

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

February 12, 2016

Compliance News

The CFPB issued a [bulletin](#) warning banks and credit unions that if they fail to meet accuracy obligations when reporting negative account histories to credit reporting companies, the result could be bureau action.

The bulletin stated banks and credit unions must have systems in place to ensure accuracy when they pass on information, such as negative account histories, to checking account reporting or other credit reporting companies.

“The Consumer Bureau will continue to insist, through its oversight authority, that banks and credit unions furnishing information, as well as the consumer reporting companies collecting information and selling reports, must comply with their respective duties under the law,” CFPB Director Richard Cordray said in prepared remarks for a field hearing in Louisville, KY, on the matter. “When we see this is not being done, we will take appropriate supervisory and enforcement actions.”

Source: CFPB

Online CUSO Registry to Open for Registrations in February

Credit union service organizations (CUSO) will have 60 days to register with NCUA’s CUSO Registry, the new online system for CUSOs to report their operational and financial information directly to the agency. The registration period begins Monday, Feb. 1, and ends Thursday, March 31.

On Nov. 21, 2013, NCUA amended federal rules and regulations related to credit union service organizations, commonly known as CUSOs. Included in these amendments is the requirement for CUSOs to agree, in writing, to provide information directly to the agency. For more information, see NCUA’s Letter to Credit Unions 13-CU-13, [Changes to NCUA Regulations Related to Credit Union Service Organizations](#).

Source: NCUA

Progress Report on Payment System Enhancements

The Federal Reserve System has issued a [report](#) on the progress made with its initiative to enhance payment system speed, efficiency, and security. The initiative, which was announced in January 2015, has resulted in the creation of two task forces comprising more than 500 industry participants committed to bringing about faster and more secure payments in the United States. The task forces have compiled 36 criteria that describe desired attributes of a faster payment system and can be used to assess the effectiveness of potential solutions.

Source: Federal Reserve

Treasury Asks Banks to Promote Direct Deposit of Refunds

Treasury and the IRS have developed key social media messages for

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Association Compliance Forums

Click on one of the below links to subscribe

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[BSA Compliance Officer Forum](#)

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institutions to use in order to encourage customers and members to have their tax refunds deposited into their accounts at financial institutions:

- Eight out of ten taxpayers get their refunds by direct deposit.
- Direct deposit is simple, safe and secure.
- 98 percent of all federal benefits are disbursed by direct deposit.
- Direct deposit also saves money. It costs taxpayers \$1 for every paper refund check issued, but only about a dime for each direct deposit made.

Advocacy Highlight

Pending Regulatory Proposals – Comments Needed!

CUNA intends to comment on the following pending regulatory proposals. Please consider whether and how these proposals would affect your credit union, and contact the CUNA staff listed with each proposal with your feedback .

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

March 14, 2016~CFPB

[HMDA Resubmission Guidelines](#)

CUNA Contact: [Andy Price](#)

March 17, 2016~FHFA

[Enterprise Duty to Serve Underserved Markets](#)

CUNA Contact: [Andy Price](#)

March 22, 2017~NCUA

[EGRPRA Review](#)

CUNA Contact: [Andy Price](#)

March 28, 2016~NCUA

[NCUA Draft 2017 - 2021 Strategic Plan](#)

CUNA Contact: [Lance Noggle](#)

April 4, 2016~FinCEN

[BSA CTR Revised Layout & Additional Data Fields](#)

CUNA Contact: [Luke Martone](#)

Firearm Legislation Impacting Credit Unions Being Pursued in the States

Recently the gun industry began spearheading legislation that would create a private cause of action against any credit union or financial institution that discriminates against a firearm and ammunition business by refusing service (or discontinuing service). The Firearms Industry Nondiscrimination Act (FIND Act) has been introduced in Georgia (S 282), Kansas (S 331) and Missouri (H 2426) so far this session.

The FIND Act is being pursued in response to the impact of the Obama Administration initiative "Operation Choke Point" on firearms and ammunition businesses. The goal of the initiative is to discourage financial institutions from offering services to businesses deemed as "high risk" or as a "reputational risk." The gun industry contends that financial institutions have discriminated against lawful firearm and ammunition businesses due to Operation Choke Point and that discrimination has led to higher business costs.

