

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

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Compliance News

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Q&A: How Does My Credit Union Obtain a Legal Entity Identifier (LEI)?

The credit union can obtain an LEI by visiting the LEI Regulatory Oversight Committee [website](#), or the Global Legal Entity Identifier Foundation (GLEIF) [website](#).

Direct Deposit Tax Refunds Limited to Three

As tax season approaches (begins January 29th), credit unions should keep an eye out for tax scammers. In an effort to combat fraud and identity theft, in 2015 the IRS began limiting the number of refunds electronically deposited into a single financial account or pre-paid debit card to no more than three. The fourth and subsequent refunds automatically convert to a paper refund check and are mailed to the taxpayer.

According to the IRS, the vast majority of taxpayers are not affected by this limitation, however some taxpayers, such as families in which the parent's and children's refunds are deposited into a parent's account may be affected. The direct deposit limit is in place to prevent criminals from easily obtaining multiple refunds and to protect taxpayers from preparers who obtain payment for their tax preparation services by depositing part or all of their clients' refunds into the preparers' own credit union accounts.

For more information, visit the [IRS website](#).

Reminder: New W-8BEN Rules

For IRS W-8BEN forms obtained on or after January 1, 2017, you must collect a date of birth for the foreign credit union member. However, if you have the foreign member's date of birth in your files, you may use that information for reporting purposes and will not be required to treat a Form W-8BEN as invalid because it did not include a date of birth.

Also, after January 1st, if you have an otherwise valid Form W-8BEN, but it is missing a foreign TIN, you are permitted to obtain the member's foreign TIN on a written statement provided by the member (including a written

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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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statement transmitted by email) that indicates that the foreign TIN is to be associated with the member's Form W-8BEN. Similarly, you are permitted to obtain the reasonable explanation for the absence of a foreign TIN in this manner.

For more information, see the CUNA January 12, 2017 blog post: [How the New FATCA Rules May Affect Your W-8BEN and 1042-S Reporting.](#)

Source: *CUNA Compliance Blog*

Advocacy Highlight

CUNA Engaged w/ Reg Relief, BSA Hearings This Week

A House Financial Services subcommittee will conduct a hearing on two CUNA-backed regulatory relief bills, and CUNA will also be engaged in several other Congressional hearings. The bills will be considered as part of a House Financial Services subcommittee on financial institutions and consumer credit [hearing on proposals](#) for a more efficient federal regulatory regime.

One bill, previously supported by CUNA, would exempt financial institutions with under \$50 billion in assets from Consumer Financial Protection Bureau (CFPB) rulemakings. The Community Financial Institution Exemption Act (H.R. 1264) was introduced by Rep. Roger Williams (R-Texas).

"This legislation would make even more clear the CFPB's authority to exempt community financial institutions from its regulations," said CUNA Chief Advocacy Officer Ryan Donovan. "Now, the Dodd-Frank Act couldn't be any clearer that the CFPB already has this authority, but as we saw during the [former CFPB Director Richard] Cordray tenure, there was a tremendous reluctance on the part of the bureau and the former director to exercise this authority."

CUNA also supports the Home Mortgage Disclosure Relief Act (H.R. 4648), [introduced by Rep. Tom Emmer](#) (R-Minn.). It would delay Home Mortgage Disclosure Act (HMDA) reporting requirements until January 1, 2019, postponing the first mandatory reporting date until March 2020.

Nussle: CUNA Continues Push for ADA Website Clarity

CUNA remains engaged in combating predatory class action threats related to website accessibility requirements surrounding the Americans with Disabilities Act (ADA), CUNA President/CEO Jim Nussle wrote to members earlier this week. Credit unions have been hit with increasing lawsuit threats over uncertainty about ADA website requirements.

"CUNA has been working diligently to combat this predatory litigation," Nussle wrote. "Since it continues to be a major problem for credit unions, it is a top advocacy priority for us, as we continue engagement with the Department of Justice (DOJ) and Congress."

Nussle added that CUNA is also working closely with state leagues to identify legal advocacy opportunities, and will be meeting with Congressional counsel next week to discuss ways to stop these threats.

Nussle also cited a recent [CUNA Removing Barriers Blog entry that details a recent DOJ decision](#) to rescind two Advance Notices of Proposed Rulemakings regarding ADA.

