

# Update

## Call Congress to Oppose the IRS Reporting Proposal

Senate Democrats released a scaled back [IRS reporting proposal](#). The new plan, which was endorsed by the Biden Administration, increases the de minimis threshold for reporting annual account inflows and outflows from \$600 to \$10,000. It also includes an “exemption for wage and salary earners and federal program beneficiaries.” Treasury Secretary Janet Yellen said the plan would “...zero in on those at the top of the income scale who don’t pay the taxes they owe...”

“Not every non-wage worker is a millionaire. How about self-employed hair stylists, convenience store owners and farmers just to name a few?” American Bankers Association (ABA) President and CEO Rob Nichols said in a statement. “If enacted, this new proposal would still raise the same privacy concerns, increase tax preparation costs for individuals and small businesses, and create significant operational challenges, particularly for community banks,” Nichols continued.

The NBA appreciates the Nebraska Congressional Delegation’s opposition to this proposal. The efforts of Nebraskans like you are making a difference. Bankers and their customers are urged to call Congress to keep this misguided proposal from becoming law.

[Call Congress](#)

[Customer Resources](#)

## Find Your Next Employee at a Virtual Career Fair

The University of Nebraska-Kearney (UNK) will host a Virtual Fall Career and Internship Fair on Wednesday, Nov. 3 from 1:00 – 4:00 p.m. CST for employers seeking students from all majors, programs and degree levels. The Fair will use Handshake’s Virtual Career Fair Platform to share information about your bank before the event and host group meetings and 1:1 student meetings during the Fair. All registration for this event will be via Handshake. For questions regarding registration, contact Joni Weed at UNK at [weedj@unk.edu](mailto:weedj@unk.edu).

Also, the University of Nebraska-Omaha (UNO) will host a Virtual All Majors Career and Internship Fair on Thursday, Nov. 4 from 11:00 a.m. – 2:00 p.m. CST. Much of the format will be the same as UNK’s via Handshake. For questions regarding registration for the UNO Fair, contact Sam Zeitner at [szeitner@unomaha.edu](mailto:szeitner@unomaha.edu).

For more information, contact Laurie Johnson at the NBA at [laurie.johnson@nebankers.org](mailto:laurie.johnson@nebankers.org) or call 402-474-1555.



*The NBA attended the in-person UNK Fall Career and Internship Fair on Oct. 5. Many students stopped by to discuss career options and opportunities in the banking industry, including internships.*

## **FHFA to Expand LMI Refinance Programs**

The Federal Housing Finance Agency (FHFA) plans to expand refinance programs introduced last spring for low- to moderate-income (LMI) borrowers. Fannie Mae and Freddie Mac will expand eligibility requirements for their RefiNow and Refi Possible refinance programs for low-income borrowers. They also will incorporate desktop appraisals into selling guides for new purchase loans. The income threshold will also be expanded to include some borrowers with incomes at or below 100% of area median income (AMI). Currently, the programs are limited to those borrowers with incomes at or below 80% AMI.

[Learn More](#)

## **FedNow is Expected in 2023**

During the ABA Annual Convention, President and CEO of the Federal Reserve Bank of Kansas City Esther George announced the FedNow payment system will be ready in 2023. She encouraged banks to begin preparations for the system's rollout.

[Learn More](#)

## **Ransomware Reports on the Rise**

The Financial Crimes Enforcement Network (FinCEN) reported a 42% increase in ransomware-related Suspicious Activity Reports in the first six months of 2021 compared to the total for 2020.

[Read the Report](#)

## **OCC Outlines Supervision Priorities**

The Office of the Comptroller of the Currency (OCC) released its bank supervision operating plan for fiscal year 2022. Supervision efforts will focus on the impacts of the pandemic and its resulting implications, as well as other areas.

[Learn More](#)

## **White House Releases Climate-Resilient Economy Plans**

A new White House report "A Roadmap to Build a Climate-Resilient Economy" outlines strategies "to measure, disclose, manage and mitigate the systemic risks climate change poses to American families, businesses, and the economy." The report links the health of the U.S. economy to climate change and asserts that climate change poses a systemic risk to the economy and the U.S. financial system.

[Read the Plan](#)

## **DOL Proposes New Set of ESG Investing Rules**

The Department of Labor issued a proposed rule on environmental, social responsibility and governance (ESG) investment factors and a fiduciary's proxy voting activity under the Employee Retirement Income Security Act. The proposal clarifies that climate change and other ESG factors are often material, and that in many instances fiduciaries should consider climate change and other ESG factors in the assessment of investment risks and returns.

[Read the Proposed Rule](#)

## Education and Events Calendar

- Oct. 27-28 – Women in Banking Conference
- Oct. 29 – Regulatory Issues Virtual Summit
- Nov. 1 – Security Management Virtual Workshop (1 of 2)
- Nov. 3 – Demystifying Cryptocurrency Workshop
- Nov. 4-5 – Bank Investment, Funding and Economic Outlook Conference
- Nov. 8 – Security Management Virtual Workshop (2 of 2)
- Nov. 10 – Employment Law Compliance for Banks Virtual Workshop



*Bitcoin and ethereum are two of the most well-known cryptocurrencies. The Demystifying Cryptocurrency Workshop will cover these and more.*

To register and see the complete event schedule, visit the [NBA Event Calendar](#).

