

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

November 9, 2017

Compliance News

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Mortgage Servicing Rules – Another Reminder

The November Issue of CUNA's Credit Union Magazine contains a very good article summarizing the CFPB's mortgage servicing requirements under both TILA and RESPA. While some of the changes took effect in October of this year, more changes take effect April 19th next year.

The article first reminds credit unions that successors in interest are entitled to many of the mortgage servicing benefits and protections available to the original borrower. These include requirements for providing certain post-consummation disclosures, providing periodic statements, and giving notice of mortgage servicing transfers, to name a few.

The article also discusses the requirements applicable to borrowers in bankruptcy. Credit unions will be required to continue to send periodic statements for residential mortgage loans to borrowers who have filed for bankruptcy. The statement must include the following notice:

Our records show that you are a debtor in bankruptcy. We are sending this statement to you for information and compliance purposes only. If you want to stop receiving statements, write to us at [provide address].

Periodic statements are not required if either the borrower has agreed to

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InCompliance Implementation Materials

The Association's InCompliance Materials are provided to help your credit union meet the challenges of implementing new and changing regulations. InCompliance publications provide you with a brief summary of the rule to quickly assess its impact, a detailed analysis for compliance staff charged with implementation, sample policies, implementation checklists and, as appropriate, sample forms. In addition, these materials are updated with Q&As (InResponse), and other materials such as charts and matrices as questions are raised and issues are identified.

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surrender the property as part of the bankruptcy, or the borrower has requested in writing that the credit union cease providing a periodic statement.

CFPB Announces HMDA Platform for Beta Testing

The CFPB announced the beta launch of the new HMDA Platform. The main objective of the beta release is to provide financial institutions an opportunity to become familiar with the HMDA Platform and, in particular, determine whether their sample LAR data complies with the reporting requirements outlined in the Filing Instructions Guide for HMDA data collected in 2017.

The beta version of the HMDA Platform will allow financial institutions to establish test log-in credentials; upload sample HMDA files and perform validation on their data; receive edit reports; allow users to confirm their test data submission; and conclude the test HMDA filing process.

During the beta period, financial institutions may test and retest as often as desired. All test accounts created and test data uploaded during the beta period will be removed from the system when the filing period opens in January 2018.

Beta version of the HMDA Platform: <https://ffiec.cfpb.gov>

During the beta period, the CFPB encourages financial institutions to provide feedback on their experiences using the HMDA Platform to HMDAfeedback@cfpb.gov.

Source: CFPB

FinCEN Further Restricts North Korea's Access to the U.S. Financial System and Warns U.S. Financial Institutions of North Korean Schemes

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) recently issued a final rule under Section 311 of the USA PATRIOT Act that severs Bank of Dandong, a Chinese bank that acts as a conduit for illicit North Korean financial activity, from the U.S. financial system. FinCEN also issued an advisory to further alert financial institutions to schemes commonly used by North Korea to evade U.S. and United Nations (UN) sanctions, launder funds, and finance the North Korean regime's weapons programs.

See the links below for additional information:

- [The final rule, as submitted to the Federal Register, is available here.](#)
- [The June 29, 2017 NPRM is available here.](#)
- [The Advisory to financial institutions is available here.](#)

FinCEN Advisory on Disaster-related Fraud

FinCEN has issued [Advisory FIN-2017-A007](#) to warn financial institutions about the potential for fraudulent transactions in the wake of disasters, including recent hurricanes and wildfires. The advisory includes descriptions of potential disaster-related frauds, including benefits fraud, charities fraud and cyber-related fraud. FinCEN also requested that any financial institution submitting a suspicious activity report of fraud that is disaster-related include the keyword "Disaster-related Fraud" in both the narrative and in field 31z (Fraud-Other) of the report.

Source: FinCEN

WCAG 2.0 – A, AA, or AAA?

Q: I read the [recent blog post](#) about W3C's Web Content Accessibility

and email address. The subscriber will receive a welcome e-mail that details how to access the forum.



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InfoSight Highlight

Security – Payment Card Industry (PCI) Data Security Standard (DSS)

The Payment Card Industry (PCI) Data Security Standard (DSS) is a set of comprehensive requirements for credit card account data security developed by the founding brands of the PCI Security Standards Council (PCI SSC), including American Express, Discover Financial Services, JCB, MasterCard Worldwide and Visa International, to facilitate adoption of consistent data security measures.

The PCI DSS is a standard that sets minimum requirements for security management, policies, procedures, network architecture, software design and other critical protective measures. This standard is intended to help organizations, including credit unions, proactively protect payment card account data (credit and debit cards).

InfoSight -- [AZ](#), [CO](#), [WY](#)

Compliance Videos

Quarterly Update for Q4 and Review of Q3

This newly released Compliance Connection [video](#) reviews those laws and regulations effective in the 3rd Quarter of 2017 and tells credit unions what to prepare for in the 4th Quarter of 2017 as well as what's coming up in the first

Guidelines (WCAG) 2.0 being the de facto standard for accessible websites under the ADA in the absence of DOJ regulations addressing this issue. But, what conformance level should we shoot for – A, AA, or AAA?

A: The WCAG 2.0 “success criteria” are categorized according to three levels: A, AA, and AAA.

- Level A – provides the most basic web accessibility features
- Level AA – addresses the most common barriers for disabled users
- Level AAA – delivers the highest level of web accessibility

Conformance at a higher level indicates conformance at lower levels, i.e. conformance to Level AA necessarily implies conformance to Level A.

