

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

February 26, 2016

Compliance News

CFPB Releases HMDA File Specifications for 2017 and 2018

The Consumer Financial Protection Bureau (CFPB) recently released the Home Mortgage Disclosure Act (HMDA) file specifications for 2017 and 2018. One important change that is being highlighted is the file format is being changed from fixed field file to a delimited file format. This means that each data field within each row will be separated with a pipe (|). These are not fixed length fields, so leading and trailing zeros or spaces will not be needed and filler data fields will no longer be used. Please see the CFPB's guides for filing available [here](#).

The announcement regarding the HMDA data requirements will likely mean that credit unions may require another system update. It is best for credit unions subject to the HMDA reporting requirements to start the necessary steps to implement these changes well ahead of the 2017 and 2018 deadlines.

Source: CFPB

NCUA Board Votes on Final Business-Lending Rule

The [National Credit Union Administration's Board of Directors has approved a final rule](#) giving federally insured credit unions greater flexibility and autonomy to offer member-business loans. The significant changes made by the rule include:

- Giving credit union loan officers the ability, under certain circumstances, to not require a personal guarantee;
- Replacing explicit loan-to-value limits with the principle of appropriate collateral and eliminating the need for a waiver;
- Lifting limits on construction and development loans;
- Exempting credit unions with assets under \$250 million and small commercial loan portfolios from certain requirements; and
- Affirming that non-member loan participations do not count against the statutory member-business lending cap.

Most of the changes to be made by the final rule will become effective January 1, 2017. The removal of the personal guarantee requirement will become effective 60 days after publication of the final rule.

NCUA Posts Best Practices Video for CU Directors

A new video module, "Credit Union Policies and Procedures," has been posted online by the NCUA. The video, along with a summary of best policy practices and resources, explain how board members can work to develop successful strategic policies, an essential ingredient in effective leadership.

February NCUA Report Posted

The [February 2016 issue of The NCUA Report](#) has been posted. Articles

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Association Compliance Forums

Click on one of the below links to subscribe

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[BSA Compliance Officer Forum](#)

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provide information on opening MSB (Money Services Businesses) accounts, 2016 Examination focuses, as well as the future of ATMs.

Source: NCUA

FTC Puts Bite on Bitcoin Mining Operation

Butterfly Labs (Butterfly) and two of its operators have agreed to settle FTC charges that they deceived thousands of consumers about the availability, profitability, and condition of machines designed to mine the virtual currency known as Bitcoin, and that they unfairly kept consumers' up-front payments despite failing to deliver the machines as promised. The FTC's [complaint](#) against the company and its corporate officers alleged that Butterfly charged consumers thousands of dollars for its Bitcoin mining machines, but then failed to deliver the computers until they were practically useless, or in many cases, did not provide the computers at all. The [settlements](#) also resolve charges that the defendants failed to disclose that they were using the machines for themselves before delivering them, and that they kept consumers' up-front payments even after failing to deliver machines as promised.

Source: FTC

Advocacy Highlight

CUNA GAC This Week!

As you all know, nearly 5,000 credit union advocates have converged on Washington this week to help take the credit union message to policymakers. The conference agenda was packed solid with quality breakout sessions, keynote speakers and special guests from Congress, NCUA and the CFPB.

Want to learn more? Check out the [briefing documents](#) prepared for the GAC by CUNA. Continue to advocate for your credit unions!

Pending Regulatory Proposals – Comments Needed!

CUNA intends to comment on the following pending regulatory proposals. Please consider whether and how these proposals would affect your credit union, and contact the CUNA staff listed with each proposal with your feedback.

Credit unions are encouraged to use [Power Comment](#) to file comment letters with regulators. For more information regarding these proposals, please follow the links below:

March 14, 2016~CFPB

[HMDA Resubmission Guidelines](#)

CUNA Contact: [Andy Price](#)

March 17, 2016~FHFA

[Enterprise Duty to Serve Underserved Markets](#)

CUNA Contact: [Andy Price](#)

March 22, 2017~NCUA

[EGRPRA Review](#)

CUNA Contact: [Andy Price](#)

Lending, and Operations.

If a full suite of compliance services is not what you are looking for, we now offer self-assessment tools, individual loan reviews, and a basic annual compliance package that includes ACH, BSA, SAFE Act, and Website compliance.

For more information about our compliance services, please contact Melia Heimbeck at: mheimbeck@mwcua.com or (720) 479-3325 or 1 (800) 477-1697 ext. 3325



InfoSight Highlight

Basic Collection Call Procedures

Acceleration should be a part of collecting every loan. This is a decision to declare a loan in default and declare all amounts due and owing. The borrower cannot make installment payments but must repay the full balance of the loan.