## Bankers Encouraged to Attend Beginning Farmer Symposium

The Institute of Agriculture and Natural Resources at the University of Nebraska-Lincoln, Congressman Jeff Fortenberry and the Farm Credit Administration are sponsoring a Young, Beginning and Small Farmer Symposium. The event will examine challenges facing young, beginning and small farmers and available financing programs. Among the panelists are Steve Cleveland of Homestead Bank (Chadron) and Tom Kelly of Western Nebraska Bank (Paxton). This free event is Monday, Nov. 8 from 9:00 a.m. to 4:00 p.m. CST at the Nebraska East Union in Lincoln.

[Register](#)

## Nebraska FSA Annual Guaranteed Lender Training

The Nebraska Farm Service Agency (FSA) will be conducting annual Guaranteed Lender Training sessions via webinar. These training sessions meet the annual training requirement for existing FSA Certified and Preferred Guaranteed Lenders, but also are open to any lenders interested in participating in the FSA Guaranteed Loan Program. Lenders do not need to attend both sessions as it will be the same training.

- Session #1: Tuesday, Nov. 9, at 10:00 a.m. – 12:30 p.m. CST

[Register](#)

- Session #2: Thursday, Nov. 18, at 1:00 p.m. – 3:30 p.m. CST

[Register](#)

Contact Lisa Liska, Farm Loan Specialist, at [lisa.liska@usda.gov](mailto:lisa.liska@usda.gov) or 402-437-5456 with questions.

## Funds Available for Homeowners with Income Loss Due to COVID-19

Nebraska homeowners who have fallen behind on their mortgage and/or utility payments may be eligible for assistance through the Community Development Block Grant CARES Act. To qualify, applicants must have an unpaid mortgage that began after March 1, 2020, have lost income due to COVID-19 and have a household income of 80% or less AMI.

[Learn More](#)

## BankBeat Accepting Banker of the Year Nominations

Nominate a president, CEO or chairman of a bank for the BankBeat Banker of the Year. The award is given to a banker who made significant positive contributions over the past year or over the course of his or her career. Nominations are accepted until Nov. 1.

[Learn More](#)

## Review Alliance

Did you know that in 2020 there were major changes to the Beneficiary IRA?

- After an account holder dies, there are rules called RMD beneficiary rules which mandate that the IRA funds be distributed to the beneficiary(ies) on or before certain time deadlines.
- With the enactment of the SECURE Act within the Further Consolidations Act of 2020 there are now different rules depending on whether the IRA owner died before or after January 1, 2020.
- If you are a spouse, you are an Eligible Designated Beneficiary (EDB). You may elect to treat your deceased spouse's IRA as your own. Or you may use the life distribution rule or, when applicable, the 5-year rule.
- If you are not an EDB, (discuss with your legal and financial planning advisors) then you are required to close your inherited IRA by December 31 of the 10th anniversary of the original IRA account holder's death.
- The 10-year rule means that you as a beneficiary do not have an RMD for any year other than the year the IRA must be closed. During the 10/11 year period you may establish a periodic withdrawal schedule or you may take only nonperiodic withdrawals.

Review Alliance is an independent group of compliance specialists offering banks deep-dive audits of their existing transactions, recommendations about program enhancements or guidance on future safety and soundness. In 2020, the NBA added Virtual Compliance Officer (VCO) to its compliance offerings. VCO is a new shared service model using bank-dedicated compliance officers perfect for monitoring and guiding your bank remotely. To learn how to put them to work for your bank, contact Jennifer Heaton at the NBA at 402-474-1555 or [jennifer.heaton@nebankers.org](mailto:jennifer.heaton@nebankers.org).

## Compliance Alliance

**Q.** The bank currently provides the risk-based pricing notice in accordance with model forms H-3 and H-4, under the FCRA and Regulation V, for loans secured and not secured by residential real estate, respectively. The bank does not employ a credit scoring model or a tiered system for pricing but is considering such an approach. Do these notices still satisfy the disclosure requirements in that case? Would those systems then require periodic testing under FCRA, or would that be more for purposes of fair lending?

**A.** If you choose to adopt a risk-based price tier system, then providing model forms H-3 and H-4 will meet the risk-based pricing notice requirements as long as H-3 is used when the consumer requests an extension of credit that will be secured by 1-4 units of residential property and H-4 for credit that will not be secured by 1-4 units of residential property. For testing purposes, under the FCRA, the system itself would not require periodic testing but examiners do test on the sufficiency of notices being sent out when you do use a tier-based system:

VIII. Privacy – Fair Credit Reporting Act (fdic.gov), (pg. 6.29) -

<https://www.fdic.gov/resources/supervision-and-examinations/consumer-compliance-examination-manual/documents/8/viii-6-1.pdf>

Regulation V, § 1022.74 - <https://www.consumerfinance.gov/rules-policy/regulations/1022/74/#d>

- [Live Demo on Tuesday, Oct. 26 at 10:00 a.m. CST](#)
- [Live Demo on Thursday, Oct. 28 at 1:00 p.m. CST](#)

Compliance Alliance offers a comprehensive suite of compliance management solutions. To learn how to put them to work for your bank, call (888) 353-3933 or email [info@compliancealliance.com](mailto:info@compliancealliance.com) and ask for our membership team.