

## Regulatory Compliance News



**MOUNTAIN WEST**  
Credit Union Association

March 31, 2017

### Compliance News

#### CUSO Registry Reaffirmation Must Be Completed by March 31

Credit union service organizations have until March 31 to complete their annual reaffirmation with the NCUA's CUSO Registry.

CUSOs can complete this required process online through the registry <https://cusoregistry.ncua.gov>. There is no fee to use the CUSO Registry or to complete the reaffirmation process.

Source: NCUA

#### CFPB Proposes Changes to Reg B

The Bureau has [announced](#) a proposal to increase flexibility for mortgage lenders in collecting demographic information. [The CFPB's proposal](#) would provide compliance flexibility for individual mortgage lenders, and would also support the broader mortgage industry's ability to use consistent forms and compliance practices. Under the proposal, mortgage lenders would not be required to maintain different practices depending on their loan volume or other characteristics, allowing more lenders to adopt application forms that include expanded requests for information regarding a consumer's ethnicity and race, including the revised Uniform Residential Loan Application. The proposal also contains other amendments to Regulation B and its commentary to facilitate compliance with Regulation B's requirements for the collection and retention of information about the ethnicity, race, and sex of applicants seeking certain types of mortgage loans. Comments will be accepted for 30 days following publication in the *Federal Register*.

#### Bureau Fines Experian for Deceptive Marketing

The CFPB has [announced](#) an enforcement action taken against Experian Holdings, Inc., Experian Information Solutions, Inc., and ConsumerInfo.com, Inc. d/b/a Experian Consumer Services (collectively, Experian) following a review of Experian's marketing practices. The Bureau stated that Experian deceptively marketed credit scores by misrepresenting that those it provided to consumers were the same scores lenders use to determine creditworthiness. The CFPB also said that Experian illegally placed advertisements for its products on webpages that consumers accessed through AnnualCreditReport.com before the consumers obtained their free annual file disclosures. Experian was ordered to pay a \$3 million civil money penalty to the CFPB's Civil Penalty Fund, truthfully represent the usefulness of credit scores it sells, and put in place an effective compliance management system. TransUnion and Equifax were penalized by the Bureau in January for similar deceptive credit score marketing and other infractions.

Source: CFPB

### Your Credit Union's Regulatory Compliance Support Staff

#### Mark Robey

Sr. VP of Regulatory Affairs

Phone: 800-477-1697, ext. 3327

Direct: 720-479-3327

#### Melia Heimback

Director of Compliance Operations

Phone: 800-477-1697, ext. 3325

Direct: 720-479-3325

#### Julie Kappenman

Director of Association Compliance Services

Phone: 800-477-1697, ext. 3324

Direct: 720-479-3324

#### Donna Gibbs

Coordinator Association Services/Compliance

Phone: 800-477-1697, ext. 3281

Direct: 720-479-3281

### 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.

Visit [mwcua.com](http://mwcua.com) to register

### Association Compliance Forums

Click on one of the below links to subscribe

[Compliance Forum](#)

[BSA Compliance Officer Forum](#)

Please provide the subscriber's name, credit union, title

## FCC Proposal Targets Scam Robocalls and Malicious Caller-ID Spoofing

Credit unions can breathe a sigh of relief that, this time, the FCC is focusing its efforts on rules to block “spoofed” robocalls, where the caller ID is faked, hiding the caller’s true identity.

In its most recent Notice of Proposed Rulemaking (NPR), the FCC is seeking comment on rules that would codify the “Do-Not-Originate” initiative proposed by the agency and launched by an industry-led [Robocall Strike Force](#).

According to the [FCC’s press release](#), the proposed rules would:

- Allow carriers to block spoofed caller ID numbers associated with phone lines that do not actually dial out, without running afoul of FCC rules requiring carriers to complete all calls. (This particular type of spoofing has included numbers that appeared to originate from the IRS.)
- Permit carriers to continue to block calls upon the request of the subscriber to an originating number, like IRS lines not used for outbound calls.
- Allow providers to block scam robocalls when the spoofed caller ID cannot possibly be valid, including numbers that have not been assigned to anyone yet or purport to be from an area code that does not exist.

The FCC is also seeking public input on how to address spoofed calls from international locations, where scammers often hide to avoid U.S. legal processes.

Comments will be due 45 days after publication of the NPR in the Federal Register. For more information, click [here](#).

*Source: CUNA Compliance Community*

## Advocacy Highlight

### Senate Banking Committee Member to ABA – Drop Fighting CUs

Senator Mike Rounds (R-SD) spoke before the annual American Bankers Association (ABA) government relations conference in Washington, DC. He told the assembled leaders of the banking industry that they should end their decades-long fight to end the credit union federal income tax exemption. CUNA applauds Senator Rounds for making this bold public statement in favor of credit unions, especially before an audience that didn’t appreciate those sentiments he expressed.

