

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

January 22, 2016

Compliance News

Fact Sheet on Construction Loans and TRID Disclosures

The CFPB has added a "[Construction loan fact sheet](#)" to its [TRID rule implementation page](#), to provide an overview of how the integrated disclosure rule may be applied to construction loans.

HMDA Resources to Aide Compliance

The CFPB has published several tools which will assist in complying with the future HMDA requirements. Although this may not apply until next year, these are excellent resources to have on hand. Among them:

[HMDA Key Dates Timeline](#) – One page overview of the effective dates for different elements of the rule.

[HMDA Compliance Guide](#) – A plain-language guide to the new rule which makes the content more accessible for industry constituents, especially smaller businesses with limited legal and compliance staff.

Source: CFPB

Treasury Updates Savings Bond Guide

Treasury's Bureau of Financial Services has updated [The Guide To Cashing Savings Bonds](#) (Guide) with the release of a more interactive PDF version. It provides official guidance for financial institutions on cashing savings bonds. The Guide describes the procedures for verifying and documenting the identity of a customer redeeming savings bonds and lists acceptable forms of identification. The new version replaces all previous versions of the document, including The Quick Start Supplement to The Guide To Cashing Savings Bonds, which has been decommissioned.

Source: U.S. Department of Treasury

NCUA Posts December Board Meeting Video

The [video recording](#) of the December 28, 2015, meeting of the NCUA Board is available online. The agenda contained two items:

- A final rule to provide enhanced pass-through share insurance coverage for real estate agents' escrow accounts, prepaid funeral accounts and other escrow accounts similar to lawyers' trust accounts; and
- A notice to stakeholders of the opportunity to comment on regulations covering rules of procedure and safety and soundness for possible modification, simplification or repeal.

Source: NCUA

FAQ on September Next-Day ACH Rule

FedACH Services has posted a list of [frequently asked questions](#) (FAQs) on the upcoming September 23, 2016, NACHA Same Day ACH Rule change. The FAQ will be updated as additional information becomes available.

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Advocacy Highlight

2016 Regulatory Issues Overview – Make Your Voice Heard!

For a preview of the issues CUNA expects will be “hot topics” in 2016, click [here](#). Remember that all credit unions have the opportunity and ability to provide input on these issues before they become regulation by commenting to CUNA staff or by using [PowerComment](#) to write directly to Regulators.

Field of Membership Rule Published in the Federal Register

NCUA's proposed field of membership (FOM) rule was published in the Federal Register, and is now open for comment. Comments will be due to the NCUA by February 8, 2016. **New: CUNA has issued a [new guide to assist with comments](#).**

NCUA's proposed FOM rule would provide extra flexibility for federal credit unions of all federal charters. These changes should give federal credit unions additional flexibility in determining areas and people to serve that are not available in the current regulation.

Source: CUNA

To comment directly to regulators on these issues, click here: [Power Comment](#).

CUNA-Opposed Provision on FHLB Membership Eligibility Removed from New FHFA Rule

Credit union members of the Federal Home Loan Bank (FHLB) in their jurisdiction can breathe a sigh of relief today, as the Federal Housing Finance Agency (FHFA), which oversees the FHLBs, finalized a rule which eliminated a proposed requirement that would have imposed significant burdens on FHLB members. FHLB membership offers useful liquidity and flexibility for eligible credit unions and other financial institutions to more effectively manage their mortgage portfolios.

Previous iterations of the rule, which also banned captive insurers from membership, would have required credit unions and other FHLB members to establish eligibility for membership on an ongoing basis by continuously demonstrating they were meeting minimum levels of investment in mortgage assets as a percentage of total assets. In dropping this provision, the FHFA noted that any purported benefits would not even remotely have outweighed the additional burden imposed, since 98 percent of members already meet the requirements. CUNA had [pushed strongly](#) for this provision to be removed.

CUNA continues to advocate for a statutory change to FHLB membership requirements that would bring parity between small banks (under \$1 billion total assets), which are currently only required to hold 1 percent of assets in mortgages at time of initial application for membership, and small credit unions, which must hold 10 percent of assets in mortgages. CUNA strongly supports legislation in the House of Representatives, H.R. 2473, introduced by Representatives Randy Neugebauer (R-TX) and William Lacy Clay (D-MO), which would achieve this objective.

CFPB Seems Set to Throw the Baby out With the Bath Water

“Credit unions did not cause the financial crisis. They did not engage in the abuses that led to the enactment of the Dodd-Frank Wall Street Reform

looking for, we now provide individual loan reviews and a basic annual compliance package that includes BSA, ACH, SAFE Act, and Website compliance.