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InfoSight Highlight

Fair Credit Reporting Act

What actions should credit unions take to ensure compliance with the FCRA?

Credit unions should establish and implement FCRA policies and procedures to ensure compliance, including provisions of the FACT Act.

Some issues to keep in mind - credit reports should only be used for permissible purposes. Permissible uses of consumer reports permitted by FCRA include:

- Determining an applicant's eligibility for credit or insurance, or to open a deposit account, or in connection with a review or collection of a members account.
- In response to a court order.
- Prescreening a list of members to solicit for credit services.
- Use in accordance with written instructions of the member to whom the report relates.

As "users" of credit reports and other consumer information, credit unions must:

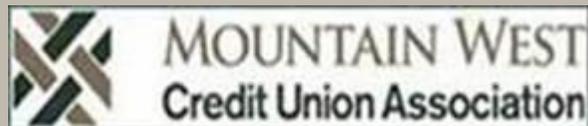
- Notify consumers and employees whenever adverse action is taken on the basis of such information;
- Identify the source of the information and give disclosures about the consumers' and employees' rights; and
- Take certain actions to insure that information is accurate and current.

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

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](#).

Georgia Credit Union Affiliates has been engaged on this issue and continues to educate legislators that this bill places the burden on credit unions and other financial institutions to prove that they were not discriminating against firearm and ammunition businesses, even if the reason for refusal to serve is due to field of membership or member business lending constraints.



Training & Events Calendar

February 24

Webinar: Construction to Permanent Lending Compliance with CFPB Rules: Including TRID Changes

March 8

Webinar: Credit Reporting Guidelines, Rules & Best Practices: FCRA & FACT Act

March 8

Cyber Security Workshop: Denver

March 10

Cyber Security Workshop: Phoenix

March 15

Webinar: Auditing for TRID Compliance: Safe Harbor Expires 2.1.2016

March 16

Webinar: Flood Insurance Compliance Update & FAQs

March 22

BSA Seminar : Phoenix

March 22

Webinar: Lending Series: The CFPB's Four Ds of Lending

March 23

Webinar: Cyber Series: Outsourcing Tech Services: Regulations, Examiner Expectations & Actions for Vendor Management

March 31

Webinar: Developing Your Same-Day ACH Game Plan

Financial Strategies Seminar

Managing risks while maintaining stability and growth is a constant challenge for financial institutions especially in a complex regulatory environment. Join industry experts as they provide guidance on preparing for success in the ever-evolving credit union industry. We'll start the day with a market update and industry trends, and then look at bond portfolio management, risk management, cybersecurity, tax and accounting issues as well as regulatory compliance and hot legal topics affecting those responsible for financial management functions at their credit union. CPE credits available.

March 29, 2016 – Phoenix

June 8, 2016 - Denver

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](#).



Compliance Calendar

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

January 27, 2016~NCUA

Pass-thru Share Insurance for Interest on Lawyers Trust Accounts

July 1, 2016~DoEd

Program Integrity and Improvement

September 23, 2016~NACHA

Same-day ACH (NACHA) – Phase 1

October 3, 2016~DoD

Limitations on Terms of Consumer Credit Extended to Service Members & Dependents

January 1, 2017~CFPB

HMDA – Regulation C

September 15, 2017~NACHA

Same-day ACH (NACHA) – Phase 2

CUNA Comment Calls – Due Dates on Proposed Rules

January 27, 2016~NIST

NIST RFI: Updates to the Cybersecurity Framework

CUNA Schools and Webinars

February 24

Webinar: CTRs and SARs for the Frontline

February 24 – December 7

Webinar: 2016 CUNA Frontline Compliance Series

February 1, 2016~FTC

The Holder Rule

February 8, 2016~NCUA

NCUA Field of Membership Proposal

March 26, 2016~NCUA

Overhead Transfer Rate Methodology

March 26, 2016~NCUA

Operating Fee Schedule

April 4, 2016~FinCEN

Changes to Currency Transaction Report Form

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

Sign up to receive Regulatory Compliance News by sending an email to [Donna Gibbs](#).

Archived Regulatory Compliance Newsletters can be accessed [here](#) or on our website www.mwcua.com – Compliance News.

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