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

Reserve Requirements

The Federal Reserve Board's (FRB) Regulation D was established in 1980. It contains four primary provisions that affect depository institutions, including natural person credit unions.

Credit unions may be required to maintain reserves.

Credit unions may have to place limits on certain deposit accounts in order to avoid having to reserve against those accounts.

Credit unions are required to impose certain penalties for early withdrawal from time deposit accounts in order to avoid having to reserve against the time deposit. Credit unions may be required to report account information to the Federal Reserve.

Regulation D controls how credit unions define certain terms and conditions of deposit accounts, since the characteristics of the accounts determine whether the credit union must reserve against the accounts. The following accounts are subject to Regulation D reserve requirements: transaction accounts, time deposits, savings accounts, and Euro-currency deposits.

CUNA staff has met with DOJ officials to discuss potential solutions, and followed up with a [letter outlining the specific concerns](#).

[CUNA has also backed a bill](#) that would address these threats, written to the House and Senate Judiciary Committees, and spearheaded efforts that resulted in 61 members of Congress raising ADA concerns in a letter to DOJ.

There will be a breakout session at this year's CUNA Governmental Affairs Conference, which is scheduled for Feb. 25 to March 1 in Washington, D.C. The ADA breakout session will be Monday, Feb. 26 from 2:45 to 4 p.m. (ET).

Source CUNA Advocacy

CUNA Advocacy Update

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. To receive this update, click on "Get CUNA Updates" on the [CUNA Advocacy Page](#). Additional Advocacy efforts may also be found under [CUNA's Removing Barriers blog](#). With the recent updates to CUNA's website, Advocacy information has also changed. To view recent advocacy issues and see ways your credit union can become involved, visit the [Priorities](#) or [Actions](#) pages.



Training & Events Calendar

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.

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

The Regulation D thresholds are annually adjusted to account generally for 80% of transaction accounts and overall deposit growth or decline. The percentage of actual reserving can be changed by the Federal Reserve Board in order to execute monetary policy that is to make currency more or less plentiful and to influence interest rates.

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

Compliance Videos

NEW! Compliance Outlook for Q4 2017

In this [video](#), Glory LeDu provides a brief summary of the key changes of the new HMDA rules becoming effective in January.

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.



Compliance Calendar

January 15, 2018

- Martin Luther King Day - Federal Holiday

February 19, 2018

- President's Day – Federal Holiday

May 28, 2018

- Memorial Day – Federal Holiday

July 4, 2018

- Independence Day – Federal Holiday

September 3, 2018

- Labor Day – Federal Holiday

October 8, 2018

- Columbus Day – Federal Holiday

November 12, 2018

- Veterans Day (observed) – Federal Holiday

Effective Dates New and Revised Rules

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.*

2018 Compliance Lunch & Learn Sessions Begin in February

Join your credit union compliance peers for instruction and a discussion regarding Advertising & Sweepstakes Rules - review important advertising regulations, and discuss how to avoid pitfalls with promotional giveaways, sweepstakes and contests. Cost is \$35/ person. Instruction, networking and lunch included.

- Feb. 7: [Compliance Lunch & Learn](#): Phoenix, AZ
- Feb 8: [Compliance Lunch & Learn](#): Tucson, AZ
- Feb. 22: [Compliance Lunch & Learn](#): Denver, CO

CUNA Comment Calls – Due Dates on Proposed Rules

December 28, 2017~CFPB

[Consumer Response Intake Form](#)

December 28, 2017~CFPB

[Generic Information Collection Plan for Consumer Complaint and Information Collection System](#)

December 28, 2017~CFPB

[Submission for OMB Review](#)

December 29, 2017~NCUA

[Capital Planning and Supervisory Stress Testing](#)

January 2, 2018~NCUA

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

January 8, 2018~CFPB

[Financial Coaching Program for Veterans and Low-income Consumers](#)

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](#)

January 16, 2018

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

January 19, 2018

- [Emergency Mergers](#)

March 16, 2018

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

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](#)

January 16, 2018~CFPB

Web-based Quantitative Testing of Point of Sale/ATM Overdraft Disclosure Forms

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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