



### Compliance News

#### BSA Manual Now Available in Spanish

A Spanish translation has been issued by the Federal Deposit Insurance Corporation, with support from the Board of Governors of the Federal Reserve System, the National Credit Union Administration and the Office of the Comptroller of the Currency. You may access the Spanish translation at the link below. Please note that this version has been created as a courtesy. In the event of a conflict between the English and Spanish translations of the manual, the English translation will prevail.

[Spanish Language Translation Of The Examination Manual](#)

Source: FFIEC

#### CFPB Releases Final HMDA Rule

The Consumer Financial Protection Bureau has announced it has approved a final rule to update the reporting requirements of the Home Mortgage Disclosure Act (HMDA) regulation, Regulation C (12 CFR Part 1003). The Bureau also noted that it is working with other federal agencies to streamline the reporting process for financial institutions.

The final rule changes what data financial institutions are required to provide in order to improve the quality of HMDA data in today's housing market. The changes include:

- Improving market information by reporting new information such as the property value, term of the loan, and the duration of any teaser or introductory interest rates.
- Monitoring fair lending compliance and access to credit by reporting information about mortgage loan underwriting and pricing, such as an applicant's debt-to-income ratio, the interest rate of the loan, and the discount points charged for the loan. The rule also requires that covered lenders report, with some exceptions, information about all applications and loans secured by dwellings, including reverse mortgages and open-end lines of credit.

The rule also includes changes to make it easier for financial institutions to comply with the law by easing reporting requirements for some small banks and credit unions, and aligning reporting requirements with industry data standards. Regulators are working to modernize the HMDA data submission process to collect information more efficiently. The Bureau has completed a pilot of a new web-based tool to collect HMDA information. Industry stakeholders have tested the pilot and the feedback has been very positive. Implementing this technology can reduce manual and paper-based systems currently used by regulators and reporting financial institutions. The final rule does not include several of the data points proposed in 2014 by the Bureau (such as the "risk-adjusted, pre-

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### 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 and email address. The subscriber will receive a welcome e-mail that details how to access the forum.



Spend more time with members and less time worrying about compliance! Add compliance experts to your team and know your compliance risks with one easy-to-read dashboard from AffirmX. This cloud-based, near real-time solution combines call-report data, onsite visits, and document review to help you efficiently manage compliance in the areas of Operations, Lending, BSA, Deposit and Advertising.

If a full suite of compliance reviews isn't what you are looking for, we now provide individual loan reviews and a basic annual compliance package that includes BSA, ACH,

discounted interest rate"), and does not adopt the proposal to require reporting of all dwelling-secured transactions made for commercial purposes.

Most of the provisions of the final rule will take effect on January 1, 2018. Lenders will collect the new information in 2018 and then report this information by March 1, 2019.

High-volume originators will file quarterly beginning in 2020.

- Executive Summary of the final rule: [http://files.consumerfinance.gov/f/201510\\_cfpb\\_hmda-executive-summary.pdf](http://files.consumerfinance.gov/f/201510_cfpb_hmda-executive-summary.pdf)
- The final rule (797 pages, PDF): [http://files.consumerfinance.gov/f/201510\\_cfpb\\_final-rule\\_home-mortgage-](http://files.consumerfinance.gov/f/201510_cfpb_final-rule_home-mortgage-)
- CFPB resources to explain and facilitate implementation of the rule: <http://www.consumerfinance.gov/regulatory-implementation/hmda/>

Source: CFPB

### SAR Stats: Second Edition Issued

FinCEN has issued the second edition of [SAR Stats](#), FinCEN's annual review of aggregated Suspicious Activity Report (SAR) filing activity. This issue comprises multiple sections including discussions of rewards-based crowdfunding, depository institution "Call Outs" of suspicious activity, and an expanded Trending Now section.

FinCEN has also released an update of its [Interactive SAR Stats](#) website application, developed to address requests for more current SAR data than available in an annual publication.

Source: FinCEN

### NCUA Hosting Complaint Process and Fair Lending Oversight Webinar

The NCUA will host a webinar, "Consumer Complaint Handling and Fair Lending Oversight," on Thursday, Oct. 29, 2015, beginning at 3 p.m. Eastern.

Online registration is now available [here](#). Participants will also use this link to log into the webinar. Registrants should allow pop-ups from this website. There is no charge.

During this 90-minute webinar, Gail Laster, Director of NCUA's Office of Consumer Protection, and staff from the Division of Consumer Affairs and the Division of Consumer Compliance Policy and Outreach will discuss:

- Improvements to NCUA's Consumer Assistance Center complaint handling process;
- Effective credit union fair lending oversight practices; and
- Standards for finding unfair, deceptive or abusive practices.