Senator Mike Rounds is in his first term in the United States Senate. He also serves on the Senate Banking Committee. He stated to the ABA that they would be wise to focus on regulatory relief, a goal shared by the credit union movement.

House Majority Whip Steve Scalise (R-LA), also spoke to the banker gathering. He informed them that regulatory relief for financial institutions is tentatively scheduled for action on the House floor in the fall, and after the passage of health care and tax reform legislation.

CUNA extends its hand to the bankers, if they are willing, to work together to ease the stranglehold of the Dodd-Frank Act and other regulations on banks and credit unions. Both industries have lost numerous institutions to consolidations and closings because of the massive “crisis of creeping

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



### Put a CCRS at Your Fingertips!

Easily apply [Consumer Compliance Rating System](#) (CCRS) expectations with AffirmX. CCRS is a supervisory policy for evaluating a financial institution’s adherence to consumer compliance requirements. By adding AffirmX to your team of experts, a credit union can meet examiner expectations to proactively prevent, self-identify, and correct compliance issues. AffirmX is the leading cloud-based compliance solution that delivers a near-real time risk-based dashboard of your compliance operations. AffirmX provides document review for all areas of regulatory compliance, including ACH, Advertising, BSA, Deposits, Loans, and Operations, as well as helps you create and manage your Cybersecurity Risk Assessment.

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



## InfoSight Highlight

### NCUA Signage – Requirements for the Official Sign

Each insured credit union must continuously display the official sign described below at each station or window where insured account funds or deposits are normally received in its principal place of business and in all its branches, 30 days after its first day of operation as an insured credit union. Each insured credit union must also display the official sign on its Internet page, if any, where it accepts deposits or opens accounts.

An insured credit union may purchase signs from commercial suppliers or develop its own in any color scheme so long as they are legible and otherwise comply with Part 740 of the NCUA Rules and Regulations.

A credit union may alter the font size of the official sign to make it legible on its Internet page and on documents it provides to its members including advertisements in other portions of the advertisement (the official advertising statement must be in a size and print that is clearly legible and may be no smaller than the smallest font size used intended to convey information to the consumer), but it may not do so on signs to be placed at each station or window where the credit union normally receives insured funds or deposits in its principal place of business and all

complexity” of the federal regulatory regime in Washington. As Senator Rounds stated, working together on these common goals would be more effective than bankers using time and resources on attacking credit unions.

### Understanding CUNA’s Suggestions for Credit Union Exemptions

In the [original version](#) of the CHOICE Act, House Financial Services Committee Chairman Jeb Hensarling (R-TX) proposed increasing the CFPB’s supervisory threshold, meaning fewer credit unions would be subject to duplicative examinations and other burdensome aspects of double supervision including data collection. CUNA has urged him to include this same change when reintroducing the legislation.

Credit unions and banks above \$10 billion in total assets are subject to supervision by the CFPB, even though they are regulated for safety and soundness by the NCUA (and in some cases) state regulators. CUNA has argued that consumers would benefit by the CFPB focusing its supervisory resources on entities that present significant risk to consumers, particularly entities that are not already subject to regular supervision and examination.

However, it is important in advocacy efforts to understand that even if this suggestion was included in the reintroduced version of the CHOICE Act and enacted into law, credit unions would still be subject to the rulemakings of all the statutes under the CFPB’s jurisdiction which are numerous. They include:

- Alternative Mortgage Transaction Parity Act;
- Consumer Leasing Act;
- Electronic Fund Transfer Act (except § 920);
- Equal Credit Opportunity Act (“ECOA”);
- Fair Credit Billing Act;
- Fair Credit Reporting Act (except §§ 615 (a) and 628);
- Home Owners Protection Act;
- Fair Debt Collection Practices Act;
- Federal Deposit Insurance Act (§§ 43(b)-43(f) only);
- Gramm-Leach-Bliley Act (§§ 502-509 only, except § 505 as it applies to § 501(b));
- Home Mortgage Disclosure Act;
- Home Ownership and Equity Protection Act;
- Real Estate Settlement Procedures Act (“RESPA”);
- SAFE Mortgage Licensing Act;
- Truth in Lending Act (“TILA”);
- Truth in Savings Act;
- Omnibus Appropriations Act (§ 626 only); and
- Interstate Land Sales Full Disclosure Act.
- Unfair Deceptive and Abusive Acts and Practices

Accordingly, credit unions are also urging Congress to even further clarify the CFPB’s Exemption Authority for rulemakings. Compliance burdens resulting from implementing new CFPB rules have arguably been one of the greatest regulatory burdens credit unions have faced over the last few years.

Section 1022 of the Dodd-Frank Act provides the CFPB with authority to exempt ‘any class of covered entity’ from its rulemaking. The CFPB’s failure to use this authority has harmed consumers seeking safe financial services, including remittances and mortgages, from credit unions.

of its branches.

The terms “branch,” “station,” “teller station,” and “window” do not include automated teller machines or point of sale terminals.

