



January 24, 2014

Compliance News

Civil Money Penalties to be Assessed for Late Call Report and Profile Submissions in 2014

Late filings of quarterly Call Report and Profile data have become a serious problem. For the third-quarter 2013 reporting cycle (submissions for which were due October 22nd), more than 1,000 federally insured credit unions (FICUs) of all asset sizes filed their Call Reports after the deadline had passed.

A large percentage of late filers were chronically late, repeatedly filing after each quarterly deadline throughout the year. Such late filing impacts NCUA's ability to conduct effective off-site supervision and delays the release of quarterly industry data to the general public. It is also a drain on NCUA resources, as field examiners are required to follow-up with tardy FICUs.

As announced in an October 2013 Letter to Credit Unions (13-CU-11), Call Reports must be filed electronically starting this month. NCUA has also adjusted Call Report and Profile submission due dates to the fourth Friday of each month following the end of a quarter, thereby giving credit unions more time to file.

Finally, NCUA will begin to exercise its authority to impose civil money penalties against FICUs that do not meet the quarterly filing deadlines.

[NCUA Letter 14-CU-03](#)
CUNA

Source:

Credit Unions Offering RDC Face Increased Risk with Reg CC Proposed Amendment

This is a follow-up to the RISK Alert dated January 14, 2014 - Remote Deposit Capture and Duplicate Presentments.

A proposed amendment to Regulation CC impacts credit unions offering remote deposit capture (RDC) service. The Federal Reserve Board is proposing a new indemnity provision relating to checks deposited via RDC due to the problem with duplicate presentments that will increase risk to credit unions offering RDC service.

[Click here for Risk Alert](#)
Mutual

Source: CUNA

Consumers Targeted by Vishing Scam Should Call Agency's Hotline

The National Credit Union Administration warned consumers on Wednesday, January 22 to beware of a new telephone fraud, known as a "vishing" scheme, that is using the agency's name in an attempt to obtain personal financial information.

Several credit union members have been contacted by an automated phone call claiming to be from NCUA and notifying consumers their debit cards have been compromised. The call then asks the receiver to follow prompts, which request personal information, including sensitive financial data and personal identification information.

Anyone contacted by this so-called "vishing" scheme should immediately contact NCUA's

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Highlight

Credit Card Security

The Credit Card Security and the Payment Card Industry Data Security topics in the Security Channel ([AZ](#), [CO](#), [WY](#)) have been updated addressing recent concerns in the Credit and Debit Card industry.

Some of the items mentioned include the release and effective dates of Version 3 of the PCI DSS with links to the new standards.

Remember that if your credit union issues Credit/Debit cards you likely need to comply with the PCI DSS. The Credit Card Security and the Payment Card Industry Data Security topics can help you understand and reduce potential losses to your credit union.

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[CU Compliance Connection:](#)
[FFIEC Social Media](#)

Consumer Assistance Center Hotline at 800-755-1030 or by email at phishing@ncua.gov to report the scam. Operators answer calls Monday through Friday between 8 a.m. and 5 p.m. Eastern.

NCUA neither seeks personal information from consumers over the telephone nor handles day-to-day maintenance of member account information. NCUA works with law enforcement agencies, including the FBI, to protect consumers from frauds of this nature.

NCUA urges consumers to never verify or release personal financial information to unknown callers.

Source: NCUA

NCUA Posts 2014 Regulation Review List

The National Credit Union Administration (NCUA) has posted a list of regulations it will review in 2014, and the agency is now accepting public comments on the substance and clarity of each rule.

"Credit unions and the products they offer are constantly evolving, and effective regulation must keep pace with a changing industry," NCUA Board Chairman Debbie Matz said. "We review one-third of NCUA's regulations each year to make sure our standards are timely and appropriate. At the heart of my Regulatory Modernization Initiative is the commitment to modifying, streamlining, refining or repealing rules that are not required by statute and would not jeopardize safety and soundness of the industry. These reviews are a critical part of this initiative, and I encourage all interested parties to participate."

Regulations under review in 2014 include rules governing records preservation, loans in areas having special flood hazards, Bank Secrecy Act compliance and tort claims against the government. The complete list of rules is available [here](#).

Credit unions and other public stakeholders may now submit comments about the rules under review. NCUA must receive comments by Aug. 4 through email or standard mail.

- Email to OGCMail@NCUA.gov with the subject line "Regulatory Review 2014"
- Mail to Regulatory Review 2014, Office of General Counsel, NCUA, 1775 Duke Street, Alexandria, VA 22314-3428

This round completes a full review of all NCUA regulations. NCUA's Office of General Counsel will continue to review one-third of NCUA's existing regulations on a rolling basis each year.

