers and Exempt Reporting Advisers

**Docket No.** FINCEN-2024-0011

The jointly issued proposed rulemaking implements section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 with regard to certain investment advisers. If, as proposed in a separate rulemaking, certain investment advisers are included in the definition of “financial institution” under the Bank Secrecy Act, section 326 will require the Secretary of the Treasury and the SEC to jointly prescribe a regulation that, among other things, requires investment advisers to implement reasonable procedures to verify the identities of their customers.

**Related Materials:**

- [Fact Sheet](#)

**Comments Due:**  
July 22, 2024

[Agency Announcement](#)  
[Federal Register](#)  
[Regulations.gov](#)

**DEA Proposed Rule:** Schedules of Controlled Substances: Rescheduling of Marijuana

**Docket No.** DEA-2024-0059

The Department of Justice (“DOJ”) proposes to transfer marijuana from schedule I of the Controlled Substances Act (“CSA”) to schedule III of the CSA, consistent with the view of the Department of Health and Human Services (“HHS”) that marijuana has a currently accepted medical use as well as HHS's views about marijuana's abuse potential and level of physical or psychological dependence. The CSA requires that such actions be made through formal rulemaking on the record after opportunity for a hearing. If the transfer to schedule III is finalized, the regulatory controls applicable to schedule III controlled substances would apply, as appropriate, along with existing marijuana-specific requirements and any additional controls that might be implemented, including those that might be implemented to meet U.S. treaty obligations. If marijuana is transferred into schedule III, the manufacture, distribution, dispensing, and possession of marijuana would remain subject to the applicable criminal prohibitions of the CSA. Any drugs containing a substance within the CSA's definition of “marijuana” would also remain subject to the applicable prohibitions in the Federal Food, Drug, and Cosmetic Act (“FDCA”). DOJ is soliciting comments on this proposal.

**Related Materials:**

- [Basis for the Recommendation to Reschedule Marijuana into Schedule III of the Controlled Substances Act](#)

**Comments Due:**  
July 22, 2024

[Agency Announcement](#)  
[Federal Register](#)  
[Regulations.gov](#)

**CFPB Interpretive Rule and Request for Comment:** Truth in Lending (Regulation Z); Use of Digital User Accounts to Access Buy Now, Pay Later Loans

**Docket No.** CFPB-2024-0017

The Consumer Financial Protection Bureau (CFPB) is issuing this interpretive rule to address the applicability of subpart B of Regulation Z to lenders that issue digital user accounts used to access credit, including to those lenders

**Comments Due:**  
August 1, 2024

[Agency Announcement](#)  
[Federal Register](#)  
[Regulations.gov](#)