Participants may submit questions in advance at: [WebinarQuestions@ncua.gov](mailto:WebinarQuestions@ncua.gov). The subject line of the email should read "OCP Webinar." Participants with technical questions about accessing the webinar may email [audience.support@on24.com](mailto:audience.support@on24.com). This webinar will be closed-captioned and then archived online approximately three weeks following the live event.

The Office of Consumer Protection's Division of Consumer Affairs is responsible for consumer complaints, overseeing the Consumer Assistance Center, financial literacy, and the consumer website, [MyCreditUnion.gov](#). The Division of Consumer Compliance Policy and Outreach is responsible for consumer compliance policy and rulemaking, fair lending examinations, interagency coordination on consumer compliance matters, and outreach.

Related consumer compliance regulatory resources are available [here](#). For more information, please visit NCUA's [Office of Consumer Protection](#) webpage or call 703-518-1140.

### Barclays Agrees to Pay \$325 Million to Settle RMBS Lawsuits

The National Credit Union Administration announced an agreement with

SAFE Act, and Website compliance.

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



### InfoSight Highlight

#### Late Charges

The Federal Credit Union Act, [12 U.S.C. 1757\(10\)](#), authorizes federal credit unions (FCUs) "to levy late charges in accordance with the bylaws, for failure of members to promptly meet their obligations to the FCU." In addition, [Article XI, Section 2](#) of the Standard Federal Credit Union Bylaws\*\* states, "Any member whose loan is delinquent may be required to pay a late charge as determined by the board of directors."

NCUA's Rules and Regulations, 12 CFR 706.4 states that it is an unfair act or practice for a federal credit union to collect any delinquency charge on a timely payment if that payment amount is the full principal and interest payment and the delinquency is attributable to late fees or delinquency charges assessed on an earlier payment. If each loan payment satisfies the principal and interest due for that month, a credit union may not assess additional late charges on that payment, even if a member does not pay the previous late charge. However, if a member misses a payment and never makes it up, he or she can be considered late for subsequent payments. This restriction is imposed to protect borrowers against the pyramiding of late charges.

#### How do late charge assessments affect credit unions?

Credit unions have the ability, within reasonable limits, to establish their own level of late charges. The imposition of late charges can be beneficial to credit unions in several ways:

- They encourage members to pay their loans and lines of credit in a prompt manner;
- They assist when members are in a financial bind and need to prioritize their payments. Payments without a late charge or penalty will probably be paid last or not at all;
- They improve the credit union's cash flow. Timely payments make additional funds available to be loaned or invested;
- They increase the credit union's income. Additional funds are available to pay expenses and dividends.

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



The [CUNA Regulatory Advocacy Report](#) keeps you on top of the most important changes in Washington for credit unions--and what CUNA is doing to monitor, analyze, and

Barclay's Capital for \$325 million to resolve claims arising from losses related to purchases of faulty residential mortgage-backed securities by corporate credit unions.

NCUA uses the net proceeds to reduce Temporary Corporate Credit Union Stabilization Fund assessments charged to federally insured credit unions to pay for the losses caused by the failure of five corporate credit unions.

"In order to help minimize losses and future costs to the credit union system, NCUA is committed to pursuing recoveries against financial firms we maintain contributed to the corporate crisis," NCUA Board Chairman Debbie Matz said. "The agency has a statutory obligation to secure recoveries for credit unions and ensure that consumers remain protected, and we take that responsibility very seriously."

NCUA filed suit against Barclay's, the U.S. subsidiary of the British financial services firm, in 2012. Once the settlement is completed, NCUA will dismiss pending suits against the firm in federal district courts in New York and Kansas. Barclay's does not admit fault in the settlement.

NCUA continues to pursue litigation in federal courts in New York, Kansas and California against financial firms, including Goldman Sachs, UBS, Credit Suisse and Morgan Stanley, based on the sale of faulty securities that caused the collapse of five corporate credit unions.

The agency has other litigation pending against securities firms alleging violations of state and federal anti-trust law by manipulation of interest rates through the London Interbank Offer Rate (LIBOR) system. NCUA also has pending suits against financial firms alleging their failure to perform their duties as trustees of residential mortgage-backed securities trusts.

NCUA was the first federal regulatory agency for depository institutions to recover losses from investments in these securities on behalf of failed financial institutions.

Source: NCUA

## Advocacy Highlight

### 2016 CUNA GAC – The Biggest CU Advocacy Event of the Year

February 21-25, 2016 • Washington, D.C.

CUNA Governmental Affairs Conference is the largest gathering of credit union advocates rallying on behalf of America's more than 103 million credit union members.

Join thousands of credit union leaders to leverage the power of our united system and share credit unions' positive impact with lawmakers from all 50 states.

Click [here](#) to register and get more information.

### House Small Business Committee to Hold a Second Hearing on EMV Implementation

The House Small Business Committee was scheduled to hold a hearing on the effect of EMV implementation on small businesses. This is the second in a series of hearings the Committee has held on this topic.