An insured credit union that fails to comply with Section 205(a) of the Federal Credit Union Act regarding the official sign, or any requirement in NCUA’s Rules & Regulations, Section 740 is subject to a penalty of up to \$100 per day.

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

## Compliance Videos

### First Quarter 2017 Recap and Second Quarter Outlook

This [new video](#) provides a recap from Glory LeDu, Director of League System Relations, of the first quarter compliance updates and gives a “sneak peek” of what is to come in the second quarter of 2017. Included are such topics as the NCUA changes to Member Business Lending, the Fixed Assets Rule and the Chartering and Field of Membership Manual as well as a minor revision to the CFPB’s HMDA information. There were also annual updates from the CFPB, FRB and the IRS. The FFIEC has also updated the Uniform Interagency Consumer Compliance Rating System, which is mentioned in this video as well as covered in depth in a separate video (see below).

### FFIEC Consumer Compliance

In this [new video](#), Glory LeDu explains the updates made to the Uniform Interagency Consumer Compliance Rating System by the Federal Financial Institutions Examination Council (FFIEC), as well as the CFPB’s requirements for an effective Consumer Compliance Management System. Credit unions should review this video to determine how their current compliance management system stacks up, as examiners will be using this rating system to evaluate credit unions on compliance factors and will be assigning an overall Consumer Compliance Rating.

### Member Business Lending

[This video](#) provides the details you will need to know to comply with the NCUA’s Member Business Lending rules.



## Compliance Calendar

**April 10, 2017**

- [Fiduciary](#)

**April 30, 2017**

If enacted, both changes would result in significant regulatory relief and these changes continue to be part of our advocacy efforts.

*Source: CUNA Advocacy - Removing Barriers*

## 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.



### Training & Events Calendar

#### **April 5**

Webinar: [CFPB Real Estate Loan Collection Rules for Mortgage Servicers & Your Credit Union](#)

#### **April 6**

Webinar: [Website & Social Media Common Compliance Violations](#)

#### **April 20**

Webinar: [How to Build an Effective & NCUA Compliant MBL Credit Administration Program](#)

#### **April 26**

Webinar: [BSA Compliance Hotspots: Regulators, Litigation, Policies & Procedures](#)

#### **April 27**

Webinar: [Form UCC-3 & Amending, Continuing or Terminating Security Interests](#)

#### **May 3**

Webinar: [Revisiting TRID Line-by-Line Part 1: Loan Estimate](#)

#### **May 4**

Webinar: [Complex ACH Origination Issues for ODFIs: Compliance, Exceptions, Monitoring](#)

## BSA Officer Training

Mountain West is offering BSA Officer Training on April 25 in Denver, CO, led by Chris Collver. See details below.

This full day seminar provides new and experienced BSA officers not only the newest information as it relates to the Bank Secrecy Act and OFAC requirements, but also the fundamentals of the duties of being a BSA Officer. The registration fee is \$229/ person and includes instruction, lunch and materials.

- April 25: [BSA Officer Training – Denver, CO](#)

## MLO Training

Mountain West Credit Union Association has partnered with the Credit

- 5300 Call Report Due to NCUA

### **July 30, 2017**

- 5300 Call Report Due to NCUA

### **September 15, 2017**

- [Same-day ACH – Phase 2](#)

### **October 1, 2017**

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

### **October 19, 2017**

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

### **October 29, 2017**

- 5300 Call Report Due to NCUA

### **January 1, 2018**

[HMDA/Reg C](#)

### **March 16, 2018**

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

### **April 19, 2018**

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

### **May 11, 2018**

- [Customer Due Diligence/CDD](#)

## Effective Dates New and Revised Rules

### **April 10, 2017~DOL**

[Fiduciary](#)

### **September 15, 2017~NACHA**

[Same-day ACH \(NACHA\) – Phase 2](#)

### **October 1, 2017 ~ CFPB**

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

### **October 19, 2017~CFPB**

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

## CUNA Comment Calls – Due Dates on Proposed Rules

### **March 9, 2017**

[Telephone Consumer Protection Act \(TCPA\)](#)

### **March 13, 2017**

[DOL Fiduciary Rule](#)

### **March 15, 2017**

[FinCEN Update of SAR Fields](#)

### **March 27, 2017**

Union National Association (CUNA) to bring you an [8 Hour SAFE Comprehensive Mortgage Loan Originator Course](#). This course will cover the necessary Federal laws and regulations and meets the continuing education requirements of the SAFE Act inclusive of (3) hours federal laws & regulations, (3) hours ethics, consumer protection & fair lending, and (2) hours lending standards for the non-traditional mortgage product marketplace. Event pricing and registration is made available directly through the CUNA website – click on the location below for details.

*Registration will require a CUNA username and password.*

- **May 9** - [Mortgage Loan Originator Training - Denver](#)

### Prepaid Accounts – Proposed Delay

**May 1, 2017~CFPB**

Alternative Data

**May 9, 2017 ~ NCUA**

Alternative Capital

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

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