NCUA publishes a regulatory agenda in the Federal Register each spring and fall in voluntary compliance with Executive Order 12866.

Source: NCUA

Operating Fee Invoices To Come Out in March

The 2014 natural person federal credit union operating fee rate reduction of 18.4%, and 5.1% increase in the asset dividing point for the 2014 operating fee scale, are detailed in a new National Credit Union Administration letter to federal credit unions ([NCUA Letter 14-FCU-01](#)).

Invoices for these fees will be sent out by the agency in March. Federal credit unions with assets less than \$1 million will not be assessed an operating fee for 2014.

The operating fees for federal credit unions were assessed based on assets as of December 31, 2013. Included with the letter is an NCUA chart intended to help a federal credit union calculate the exact dollar amount of its operating fee. The chart also includes the NCUA web link to the online calculator. The letter also provides insight into the calculation method.

The NCUA will combine the operating fee and National Credit Union Share Insurance Fund capitalization deposit of 1% of insured shares into a single payment. Payment is due to NCUA no later than April 15.

The long awaited [FFIEC Social Media Guidance](#) has been issued. The guidance does not implement additional requirements, but it does require that credit unions review their processes and procedures in relation to social media services and interactions with members to ensure that all Federal and state regulations and laws are being followed.

For more information on FFIEC Social Media Guidance [Click Here](#) for the video.



Materials Available On-line

InCompliance Implementation materials can be found on our website at www.mwcua.com. These materials are located under the Compliance tab and "Resources" link.



Ready for 2014?

Be prepared to ride the wave of compliance rules effective in January 2014 by putting the industry's most powerful compliance tool at your fingertips! Compliance Solutions powered by NeighborBench offers a cloud-based, near real-time solution that identifies risks AND provides you access to experts. This innovative tool combines call-report data, onsite visits, and document review to create a visual dashboard depiction of your compliance risk. Quickly and efficiently manage compliance risk, and still have time to do what you do best - serve your members.

For more information about how we can support your credit union's compliance operations, contact Melia Heimbeck at: mheimbeck@mwcua.com or (720) 479-3325 or 1 (800) 477-1697 ext. 3325

The agency adds that for federal credit unions signed up to pay via Pay.Gov, no further action is required; this payment will occur by April 15.

All others must send payment according to the instructions included with the invoice.

Questions regarding details for the letter should be directed to the NCUA's Office of the Chief Financial Officer at ocfomail@ncua.gov.

Source: CUNA

Advocacy Highlights

CUNA Seeks Comments on Mortgage Closing Process

The CFPB is planning to develop a more streamlined, efficient and educational mortgage closing process. To assist in understanding what consumers find most problematic about the current closing process, the Bureau has issued a Notice and Request for Information seeking input on 17 questions covering:

- Consumers and Closing
- Errors and Changes at Closing
- Other Parties at Closing
- Closing Documents, and
- Improving Closing

The Comment period is short – less than 30 days. CUNA's Regulatory Advocacy team would like your input on any of these questions **by January 31**, so we can make sure credit union interests are represented as the CFPB moves forward with this initiative.

You can respond to the 17 questions through [CUNA's Mortgage Closing Process survey](#) or file directly with the CFPB at www.regulations.gov, identified by docket number CFPB-2013-0036.

For more information about this proposed rule, contact CUNA Deputy General Counsel Mary Dunn or Associate General Counsel Jared Ihrig. Click here for [the proposal](#).

Source: CUNA

Regulatory Advocacy Report

The [CUNA Regulatory Advocacy Report](#) contains information from Bill Cheney about regulatory issues that affect credit unions. You can view the current report and past reports from the archive.



[Training & Events Calendar](#)

Fair Lending Basics for Volunteers Breakout Session at AMC

The world of Fair Lending has seen fines and the Department of Justice referrals skyrocket recently. While only a small number of credit unions have faced Fair Lending examinations, the number is increasing and expected to continue, likely resulting in additional enforcement actions. Make sure your board and committee members are up-to-speed by having them attend the 2014 Annual Meeting & Convention educational breakout session: *Fair Lending Basics for Volunteers* where attendees will walk out with a certificate of attendance that can be provided to regulators as proof of on-going education. Visit www.mwcua.com/am for more details.