CUNA joined with several other financial services trade groups in submitting a [letter for the record](#) of the hearing that sought to respond to questions that were raised at the first hearing several weeks ago.

In particular, the letter addresses the argument retailers are proffering that EMV is not effective because it is not being deployed with PIN security. CUNA told the Committee:

influence government agencies and federal law. You can view the current report and past reports from the archive.



## Compliance Calendar

### October 1

- Flood Insurance Rule Effective Date – Part 1

### October 1

- Credit/Debit Card Liability Shift

### October 3

- CFPB: Know Before You Owe Disclosure - Effective Date

### October 3

- CFPB: Integrated Mortgage Disclosures - Effective Date

### October 23

- 5300 Call Report Due to NCUA

### November 1

- Daylight Savings Time Ends

### November 11

- Veterans Day - Federal Holiday

### November 26

- Thanksgiving Day – Federal Holiday

### December 25

- Christmas Day – Federal Holiday

### December 31

- Foreign Account Tax Compliance Act Effective Date

## Effective Dates New and Revised Rules

**October 1, 2015~DOD** (*Compliance Mandatory 10/3/2016*)  
[Military Lending Act Rule](#)

**October 3, 2015~CFPB**

[TILA-RESPA Integrated Disclosure Rule](#)

**October 19, 2015~CFPB**

[Request to Develop Survey on POS/ATM Overdraft Disclosure](#)

**December 31, 2015~IRS**

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

## CUNA Comment Calls – Due Dates on Proposed Rules

**September 30, 2015~NACHA**

[NACHA Third-Party Sender Registration Request for Comment](#)

**October 19, 2015~CFPB**

[Request to Develop Survey on POS/ATM Overdraft Disclosure](#)

**October 20, 2015~FinCEN**

[FinCEN Proposes New AML/SAR Requirements for](#)

"The 'PIN argument' is a smokescreen used by retail trade groups to deflect attention from the high profile retail data breaches at big box stores over the past few years and their underlying causes. Rather than coming together to improve internal data security practices, the retail trades are fixating on a PIN technology that fights a small and declining share of today's fraud and which would have been meaningless in breaches like those at Target and Home Depot. The reality is that if a merchant is EMV enabled and has their card readers turned on, they have the same protections whether PIN is used or not. Instead of fighting, we should embrace ideas like H.R. 2205, the Data Security Act of 2015, introduced by Representatives Neugebauer (R-TX) and Carney (D-DE), to apply meaningful and consistent data protection for consumers nationwide."

This hearing will very likely not be the last hearing on this matter.

### CUNA Intends to Comment on the Following Pending Regulatory Proposals

Please consider whether and how these proposals would affect your credit union. If you have feedback or questions regarding any proposal, please contact the CUNA staff listed with each proposal.

We encourage Leagues and credit unions to use [PowerComment](#) to file comment letters with regulators. For more information regarding these proposals, please follow the links below:

Issue	Comment Period Deadline	Agency	CUNA Staff Contact
<a href="#">OMB Request to revise existing information collection regarding CUSOs</a>	October 28, 2015	NCUA	<a href="#">Andy Price</a>
<a href="#">ALM/SAR Filing Requirements for Financial Advisors</a>	November 2, 2015	FinCEN	<a href="#">Luke Martone</a>
<a href="#">Request to Develop Survey on POS/ATM Overdraft Disclosures</a>	November 3, 2015	CFPB	<a href="#">Luke Martone</a>
<a href="#">Investment and Deposit Activities – Bank Notes</a>	November 23, 2015	NCUA	<a href="#">Lance Noggle</a>

Source: CUNA

## Investment Advisers



### [Training & Events Calendar](#)

#### October 26

Webinar: [Clarifying the Confusion: TRID & FAQs](#)

#### October 27

Webinar: [Adverse Action Consumer & Mortgage Loan Best Practices](#)

#### October 28

Webinar: [Supervisory Committee Duties & Responsibilities](#)

#### October 29

Webinar: [CFPB Final Amendments for Small Creditors & Rural or Underserved Areas, Effective January 1, 2016](#)

#### November 4

Webinar: [Director Series: Interest Rate Risk Policies, Considerations & Consequences: What Directors Should Know](#)

#### November 9

Webinar: [Preparing for the Impact of Same Day ACH](#)

#### November 12

Webinar: [Regulatory Requirements for the Board & Senior Management](#)

#### November 24

Webinar: [Top 10 Mistakes in Deposit Compliance Exams](#)

#### December 9

Webinar: [BSA Special Risks: Policy, Law Enforcement & Regulator Issues](#)

## CUNA Schools and Webinars

#### November 19

Webinar: [Identify Interest Rate and Market Risk](#)

#### December 17

Webinar: [Managing Credit Risk](#)

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

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