

## Regulatory Compliance News



**MOUNTAIN WEST**  
Credit Union Association

February 9, 2018

### Compliance News

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#### **Bills on Mobile Banking, Thrift Lending Passed by House**

A bill passed by the U.S. House of Representatives this week would, if enacted, streamline the process for consumers wishing to open bank accounts online or via a mobile device. The Making Online Banking Initiation Legal and Easy Act of 2017 (MOBILE Act) will allow financial institutions to record personal information from a scanned copy of a driver's license or other personal identification card. It would also allow the institution to store the information electronically when an individual initiates an online request to open an account or obtain a financial product.

[Read the bill here for additional information.](#)

*Source: Congress.gov*

#### **Fed Slows Wells Fargo Growth for Controls Failures**

Responding to recent and widespread consumer abuses and other compliance breakdowns by Wells Fargo & Company (WFC), the [Federal Reserve Board announced](#) that it has restricted the growth of the firm until it sufficiently improves its governance and controls. Concurrently with the Board's action, WFC will replace three current board members by April and a fourth board member by the end of the year. Until the firm makes sufficient improvements, it will be restricted from growing any larger than its total asset size as of the end of 2017.

*Source: Federal Reserve*

#### **Bureau Adds HMDA LAR Tool and Updates Resources**

The CFPB has updated its [Resources for HMDA filers](#) page, adding a [2018 LAR Formatting Tool](#), and making minor updates to the [2018 Filing Instructions](#). The 2018 LAR Formatting Tool is designed to assist financial institutions to create an electronic file that can be submitted to the HMDA platform. It can be used for data collected in 2018 and reported next year.

The Bureau also updated its [Reportable HMDA Data: A regulatory and reporting overview reference chart](#). If you previously downloaded the 2018

### 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 Heimbuck

**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 [mwcu.com](http://mwcu.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

Filing Instructions and/or the reference chart, it is recommended that you replace them with the newer versions.

Source: CFPB

## Advocacy Highlight

### Credit Unions Continue to Fulfill Mission Even as Financial Services Evolve

Last week, Senate Finance Chairman Orrin Hatch (R-UT) wrote to the NCUA asking a number of questions about credit unions and whether they are evolving beyond their original purpose.

While CUNA respects the oversight role of the Senate Finance Committee, CUNA disagrees with the Senator's position and will continue to promote the credit union difference on Capitol Hill. CUNA and the Utah Credit Union League have been in contact with Hatch's Committee and personal office staff reinforcing these messages and to get a better understanding of the Senator's interest and concerns.

Additionally, CUNA is in the process of developing a response to the Chairman's letter. CUNA will continue to advocate on behalf of America's credit unions and their 110 million members to ensure Congress commits to preserving the credit union tax status. [\[Read more here\]](#)

### CUNA, Ohio League and Credit Unions Reiterate Website Accessibility Concerns at the DOJ

Credit union advocates from CUNA, the Ohio Credit Union League, and credit unions met with Department of Justice Assistant Attorney General John Gore and DOJ staff to discuss the drastic increase in litigation being brought and threatened against credit unions.

During the meeting, credit union advocates outlined how both members and credit unions are being harmed by predatory litigation that is primarily benefiting the Pacific Trial Attorneys and other plaintiffs' firms. Ohio League staff noted that more than 25 percent of their credit unions had received demand letters. [\[Read more here\]](#)

Source: *CUNA Removing Barriers Blog*

## 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.



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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 Heimbuck at: [mheimbuck@mwcu.com](mailto:mheimbuck@mwcu.com) or (720) 479-3325 or 1 (800) 477-1697 ext. 3325



### Customer Due Diligence and Beneficial Ownership

Although compliance with the final rule isn't required until May 11, 2018, credit unions have had since May 11, 2016 to begin their compliance with the amendments to the Bank Secrecy Act that relate to these four core elements:

- Identification and verification of customers;
- Identification and verification of beneficial owners of legal entity customers, subject to certain exceptions;
- Development of a customer risk profile through an understanding of the nature and purpose of the customer relationship, and
- Ongoing monitoring for reporting suspicious activity, and on a risk basis, maintaining and updating customer information.

Several of these elements are part of the existing customer identification program (CIP) rules, with others implied through suspicious activity reporting (SAR) requirements. The beneficial ownership identification requirement is new and not part of any existing rule.