Available Now! [February Telephone Trainings](#)

February 4: Marketing Compliance- Quickbite

February 13: Social Media-Promote Without Being Pushy

Telecourse: 9:00-11:00 a.m. AZ/CO/WY

Quickbite: 9:00-10:00 a.m. AZ/CO/WY



CU PolicyPro Updates For 2014

CU PolicyPro content updates were released on or about December 23, 2013. These updates include several new policies including "Ownership of Fixed Assets", "Anti-Steering in Lending Practices", "Ability to Repay" (including a separate policy for "Small Creditor Ability to Repay"), "Mortgage Servicing" (including a separate policy for "Small Servicer Mortgage Servicing") and "HOEPA Rule Requirement".

At least 20 other policies will also be updated, including several of the real estate lending policies which will be amended to include all of the new CFPB regulations which are required by January 2014.

If you have not signed up for this great resource, please click [HERE](#) for further information.

2014 Compliance Calendar

January 24

5300 Call Report Due to NCUA

January 31

Credit Card Quarterly Agreement Submission Due to CFPB (*10,000 or more open credit card accounts*)

February 17

Washington's Birthday/President's Day – Federal Holiday

February 28

IRS Forms Due to IRS/SSA

March 1

2013 HMDA Reports Due

March 9

Daylight Savings Time Begins

March 21

NACHA Operating Rule Changes

March 31

NCUA Liquidity & Contingency Fund Plans Effective Date

April 25

5300 Call Report Due to NCUA

January 28

[Webinar: FRONTLINE SERIES: Reg CC Funds Availability, Liability, Exceptions, Holds & More](#)

February 13

[Webinar: REAL ESTATE LENDING SERIES: Construction to Permanent Lending Under the New CFPB Mortgage Rules](#)

February 19: 8:30 – 10:30 a.m.

[Compliance Networking Council](#)

March 4

[Webinar: Creating a Social Media Policy & Strategy That Everyone Can "Like"](#)

March 6

[Bank Secrecy Act: Phoenix, AZ](#)

March 20

[AZ: Consumer Lending Basics for Non-Lenders](#)

May 22

[CO: Consumer Lending Basics for Non-Lenders](#)

May 29

[Bank Secrecy Act: Denver, CO](#)

CUNA Compliance Trainings

January 28

[Webinar: The Financial Statement Game – Starting With the Basics](#)

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January 30

[Webinar: 2014 ACH Rule Changes](#)

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January 31

[Webinar: Internal Fraud – The Warning Signs](#)

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February 4

[Webinar: Financial Statement Analysis](#)

[Webinar: How to Successfully Develop and Implement a Holistic Security Strategy at Your Credit Union](#)

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February 6

[Webinar: Call Center Security](#)

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February 10

[Webinar: Money Mission Demo – Online Financial Literacy Game](#)

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February 11

April 30

[Credit Card Quarterly Agreement Submission Due to CFPB \(10,000 or more open credit card accounts\)](#)

CUNA 2014 Effective Dates of New and Revised Rules

- **January 10, 2014–CFPB**
[Homeownership Counseling List for High-Cost Mortgages](#)
[Reg Z Ability-to-Repay & QM Standards re Escrows](#)
[Amendments to the 2013 Mortgage Rules under Regulations B, X and Z](#)
[Mortgage Servicing Amendment to Reg X \(RESPA\)](#)
[Mortgage Loan Originator Compensation Rule](#)
[High-Cost Mortgage Rules under HOEPA](#)
[Ability-to-Repay and Qualified Mortgages](#)
[Mortgage Servicing Amendment to Reg Z \(TILA\)](#)

- **January 18, 2014–CFPB**
[Exemptions from Appraisal Requirements for Certain Higher-Priced Mortgage Loans](#)
[Interagency Rule on Appraisals for Higher-Priced Mortgage Loans](#)
[Copy of Appraisals and Other Written Valuations under Reg B](#)

- **March 31, 2014–NCUA**
[NCUA Emergency Liquidity Rule](#)

- **December 31, 2015–IRS**
["Foreign Account Tax Compliance Act" \(FATCA\) Rule](#)

2014 CUNA Comment Call: Due Dates on Proposed Rules

- **January 31, 2014–CFPB**
[Request for Information Regarding the Mortgage Closing Process](#)
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- **February 24, 2014–FRB**
[Emergency Lending Authority](#)

[Webinar: The Financial Statement Game – Getting a Bit More Sophisticated](#)

[Webinar: Auto Loan Pricing and the Impact of Credit Cycles](#)

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February 13

[Webinar: Threats, Trends and Best Practices in Fighting CyberCrime](#)

February 18

[Webinar: Rates, Risk and Return](#)

[Webinar Series: ACH Policies and Procedures – 2 part](#)

February 25

[Webinar: The Financial Statement Game – Gaining a Deeper Understanding](#)

Please respond to mrobey@mwcu.com with any questions or concerns regarding content of this newsletter.
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