

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

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Compliance News

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Q & A: Is the Credit Union Required to Have a Toll Free Number for Providing the Verbal Notice Under the Military Lending Act?

The Military Lending Act requires the credit union to provide a statement of the Military Annual Percentage Rate (MAPR) applicable to the extension of consumer credit and a clear description of the payment obligation of the member. These disclosures are required to be provided in writing in a form the member can keep and orally. The rule specifies two methods the credit union can use to provide the information orally. The credit union may provide it to the member in person or by using a toll-free telephone number. In order for the credit union to provide the verbal notice to a member not in person, the credit union would need to have a toll free number.

The Five Most Common Mistakes NCUA Finds During BSA Exams

Last month at the CUNA/NASCUS BSA school, NCUA's Judy Graham described the 5 most common BSA mistakes examiners find during examinations:

1. **Inadequate Risk Assessment:** NCUA recommends that credit unions take the time to review all products and services to determine where BSA risks may exist, such as business accounts and wire transfer activity. Make sure you have adequate internal controls to meet these risks.
2. **SAR Monitoring:** Make sure your SAR procedures and monitoring systems have been updated to keep up with your credit union's growth and sophistication. Ensure that the technology running your products and services is communicating with your SAR monitoring system.

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

3. **Training:** Ensure your board of directors and supervisory committee are receiving appropriate training that is commensurate with the risk profile of your credit union. Also, training should be individualized to each department of the credit union and occurs every 12-18 months.
4. **Independent Testing:** Make sure your independent testing covers ALL AREAS OF YOUR OPERATION and occurs every 12 -18 months.
5. **Section 314(a):** Ensure your credit union is checking FinCEN's Section 314(a) lists as they are coming in – don't fall behind.

For more information see CUNA's [BSA Compliance Manual](#).

DOL Extends Transition Period for Fiduciary Rule

This week, the U.S. Department of Labor (DOL) announced an 18-month extension from Jan. 1, 2018, to July 1, 2019, of the special Transition Period for the Fiduciary Rule's Best Interest Contract Exemption and the Principal Transactions Exemption, and of the applicability of certain amendments to Prohibited Transaction Exemption 84-24.

According to the [DOL press release](#), "the extension gives the Department the time necessary to consider public comments submitted pursuant to the Department's July Request for Information, and the criteria set forth in the Presidential Memorandum of Feb. 3, 2017, including whether possible changes and alternatives to exemptions would be appropriate in light of the current comment record and potential input from, and action by the Securities and Exchange Commission, state insurance commissioners and other regulators."

The fiduciary rule's amended definition of fiduciary investment advice went into effect on June 9, 2017, and the rule's exemptions became available to fiduciary advisers. However, for a transition period, now extending to July 1, 2019 (instead of January 1, 2018), fewer conditions will apply to financial institutions and advisers that want to rely upon the exemptions.

During the extended transition period, financial institutions and advisers must comply with the "impartial conduct standards" which are consumer protection standards that ensure that advisers adhere to fiduciary norms and basic standards of fair dealing. The standards specifically require advisers and financial institutions to "give prudent advice that is in retirement investors' best interest, charge no more than reasonable compensation, and avoid misleading statements."

The DOL also announced an extension of its temporary enforcement policy to cover the 18-month extension period. From, June 9, 2017, to July 1, 2019, the agency will not pursue claims against fiduciaries "working diligently and in good faith" to comply with the transition rules.

Source: CUNA Compliance Blog

CFPB Updates TRID Guide

The CFPB has updated the *TILA-RESPA Integrated Disclosure Guide to the Loan Estimate and Closing Disclosure forms* that is available on the Bureau's [TILA-RESPA Integrated Disclosure rule implementation](#) page. The updated guide incorporates amendments and clarifications in the Bureau's July 7, 2017, final rule amending the TRID requirements.

Source: CFPB

FinCEN Exchange Launched

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 or (720) 479-3325 or 1 (800) 477-1697 ext. 3325



InfoSight Highlight

CUNA Updates its Website – InfoSight Links Being Updated

CUNA has updated their [website](#), and all links in InfoSight are in the process of being reviewed and updated. If you are looking for some of the more popular items, they can be found on the CUNA [Compliance Page](#).