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

## Compliance Videos

**NEW! Compliance Outlook for Q4 2017**

In this [video](#), Glory LeDu provides a brief summary of the

## Training & Events Calendar

### 2018 Webinars

#### **February 14**

Webinar: Preparing for the New Mortgage Servicing Rules: Final Implementation Date, April 19, 2018

#### **February 22**

Webinar: Opening Consumer Accounts: Regulations, CDD & Documentation

#### **February 28**

Webinar: CECL Rule Overview: Preparation, Planning & Data Collection

#### **March 1**

Webinar: Supervisory Committee Overview: Rules, Regulations & Best Practices

#### **March 6**

Webinar: Opening Deposit Accounts for Nonprofit Organizations

#### **March 8**

BSA Officer Training - Phoenix

#### **March 8**

Webinar: Revisiting CDD Policies & Procedures to Include Beneficial Ownership Rule Changes Effective May 11, 2018

#### **March 14**

Webinar: ACH Rules Update 2018

#### **March 15**

Webinar: Flood Insurance Compliance Review & Update 2018

#### **March 20**

Webinar: Recent Call Report Changes & Top 10 Errors

#### **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

#### **April 3**

Webinar: FFIEC Cyber Security Assessment Tool: Issues & Answers

#### **April 4**

Webinar: BSA Special Risks: Policy, Law Enforcement & Regulator Issues

#### **April 5**

Webinar: Dealing with Dormant Accounts, Unclaimed Property & Escheatment

#### **April 10**

BSA Officer Training - Denver

#### **April 12**

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 3<sup>rd</sup> Quarter of 2017 and tells credit unions what to prepare for in the 4<sup>th</sup> Quarter of 2017 as well as what's coming up in the first half of 2018.

## **Effective Dates New and Revised Rules**

### **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 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

### **April 1, 2019**

- Prepaid Accounts under the EFT Act/Reg E and TILA/Reg Z

### **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)

Webinar: [Impact of Reg CC Rule Changes on RDC & ACH](#)

**April 17**

Webinar: [How to Complete & File UCC-1 Financing Statements](#)

**April 18**

Webinar: [Compliance Rules All Staff Must Know: Red Flags for Identity Theft, Bribery, Privacy & Ethical Considerations](#)

**April 19**

Webinar: [Top 25 Things to Know About Reg CC Changes Before July 1, 2018](#)

**April 26**

Webinar: [Denied Loan Requirements: Consumer, Commercial & Real Estate](#)

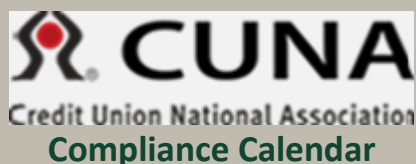
*\*For 2018 webinar questions, please contact [MWCUA@cuwebtraining.com](mailto:MWCUA@cuwebtraining.com).*

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### Compliance Lunch & Learn - Denver

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. 22: [Compliance Lunch & Learn](#): Denver, CO



**January 28, 2018**

- 5300 Call Report Due to NCUA

**February 19, 2018**

- President's Day – Federal Holiday

**April 29, 2018**

- 5300 Call Report Due to NCUA

**May 28, 2018**

- Memorial Day – Federal Holiday

**July 4, 2018**

- Independence Day – Federal Holiday

**July 29, 2018**

- 5300 Call Report Due to NCUA

**September 3, 2018**

- Labor Day – Federal Holiday

**October 8, 2018**

- Columbus Day – Federal Holiday

**November 12, 2018**

### Ethnicity and Race Information Collection

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

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### CUNA Comment Calls – Due Dates on Proposed Rules

**January 16, 2018~CFPB**

[Web-based Quantitative Testing of Point of Sale/ATM Overdraft Disclosure Forms](#)

**February 12, 2018~CFPB**

[Consumer's Experience with Free Access to Credit Scores](#)

**March 5, 2018~Federal Reserve**

[Consumer Leasing \(Regulation M\)](#)

**March 27, 2018~CFPB**

[Bureau Civil Investigative Demands and Associated Processes](#)

**March 30, 2018~FHFA**

[Credit Score Requirements](#)

**April 2, 2018~NCUA**

[Modernizing Data Collection for Supervision of Credit Unions](#)

**April 2, 2018~NCUA**

[Involuntary Liquidation of Federal Credit Unions and Claims Procedures](#)

• Veterans Day (observed) – Federal Holiday

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

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