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



InfoSight Highlight

Regulation Z – Truth in Lending

The purpose of the Truth in Lending Act (Act), implemented by Regulation Z, is to promote the informed use of consumer credit by requiring disclosures about its terms and costs in clear and conspicuous disclosures. The Act has evolved into an extremely complex set of rules.

Failure to provide the proper disclosures and notices could be costly for the credit union. The Act contains a criminal liability provision for willful violations of the Act. Any person who willfully violates the act could be fined up to \$5,000, imprisoned for up to one year, or both. Some examples include: willfully giving false or inaccurate information or failing to provide required information; willfully using a table in a manner that consistently understates the annual percentage rate; or willfully failing to comply with provisions of the act.

The Act authorizes a member to commence legal action against the credit union for a failure to comply with the rules, such as failure to provide required disclosures, and failure to follow prescribed procedures when handling billing error claims. The credit union's liability could include the amount of actual damages sustained by the member, an additional amount equal to twice the amount of any finance charge (\$100 minimum/\$1,000 maximum), court costs, and attorney fees

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



Compliance Calendar

December 31

- Foreign Account Tax Compliance Act Effective

and Consumer Protection Act. And they were not the reason that Congress created the Consumer Financial Protection Bureau. These are widely accepted assertions that CFPB Director Richard Cordray fairly frequently acknowledges himself.

As recently as the last Credit Union Advisory Council meeting, Director Cordray stated: 'The Consumer Bureau is well aware that credit unions were not one of the causes of the financial crisis. You were not underwriting the bad loans that brought down the housing market. Instead, you were sounding the alarm bells well before the sinking of the economy.'"

This begins the article in **The Hill**, written by CUNA's Chief Advocacy Officer, Ryan Donovan. For the complete article, click [here](#).

Source: CUNA

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](#).

CUNA Comment Calls – Due Dates on Proposed Rules

January 13, 2016~FinCEN

[Regulatory Impact Assessment & Initial Regulatory Flexibility Analysis Regarding FinCEN's CDD Proposal](#)

January 27, 2016~NIST

[NIST RFI: Updates to the Cybersecurity Framework](#)

February 1, 2016~FTC

[The Holder Rule](#)

February 8, 2016~NCUA

[NCUA Field of Membership Proposal](#)

CUNA Schools and Webinars

February 9 – April 7

[CUNA Regulatory Compliance Introduction eSchool](#)

February 24

Webinar: [CTRs and SARs for the Frontline](#)

February 24 – December 7

Webinar: [2016 CUNA Frontline Compliance Series](#)

Date

January 1

- Flood Insurance Rule Effective Date – Part 2

January 12

- Microsoft Discontinues Support of Older Versions of Internet Explorer

January 22

- 5300 Call Report Due to NCUA

February 15

- President's Day – Federal Holiday

March 13

- Daylight Savings Time Begins

Effective Dates New and Revised Rules

December 31, 2015~IRS

["Foreign Account Tax Compliance Act" \(FATCA\) Rule](#)



[Training & Events Calendar](#)

January 27

Webinar: [Demystifying Rules for TRID Tolerances](#)

January 28

Webinar: [Completing the CTR Line-by-Line](#)

February 3

Webinar: [New Compliance Officer Boot Camp](#)

February 11

Webinar: [Avoiding Compliance Violations in Advertising](#)

March 8

[Cyber Security Workshop: Denver](#)

March 10

[Cyber Security Workshop: Phoenix](#)

March 22

[BSA Seminar : Phoenix](#)

Power of Attorney: A Compliance Lunch and Learn

Mountain West is hosting an attorney-led Compliance Lunch and Learn on Handling the Powers of Attorney. The two-hour program includes a presentation, networking time and an open-forum discussion to assist credit unions in properly handling powers of attorney.

The program will be held from 11:30 am - 1:30 pm at the dates and locations listed below.

Colorado

Denver, CO: Wednesday, January 27, 2016

Presenter: Attorney Bob Wilson, Berenbaum

Weinshienk PC

Registration deadline: January 22nd

Arizona

Phoenix, AZ: Wednesday, February 3, 2016

Tucson, AZ: Thursday, February 4, 2016

Presenter: Attorney Jeremy Goodman, Goodman Law

PLLC

Registration deadline: January 29th

The cost is \$30 per person and registration is required to attend. To register, please e-mail Shay Jacobs:

sjacobs@mwcua.com.

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

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