<p>that market loans as “Buy Now, Pay Later” (BNPL). This interpretive rule describes how these lenders meet the criteria for being “card issuers” for purposes of Regulation Z. Such lenders that extend credit are also “creditors” subject to subpart B of Regulation Z, including those provisions governing periodic statements and billing disputes. While not required under the Administrative Procedure Act, the CFPB is opting to collect comments on this interpretive rule and may make revisions as appropriate after reviewing feedback received.</p>	
<p><b>CFPB Request for Information:</b> Regarding Fees Imposed in Residential Mortgage Transactions</p> <p><b>Docket No.</b> CFPB-2024-0021</p> <p>The CFPB has issued a Request for Information (RFI) to gather public input on fees charged during residential mortgage transactions. This initiative aims to investigate the rising closing costs that have significantly increased from 2021 to 2023, putting a strain on borrowers and potentially limiting market competition among lenders. The CFPB seeks to understand the specific factors driving these cost increases and their impact on housing affordability, homeownership access, and overall market dynamics.</p> <p>The CFPB encourages stakeholders, including borrowers, lenders, and other interested parties, to provide detailed feedback on ways to reduce unnecessary fees and enhance market transparency. The agency is particularly interested in identifying competitive barriers, understanding who benefits from these fees, and exploring how costs can be lowered for consumers.</p>	<p><b>Comments Due:</b> August 2, 2024</p> <p><a href="#">Agency Announcement</a></p> <p><a href="#">Federal Register</a></p> <p><a href="#">Regulations.gov</a></p>
<p><b>Treasury Request for Information:</b> Uses, Opportunities, and Risks of Artificial Intelligence in the Financial Services Sector</p> <p><b>Docket No.</b> 2024-12336</p> <p>The U.S. Department of the Treasury (Treasury) is seeking comment through this request for information (RFI) on the uses, opportunities and risks presented by developments and applications of artificial intelligence (AI) within the financial sector. Treasury is interested in gathering information from a broad set of stakeholders in the financial services ecosystem, including those providing, facilitating, and receiving financial products and services, as well as consumer and small business advocates, academics, nonprofits, and others.</p>	<p><b>Comments Due:</b> August 12, 2024</p> <p><a href="#">Agency Announcement</a></p> <p><a href="#">Federal Register</a></p> <p><a href="#">Regulations.gov</a></p>
<p><b>CFPB Proposed Rule:</b> Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)</p> <p><b>Docket No.</b> CFPB-2024-0023</p> <p>The CFPB is seeking public comment on a proposed rule amending Regulation V, which implements the Fair Credit Reporting Act (FCRA), concerning medical information. The CFPB is proposing to remove a regulatory exception in Regulation V from the limitation in the FCRA on creditors obtaining or using information on medical debts for credit eligibility determinations. The proposed rule would also provide that a consumer reporting agency generally may not furnish to a creditor a consumer report containing information on medical debt that the creditor is prohibited from using.</p> <p><b>Related Materials:</b></p> <ul style="list-style-type: none"> <li><a href="#">Unofficial Redline of the Medical Debt Proposed Rule</a></li> <li><a href="#">Fast Facts: Consumer Reporting of Medical Information Proposed Rule</a></li> </ul>	<p><b>Comments Due:</b> August 12, 2024</p> <p><a href="#">Agency Announcement</a></p> <p><a href="#">Federal Register</a></p> <p><a href="#">Regulations.gov</a></p>
<p><b>CDFI Interim Rule:</b> Capital Magnet Fund</p> <p><b>Docket No.</b> CDFI_FRDOC_0001</p> <p>The Department of the Treasury is issuing a revised interim rule implementing the Capital Magnet Fund (CMF), administered by the Community Development Financial Institutions Fund (CDFI Fund). This revised interim rule incorporates, among other things: revisions to certain definitions and CMF program requirements to improve the public's understanding and streamline the administration of CMF program requirements; revisions to project level requirements to better align CMF with other Federal housing programs; programmatic updates to address current business practices in the affordable housing industry; and consolidation of Economic Development Activities under a new section for a more comprehensive articulation of the criteria. This revised interim rule also reflects requirements set forth in a final rule, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, adopted by the Department of the Treasury on December 19, 2014</p>	<p><b>Comments Due:</b> August 26, 2024</p> <p><a href="#">Agency Announcement</a></p> <p><a href="#">Federal Register</a></p> <p><a href="#">Regulations.gov</a></p>
<p><b>Federal Reserve Board Request for Comment:</b> Expansion of Fedwire Funds Service and National Settlement Service Operating Hours</p> <p><b>Docket No.</b> OP-1831</p> <p>The Federal Reserve Board is seeking feedback on a proposal to extend the operating days of the Federal Reserve Banks' two large-value payments services to include weekends and holidays, effectively making them available every day of the year. Currently, both the Fedwire Funds Service and the National Settlement Service operate Monday through Friday, excluding holidays. The proposal suggests maintaining the same operating hours each day, with participation being voluntary for banks and credit unions. This expansion aims to enhance the safety and efficiency of the U.S. payment system and prepare the nation's payment infrastructure for future demands, potentially improving credit risk management and operational efficiency for financial institutions, encouraging innovation in payment solutions, and facilitating more efficient cross-border payments.</p>	<p><b>Comments Due:</b> July 8, 2024</p> <p><b>Comment Period Extended to:</b> September 6, 2024</p> <p><a href="#">Agency Announcement</a></p> <p><a href="#">Federal Register</a></p> <p><a href="#">Regulations.gov</a></p>

**Relevant Federal Rulemaking Links**

Agency	Unified Rulemaking Agenda (Fall 2023 Update)	Agency Rulemaking Tracker	Federal Register	Regulations.gov
NCUA	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>
CFPB	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>
Treasury <i>CDFI Fund</i> <i>FinCEN</i>	<a href="#">LINK</a> n/a n/a	n/a <a href="#">LINK</a> <a href="#">LINK</a>	<a href="#">LINK</a> <a href="#">LINK</a> <a href="#">LINK</a>	<a href="#">LINK</a> <a href="#">LINK</a> <a href="#">LINK</a>

Federal Reserve System	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>
FHFA	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>
FTC	<a href="#">LINK</a>	n/a	<a href="#">LINK</a>	<a href="#">LINK</a>
HUD	<a href="#">LINK</a>	n/a	<a href="#">LINK</a>	<a href="#">LINK</a>
FCC	n/a	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>