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 half of 2018.

Advocacy Highlight

CUNA's Removing Barriers Blog

If you are interested in the types of issues facing credit unions today and would like to see at a glance what is being monitored, you will want to visit the CUNA [Removing Barriers Blog](#). There you will see headlines of

FinCEN has [announced](#) the launch of its FinCEN Exchange program to enhance information sharing with financial institutions. As part of this program, FinCEN, in close coordination with law enforcement, will convene regular briefings with financial institutions to exchange information on priority illicit finance threats, including targeted information and broader typologies. The program will enable financial institutions to better identify risks and focus on high priority issues, and will help FinCEN and law enforcement receive critical information in support of their efforts to disrupt money laundering and other financial crimes.

Source: FinCEN

2016 Terrorist Assets Report

The Office of Foreign Assets Control (OFAC) has released its [2016 Terrorist Assets Report](#). This report provides information regarding the assets that have been blocked or frozen under U.S. sanctions programs that are in the United States.

Source: OFAC



Training & Events Calendar

December 11

Webinar: [Critical HMDA Issues for HELOC Applications & Coverage Changes for Commercial Lenders, Effective January 1, 2018](#)

December 12

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

December 13

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](#)

December 20

Webinar: [Preparation Plan for CDD Changes to Beneficial Ownership Rules: Effective May 11, 2018](#)

2018 Webinars

IMPORTANT NOTE: For the past ten years we have partnered with the Credit Union Webinar Network to provide timely, relevant webinars. We are excited to announce an expansion of our partnership! Beginning in 2018, they will also assist us in marketing and managing these webinars.

Click on the link above for a full list of webinar offerings and for more detailed information, please click [here](#).

January 4

the most current issues, as well as the history of past ones. It may be helpful to know how your credit union can get involved and share your voice with others in making a difference.



Compliance Calendar

December 25, 2017

- Christmas Day – Federal Holiday

CUNA Comment Calls – Due Dates on Proposed Rules

November 20, 2017~NCUA

[Regulatory Reform Agenda](#)

November 20, 2017~NCUA

[Regulatory Review Summary](#)

December 4, 2017~NCUA

[NCUA Draft 2018-2022 Strategic Planning](#)

December 4, 2017~NCUA

[Accuracy of Advertising and Notice of Insured Status](#)

December 29, 2017~NCUA

[Capital Planning and Supervisory Stress Testing](#)

January 2, 2018~NCUA

[Electronic Loan, Deposit, and Investment Data Collection](#)

Effective Dates New and Revised Rules

December 1, 2017

- [New Bankruptcy Rules](#)

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](#)

Webinar: [Top Issues for 2017 HMDA Reporting: Due March 1, 2018](#)

January 18

Webinar: [Navigating Compliance Issues for Promotions, Bonuses, Contests & Sweepstakes](#)

January 24

Webinar: [Preparing for a Military Lending Act Audit](#)

January 30

Webinar: [Compliance Series: Job-Specific Compliance Training for the Frontline](#)

February 6

Webinar: [Fair Lending Challenges for HMDA Data Rule Changes: Expanded Data Fields & Lending Practices](#)

February 8

Webinar: [Simplifying the Compliance Function: Tools & Checklists to Keep You on Track](#)

February 14

Webinar: [Preparing for the New Mortgage Servicing Rules: Final Implementation Date, April 19, 2018](#)

March 8

Webinar: [Revisiting CDD Policies & Procedures to Include Beneficial Ownership Rule Changes Effective May 11, 2018](#)

March 15

Webinar: [Flood Insurance Compliance Review & Update 2018](#)

March 21

Webinar: [Compliance & Legal Risks in Mobile Banking: Rules & Security Requirements](#)

March 22

Webinar: [Completing the CTR Line-by-Line Effective May 28, 2018: Technical Changes, New Data Fields & Alternate Model Reporting](#)

March 28

Webinar: [Collections & The Servicemember: From the MLA to SCRA](#)

**For 2018 webinar questions, please contact MWCUA@cuwebtraining.com.*

January 1, 2018

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

January 16, 2018

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

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](#)

August 19, 2019

- [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](#)

**For detailed information on rules and effective dates, click [here](#)*

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

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