
INFORMATIONAL MEMORANDUM



May 14, 2020

To: Chief Executive Officer
Each Farm Credit System Institution

From: Roger Paulsen, Director and Chief Examiner
Office of Examination

Subject: CARES Act requirements and COVID-19-related compliance guidance from the
Consumer Financial Protection Bureau

This informational memorandum describes two requirements of the Coronavirus Aid, Relief, and Economic Security Act ([CARES Act](#)) ([PDF](#)) that may apply to your institution. It also describes compliance guidance issued by the Consumer Financial Protection Bureau (CFPB) related to the COVID-19 pandemic. We are providing this information as a courtesy to keep you informed of issues that may affect your institution.

CARES Act section 4021 (Credit Protection During COVID-19)

This section amends the Fair Credit Reporting Act to implement new COVID-19-related reporting requirements for furnishers of information to consumer reporting agencies.

- If a furnisher makes an accommodation with respect to one or more payments on a credit obligation or consumer account, the furnisher must continue to report the account as current if the consumer fulfills the terms of the accommodation.
- For accounts that were already delinquent before the accommodation was made, the furnisher is permitted to continue reporting the account as delinquent unless the consumer brings the account current. This new reporting requirement does not apply to consumer accounts that have been charged off.

These furnisher responsibilities will apply to reporting on accommodations made to consumer accounts from January 31, 2020, until 120 days after the end of the COVID-19 national emergency.

On April 1, the CFPB issued a [Statement on Supervisory and Enforcement Practices Regarding the Fair Credit Reporting Act and Regulation V in Light of the CARES Act \(PDF\)](#). According to the statement, the CFPB supports furnishers' voluntary efforts to provide payment relief. The CFPB also does not intend to cite in examinations or take enforcement actions against those who furnish information to consumer reporting agencies that accurately reflects the payment relief measures they are employing.

CARES Act section 4022 (Foreclosure Moratorium and Consumer Right to Request Forbearance)

This section applies only to servicers of “Federally backed mortgage loans,” defined as any loan secured by a first or subordinate lien on 1- to 4-family residential real property that is

- insured by the Federal Housing Administration or under the National Housing Act;
- guaranteed under the Housing and Community Development Act of 1992;
- guaranteed or insured by the Department of Veterans Affairs;
- guaranteed, insured, or made by the Department of Agriculture; or
- purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

This section limits the ability of servicers of Federally backed mortgage loans to take the following actions against borrowers:

- *Forbearances* — Borrowers may request forbearance, regardless of delinquency status, by submitting a request to their servicers, with no documentation required. The forbearance period is 180 days, which borrowers may extend for an additional 180 days. Borrowers can also request to shorten this period. During the forbearance period, no fees, penalties, or interest will accrue on the borrower’s account beyond the amounts scheduled or calculated to occur if the borrower were making timely contractual payments. Servicers may not collect any such fees, penalties, or interest.
- *Foreclosures* — Servicers may not initiate any judicial or nonjudicial foreclosure process, move for foreclosure judgment or order of sale, or execute a foreclosure-related eviction or foreclosure sale between March 18 and May 17, 2020, except with respect to vacant or abandoned property.

CFPB COVID-19-related compliance guidance

The CFPB issued the following guidance to explain the application and flexibility of certain consumer financial protection requirements in light of the COVID-19 pandemic:

- An interpretive final rule providing guidance on the application of certain provisions in the TILA-RESPA Integrated Disclosure Rule and Regulation Z Right of Rescission Rules. The rule appeared in the Federal Register ([85 FR 26319 \(PDF\)](#)) on May 4, 2020, and was applicable on the date of publication.
- [Mortgage Servicing Rules FAQs related to the COVID-19 Emergency \(PDF\)](#).

You can find the CFPB’s COVID-19-related compliance guidance and resources on the [CFPB website](#). Since the CFPB constantly updates this information, you should refer to the website frequently to ensure you have the latest information.

Please note that reviewing this informational memorandum is not a substitute for reviewing the resources provided on the CFPB website. Reviewing this website is part of exercising your due diligence in monitoring issues that may affect your institution.

If you have any questions about this informational memorandum, please contact Jennifer Cohn, Senior Counsel, Office of General Counsel, at (720) 213-0440 or cohnj@fca.gov; or Lynn Major, Senior Examiner, Office of Examination, at (703) 883-4285 or majors@fca.gov.