Rule 1:

Always verify that you are speaking with the member. Discussing a member's finances with a third party violates privacy laws. This means that you cannot discuss a member's account with a third party even if that third party is a member of the same household. Therefore, it is your responsibility to determine who the right person to speak to by checking to see who signed the contract.

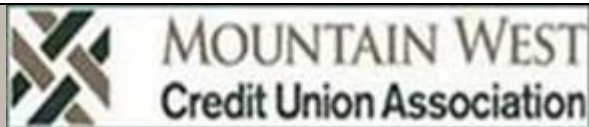
Rule 2:

Listen to what the member has to say. Place the call, verify that you are speaking to the member, introduce yourself, identify your Credit Union and state the purpose of your call. Then stop talking.

When you pause, the member will usually start talking. He or she will usually give a reason for the delinquency and will sometimes offer a plan to bring the account current. Once that happens, all you need to do is guide the conversation toward an acceptable agreement.

Rule 3:

Be tactful and sensitive to signals. Since you cannot see the member or the member's surroundings, attempt to pick up on subtle cues and signals the member gives out about his or her ability to speak freely without being overheard. When this seems to be the situation, give the member the chance to set a more workable time for a call back.



Training & Events Calendar

March 8

Webinar: Credit Reporting Guidelines, Rules & Best Practices: FCRA & FACT Act

March 8

Cyber Security Workshop: Denver

March 10

Cyber Security Workshop: Phoenix

March 15

Webinar: Auditing for TRID Compliance: Safe Harbor Expires 2.1.2016

March 16

Webinar: Flood Insurance Compliance Update & FAQs

March 22

BSA Seminar : Phoenix

March 22

Webinar: Lending Series: The CFPB's Four Ds of Lending

March 23

Webinar: Cyber Series: Outsourcing Tech Services: Regulations, Examiner Expectations & Actions for Vendor Management

March 31

Webinar: Developing Your Same-Day ACH Game Plan

April 5

Webinar: New Federal Regulations Targeting Student Accounts, Including Debit & Prepaid Cards, Effective 7.1.2016

April 12

Webinar: Completing the SAR Line-by-Line

May 3

BSA Seminar: Denver

Financial Strategies Seminar

Managing risks while maintaining stability and growth is a constant challenge for financial institutions especially in a complex regulatory environment. Join industry experts as they provide guidance on preparing for success in the ever-evolving credit union industry. We'll start the day with a market update and industry trends, and then look at bond portfolio management, risk management, cybersecurity, tax and accounting issues as well as regulatory compliance and hot legal topics affecting those responsible for financial management functions at their credit union. CPE credits available.

March 29, 2016 – Phoenix

June 8, 2016 - Denver

CUNA Schools and Webinars

CUNA Advocacy Update

Each year, CUNA provides the “CUNA State Government Affairs Year End Review” which provides the results of advocacy activities throughout the country. For the 2015 review, click [here](#).

The Regulatory Advocacy Report is now combined with CUNA’s Legislative Update into a comprehensive CUNA Advocacy Update. The new Advocacy Update is published at the beginning of every week, is accessible [here](#) 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.

Prior CUNA Regulatory Advocacy Reports have been archived and are available [here](#).



Compliance Calendar

March 13

- Daylight Savings Time Begins

April 22

- 5300 Call Report Due to NCUA

May 30

- Memorial Day – Federal Holiday

June 30

- PCI-SSL/TLS Can No Longer Be Used as a Security Control

Effective Dates New and Revised Rules

July 1, 2016~DoEd

Program Integrity and Improvement

September 23, 2016~NACHA

Same-day ACH (NACHA) – Phase 1

October 3, 2016~DoD

Limitations on Terms of Consumer Credit Extended to Service Members & Dependents

January 1, 2017~CFPB

HMDA – Regulation C

September 15, 2017~NACHA

Same-day ACH (NACHA) – Phase 2

March 23

Webinar: [Regulation E](#)

March 23 - December 14

Webinar: [CUNA Compliance Professional Webinar Series](#)

March 30

Webinar: [Lenders, Third Party Vendors and BSA Compliance](#)

CUNA Comment Calls – Due Dates on Proposed Rules

February 1, 2016~FTC

[The Holder Rule](#)

February 8, 2016~NCUA

[NCUA Field of Membership Proposal](#)

March 18, 2016~FinCEN

[Changes to BSA Currency Transaction Report](#)

March 24, 2016~NCUA

[NCUA Strategic Plan 2017- 2021](#)

March 26, 2016~NCUA

[Overhead Transfer Rate Methodology](#)

March 26, 2016~NCUA

[Operating Fee Schedule](#)

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

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