

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

March 4, 2016

Compliance News

Policy Priorities for the CFPB for 2016-2017

The CFPB recently announced its policy priorities for ensuring a fair marketplace and shared these goals with the members of their Consumer Advisory Board. They announced nine priority goals as the areas where they plan to devote significant resources and hope to make substantial progress during the next two years towards achieving more fairness in these markets. These goals also build on their rulemaking agenda and broader strategic plan.

The following nine priorities were identified:

- Arbitration
- Consumer reporting
- Debt collection
- Demand-side consumer behavior
- Household balance sheets
- Mortgages
- Open-use credit
- Small business lending
- Student lending

For the full report, please click [here](#).

Source: CFPB

IRS Tax Refund Options – Splitting Deposits

New this year, the IRS has stated that no more than three electronic funds can be directly deposited into a single financial account or pre-paid debit card (although credit unions have reported that this new policy may not yet be enforced.)

The following are five things you should know about splitting tax refund deposits:

- The refund can be divided into any savings or checking account (as long as the credit union accepts direct deposits for that type of account) and can be in any proportion of the total amount. The deposits do not have to be equal amounts;
- Savings accounts may include, for example, passbook savings, IRAs, HSAs, Archer MSAs, Coverdell education savings accounts and individual development accounts;
- The refund CANNOT be directed to someone else's account, except that a joint refund can be deposited into the spouse's account, if the credit union accepts joint refunds into individual accounts. Also, a taxpayer cannot opt for a direct deposit into a loan account;
- IRA tax refund deposits: The account owner is responsible for informing their IRA Trustee of the year for which the deposit is intended and for

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



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ensuring their contributions do not exceed their annual contribution limitations. IRS direct deposits of federal tax refund will not indicate a contribution year for IRA accounts; and

- What to do when your member doesn't receive the tax refund amount that he/she was expecting. Often in these situations the member will turn to the credit union for answers. A number of things can result in a tax refund check being less than expected:
 - The member could have made a mistake on the return that resulted in a lower than expected refund;
 - The member could have included an incorrect routing or account number; or
 - The refund could have been used to pay or off-set:
 - unpaid federal taxes
 - the Earned Income Tax Credit portion of the refund if it is pending further review
 - delinquent state income taxes
 - unpaid child support
 - delinquent non-tax federal debts, such as student loans, etc.

For answers to your members' specific situations, send them to: "Where's My Refund?" at IRS.gov.

For more information review the IRS' [Frequently Asked Questions about Splitting Federal Income Tax Refunds](#).

Source: CUNA/IRS

Advocacy Highlight

CUNA GAC Wrap-up

GAC was a huge success, with productive meetings on Capitol Hill and with regulators... the CFPB Director encourages credit unions to "wake up and smell the coffee" ... Dozens of lawmakers join letter to the CFPB on exemption authority... the House Financial Services Committee will consider CUNA-supported legislation this week... state credit union modernization bills are introduced in California, Alabama, Illinois and Colorado... and much more!

While much of the focus of the week is on meeting with lawmakers, in recent years, there was an increased focus on regulator meetings. CUNA members met with CFPB, NCUA, NACHA and the Fed during the GAC. Read more about these meetings [here](#).

Source: CUNA

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

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 Heimbuck at: mheimbuck@mwcua.com or (720) 479-3325 or 1 (800) 477-1697 ext. 3325



InfoSight Highlight

Garnishment of Accounts with Federal Benefit Payments

The Department of Treasury, Social Security Administration, Department of Veteran Affairs, Railroad Retirement Board, and the Office of Personnel Management (collectively referred to as the Agencies) have finalized their rule to establish procedures for financial institutions to follow when a garnishment order is received against an accountholder who receives certain types of Federal benefit payments through direct deposit.

When a garnishment order is received, the rule requires financial institutions to determine the amount of Federal benefit payments deposited to the account during a two-month period and to ensure that the accountholder is given access to an amount equal to that sum or to the current balance of the account, whichever is less.

According to the Department of the Treasury, the Financial Management Service (FMS) began encoding Automated Clearing House (ACH) payments to enable receiving financial institutions to easily identify Federal benefit payments subject to the requirements of the interim final rule.

The procedures and guidelines apply only to Federal benefits paid electronically via the ACH. Financial institutions are not responsible for examining accounts to identify Federal benefits paid by Treasury check.

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

CU Compliance Connection – Compliance Outlook for Q1 2016 & Q4 2015 Review

In this newly released video, Glory LeDu, Manager of League System Relations, discusses the Compliance outlook for the 1st quarter of 2016 and gives us a

[Enterprise Duty to Serve Underserved Markets](#)

CUNA Contact: [Andy Price](#)

March 22, 2017~NCUA

[EGRPRA Review](#)

CUNA Contact: [Andy Price](#)



[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

review of the 4th quarter of 2015. View the CUBE TV video [here](#).

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](#)

responsible for financial management functions at their credit union. CPE credits available.

[March 29, 2016 – Phoenix](#)

[June 8, 2016 - Denver](#)

CUNA Schools and Webinars

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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