As for which conformance level you should strive to meet, you may want to follow the Architectural and Transportation Barriers Compliance Board’s (“Access Board”) lead. The [Access Board’s standards and guidelines](#) for federal agency websites conform to WCAG 2.0’s Level A and Level AA success criteria and conformance requirements. There’s a good chance that the DOJ may do the same when it formulates its web accessibility regulations. See [CUNA leaders meet w/ DOJ officials on ADA guidance](#)

Stay tuned for more information on the ADA, and click [here](#) for the W3C’s quick reference guide to the WCAG 2.0.

Source: CUNA Compliance Blog



MOUNTAIN WEST
Credit Union Association

Training & Events Calendar

November 14

Webinar: [Account Documentation Series: Accepting Powers-of-Attorney on Deposit Accounts](#)

November 15

Webinar: [ACH Specialist Series: Federal Government ACH Payments: Reclamations & Garnishments](#)

November 16

Webinar: [Required Compliance for the Board & Senior Management](#)

November 29

Webinar: [OFAC Sanctions Compliance: Update, Expectations & Best Practices](#)

November 30

Webinar: [Robbery Preparedness for All Staff](#)

December 6

Webinar: [Job-Specific BSA Compliance for Lenders](#)

December 12

Webinar: [All About 1099 Reporting Part 2: Forms 1099-INT & 1099-MISC: Vendor Payments, Prizes & Interest on Deposit Accounts](#)

December 13

half of 2018.

Advocacy Highlight

CUNA Urges CFPB to Rely on Current Data for Overdraft Inquiry

Last week, CUNA filed a [letter](#) with the CFPB in response to its release of prototypes of the overdraft disclosure form, along with its most recent report on overdraft practices. While CUNA noted a few substantive concerns with the prototypes themselves, the bigger issue is with the data the CFPB continues to rely on as it pursues potential changes in the area of overdraft programs.

The overdraft study, released in August, utilizes transaction-level data from January 2011 to June 2012, provided by a small number of large banks. These are banks covered by the CFPB’s supervisory authority and do not include credit unions, thrifts, or banks with assets under \$10 billion. CUNA is concerned with the CFPB’s approach to gathering information for its studies on overdraft. CUNA strongly disagrees with the CFPB’s reliance on limited, dated information from a single type of financial institution as a basis for pursuing changes that will affect thousands of institutions of varying type and millions of consumers.

CUNA urges the Bureau, which describes itself as a data driven agency, to refrain from instituting any policy decisions related to overdraft--or otherwise--based on years-old data. Further, CUNA stresses the belief that it is inappropriate to assume the practices of a few large banks are representative of the entire financial services industry. As such, any efforts by the CFPB to apply a one-size-fits-all approach in the area of overdraft would be wholly misguided.

Source: CUNA Removing Barriers Blog

CUNA Advocacy Report

The [CUNA Advocacy Update](#) is published at the beginning of every week and keeps you on top of the most important changes in Washington for credit unions--and what CUNA is doing to monitor, analyze, and influence government agencies and federal law. Additional Advocacy efforts may also be found under CUNA’s [Removing Barriers](#) blog.

Effective Dates New and Revised Rules

October 3, 2017

- [Military Lending Act – Limitations on Terms of Consumer Credit Extended to Service Members and Dependents \(DoD\)](#)

October 19, 2017

Webinar: [ACH Risk Management & Assessment: Risks, Controls & Ratings](#)

December 14

Webinar: [Real Estate Series: Mortgage Loan Disclosure Timing Issues](#)

December 19

Webinar: [The ALLL with TDRs & Foreclosed Assets](#)



Compliance Calendar

October 29, 2017

- 5300 Call Report Due to NCUA

November 10, 2017

- Veterans' Day Observed (FRB will be open)

November 23, 2017

- Thanksgiving Day – Federal Holiday

December 25, 2017

- Christmas Day – Federal Holiday

CUNA Comment Calls – Due Dates on Proposed Rules

November 20, 2017~NCUA
[Regulatory Reform Agenda](#)

- [Amendments to 2013 Mortgage Rules under RESPA/Reg X and TILA/Reg Z](#)

January 1, 2018

- [HMDA/Reg C](#)

January 1, 2018

- [Supervisory Review Committee; Procedures for Appealing Material Supervisory Determinations](#)

January 1, 2018

- [Appeals Procedures](#)

January 1, 2018

- [Amendments to Equal Credit Opportunity Act \(Reg B\) Ethnicity and Race Information Collection](#)

January 1, 2018

- [Truth in Lending Annual Threshold Adjustments](#)

March 16, 2018

- [Same-day ACH - Phase 3 \(Final phase\)](#)

March 19, 2018

- [Arbitration Rule](#)

April 1, 2018

- [Prepaid Accounts under the EFT Act/Reg E and TILA/Reg Z](#)

April 19, 2018

- [Amendments to 2013 Mortgage Rules under RESPA/Reg X and TILA/Reg Z](#)

May 11, 2018

- [Customer Due Diligence/CDD](#)

May 25, 2018

- [EU's General Data Protection Regulation](#)

July 1, 2018

- [Availability of Funds and Collection of Checks/Reg CC](#)

October 1, 2018

- [Amendments to the Integrated Disclosure Rule](#)

January 1, 2019

- [HMDA Thresholds/Reg C](#)

January 1, 2019

- [Risk-Based Capital](#)

July or August 2019 (21 months after published in Federal Register)

- [Payday Lending, Vehicle Title, and Certain High-Cost Installment Loans](#)

January 1, 2020

- [HMDA Threshold/Reg C](#)

December 15, 2020

- [Current Expected Credit Losses](#)

January 1, 2022

- **Amendments to Equal Credit Opportunity Act (Reg B) Ethnicity and Race Information Collection**

Please respond to [Mark Robey](#) with any questions or concerns regarding content of this newsletter.

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