

Regulatory Change on Steroids: Managing the COVID-19 Onslaught

By Elaine Duffus

Who is responsible for ensuring that your institution's board or other senior leaders are informed of applicable state and federal releases related to the COVID-19 pandemic? Who is responsible for ensuring that applicable obligations associated with those releases are adhered to?

For most institutions, it is the compliance officer. Sometimes an army of one, and sometimes one managing a robust and well-trained staff and all levels of resources in between. Yet they all have the same task related to the COVID-19 pandemic of 2020—managing the onslaught of regulatory releases generated at the federal and state levels to ensure their institution is informed and compliant with emerging standards.

Furthering this difficulty is trying to determine which new standards will become permanent and which are temporary situations that will go away once the danger is past. Where should IT or other resources be committed to address the risks of non-compliance? And front and center are the customers whose protection, especially now, is paramount.

Take a deep breath and relax if your regulatory change management (RCM) process is automated AND you subscribe to all the state and federal regulatory bodies that impact your institution. Yes, the onslaught is real for your institution too, but that burden does not include scanning the horizon manually to find applicable laws, rules and regulations emerging because of the pandemic. You also likely have workflows that allow you to engage resources across the enterprise for deeper analysis of a regulatory change release and implementing or taking other required action as appropriate.

But what about those institutions whose RCM is not automated? Or those who have automated their RCM but not subscribed to the depth of coverage needed for their institution and so are only partially informed?

Help is out there. There are numerous no-cost resources available that provide financial institutions the information they need to stay informed and on top of emerging changes. Many of those free resources are provided by companies and law firms in the business of selling advice or solutions related to regulatory change. They understand that now is the time for leveraging their knowledge, products, and services to help any institution that needs it—regardless of a firm's interest or inclination to purchase products or services from that resource.

My own employer, Wolters Kluwer, is helping by providing easily downloadable [updates](#) of notable financial industry regulatory [developments](#) for use by U.S. insurance companies, as well as banking and securities institutions around the world.¹

The [American Banking Association \(ABA\)](#) is another valuable resource for members to track COVID-19 development in an easily downloadable format for federal banking regulators and agencies.

The ABA also has a member resource dedicated to [U.S. state releases](#) related to COVID-19, as well as a member resource area listing of [ABA partners](#) offering their own forms of help in this time of need.

¹ Includes U.S. State coverage.

The good news is that there are myriad resources for financial institutions to tap into that will help reduce the burden—and risks—of trying to keep pace with regulatory changes related to the pandemic, such as delayed filing dates.

The not so good news is that with the focus on the pandemic and its many impacts, some institutions may struggle to stay on top of the day-to-day U.S. federal regulatory developments and their regular compliance obligations unrelated to COVID-19. If your institution is facing this problem, consider tapping into a resource on the [St. Louis Federal Reserve](#) site, which provides timely and full coverage of all U.S. federal banking regulators. This information is easily downloaded for institutions relying on spreadsheets and available in an RSS feed for delivery to your email or automated solution.

There have been some notable developments in the world of regulatory change for U.S. banks in the recent past unrelated to COVID-19 that are now out for comment. A redacted list is provided below. The full listing is available with links to the rule summaries and pdf's of the Federal Register releases on the [St. Louis Federal Reserve website](#) .

Following are U.S. federal banking regulatory releases out for comment that may bear attention:

<h2 style="margin: 0;">Federal Banking Regulations</h2> 		
PUBLICATION DATE	COMMENT END DATE	AGENCY / DESCRIPTION
4/2/2020	5/4/2020	OCC - Proposed amendments to policies and procedures for corporate activities and transactions involving national bank and Federal savings associations.
4/1/2020	6/1/2020	CFPB - Request for comments and information to assist Taskforce on Federal Consumer Financial Law.
3/31/2020	5/15/2020	FDIC / FRS / OCC - Interim final rule and request for comment on a revised transition of the current expected credit losses (CECL) methodology for loan and lease loss allowances.
3/27/2020	5/26/2020	NCUA - Proposed amendments to the corporate credit union regulation related to investments, credit union boards, and other matters.
3/26/2020	5/11/2020	FRS - Interim final rule and request for comment on revising the definition of eligible retained income for purposes of the total loss-absorbing capacity (TLAC) rule (Regulation YY).
3/25/2020	5/11/2020	OCC - Interim final rule and request for comment on revising short-term investment fund rule, and an order of temporary extension of maturity limits for short-term investment funds.
3/24/2020	5/26/2020	FRS - Comments requested on interim final rule amending Regulation D to lower reserve ratios.
3/23/2020	5/7/2020	FDIC / FRS / OCC - Comments requested on interim final rule modifying regulatory capital rules to ensure financial institutions will be able to effectively use the Money Market Mutual Fund Liquidity Facility (MMLF).
3/20/2020	5/4/2020	FDIC / FRS / OCC - Interim final rule and request for comment on revised definition of eligible retained income (Regulation Q).
3/18/2020	5/8/2020	FDIC / FRS - Proposed guidance for resolution plans of certain foreign-based covered companies.
3/10/2020	7/8/2020	NCUA - Proposed amendments to subordinated debt regulations.
3/3/2020	6/5/2020	CFPB - Amendments to disclosure rules under Fair Debt Collection Practices Act (Regulation F).
2/28/2020	* 4/30/2020	CFTC / FDIC / FRS / OCC / SEC - Proposed prohibitions and restrictions on proprietary trading and certain interests in, and relationships with, hedge funds and private equity funds (Regulation VV or Volcker rule). * Indicates that rule has multiple comment end dates.
2/27/2020	4/29/2020	CFTC - Proposed rule on position limits for derivatives.
2/26/2020	4/20/2020	FDIC - Request for information on FDIC sign and advertising requirements.
2/10/2020	4/10/2020	FDIC - Proposed rule relating to brokered deposits restrictions.

By tapping the various resources available, your institution will be better positioned to manage the tremendous volume and scope of regulatory developments occurring in a period of extraordinary change.

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