



February 14, 2014

Compliance News

HUD Updates Its' Foreclosure Brochure

There is a new Department of Housing and Urban Development (HUD) foreclosure brochure and all Federal Housing Administration-approved mortgagees must use it starting February 10.

HUD requires FHA-approved mortgage lenders to send a cover letter with the brochure to delinquent borrowers with an FHA-approved mortgage no earlier than the 32nd day of delinquency, but no later than the 60th day.

The new brochure is entitled "Save Your House: Tips to Avoid Foreclosure" and it replaces the previously published "How to Avoid Foreclosure."

HUD issued Mortgagee Letter 2014-1 to announce the updated brochure and review its proper use. For instance, the letter notes that the cover letter sent with the brochure must include:

- Highly visible information about the availability of language access services offered by the servicer for mortgagors with limited English proficiency (this information must be provided, at a minimum, in Spanish and must include an advisement to seek translation or other language assistance);
- The following information related to the mortgage loan: the number of late payments; the total amount of any late charges incurred; the month of each late payment (e.g., June, July); and, the original due date of each late payment;
- The servicer's mailing address and specific contact information of any assigned personnel;
- A request for the mortgagor's current financial information;
- Toll-free telephone numbers for mortgagors needing to contact the servicer's loss mitigation/ customer assistance personnel; and,

Compliance Team

Mark Robey

Sr. VP of Regulatory Affairs

Phone: 800-477-1697, ext. 3327

Direct: 720-479-3327

Melia Heimbeck

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

Administrative Assistant

Phone: 800-477-1697, ext. 3821

Direct: 720-479-3821



Highlight

CUBE TV – CU Compliance

Connection

League InfoSight and CUBE TV have partnered to bring credit unions the latest information on compliance

- The toll-free telephone number for mortgagors seeking information on HUD-approved housing counseling agencies, (800) 569-4287, along with the toll-free Federal Information Relay Service number of (800) 877-8339 for mortgagors who may need a Telecommunication Device for the Deaf (TDD) to call the housing counseling line.

[Mortgagee Letter 2014-1](#)

Source: CUNA

FASB Excludes CUs From 'public business entity' Definition

The Financial Accounting Standards Board (FASB) recently issued a final standard that defines the term "public business entity," and it excluded credit unions from that definition. That is notable for credit unions because the definition will be used by FASB and its Private Company Council (PCC) to specify the scope of future accounting guidance.

The Credit Union National Association and other stakeholders asked FASB to improve its definition of "public business entity" to clear up current inconsistencies and complexities caused by having multiple definitions. The new definition will make it clearer as to which non-public entities potentially qualify for alternative financial accounting and reporting guidance.

CUNA has maintained that credit unions clearly are outside the definition of a "public business entity" and therefore should be eligible for alternatives under Generally Accepted Accounting Principles--or GAAP--that are established by the PCC.

However, CUNA Assistant General Counsel Luke Martone cautioned, credit unions should proceed with some caution.

"FASB has stated that, 'decisions about whether an entity may apply permitted differences within U.S. GAAP ultimately may be determined by regulators...and other creditors, or other financial statement users that may not accept financial statements that reflect accounting or reporting alternatives for private companies,'" Martone noted.

"So, the extent of any latitude afforded to credit unions will also involve the National Credit Union Administration and that could be problematic--although we will push them for as much flexibility as possible. We will be discussing this issue again with senior NCUA staff during meetings at the CUNA Governmental Affairs Conference this month and encouraging them to allow eligible private company alternatives," Martone said.

Source: CUNA

NCUA Webinar - FOM Expansions - Strategies for FCUs

NCUA will host a free webinar by the Office of Small Credit Union Initiatives (OSCU) FOM Expansions - Strategies for FCUs on [Wednesday, February 19th, at 2 P.M. \(EST\)](#).

The webinar will provide participants with valuable information on several topics, including:

- Determining when expansions make sense strategically
- Advantages of each type of federal charter

[issues they face. Our Compliance Specialists tackle a new topic every month in order to shine a light on otherwise confusing regulations.](#)

[The goal of the CU Compliance Connection \(CUCC\) is to bring relevant compliance information to credit unions in an easy to understand video format. Videos generally last ten to fifteen minutes and are accompanied by handouts for reference. CUCC reviews compliance issues that are nationally applicable to the credit union industry.](#)

[There are several focuses for CU Compliance Connection topics:](#)

- ♦ [New Compliance Requirements – As Federal regulations are amended or introduced, and regulatory agencies provide guidance, CU Compliance Connection videos review the changes that affect your credit union and its operations.](#)
- ♦ [Quarterly Compliance Outlook – Each quarter the CU Compliance Connection reviews the compliance issues credit unions have managed in the past quarter and the issues they will face in the upcoming quarter.](#)

CU Compliance Connection Video: HOEPA Counseling Requirements

This presentation reviews the new CFPB HOEPA requirements for mortgage counseling. The rule went into effect on January 10, 2014 and will apply to more than just high-cost mortgage loans. For more information on the HOEPA counseling requirements [Click Here](#) for the video.



Compliance Solutions powered by NeighborBench offers a cloud-based, near real-time solution that identifies risk AND provides you access to

- Policy requirements for various expansion options
- Where to find additional information

Registration for this free webinar is now open. Click [here](#) to register. Participants will also use this link to log into the webinar. Registrants should allow pop-ups from this website.

Participants may submit questions in advance at WebinarQuestions@ncua.gov.

The subject line of the email should read, "Field of Membership Webinar."

Participants with technical questions about accessing the webinar may email audience.support@on24.com.

NCUA's OSCUI fosters credit union development and the effective delivery of financial services for small credit unions, new credit unions and credit unions with a low-income designation.

Source: NCUA

CompBlog Provides Many CU Tips on Prepping Data Breach Response

Is your credit union preparing for the increasing threat posed by data breaches? In the event of a breach, notifying members is always a good first step, the Credit Union National Association's *CompBlog* noted in the latest *CompBlog Wrap-Up*.

Part 748 of National Credit Union Administration regulations only require credit unions to notify regulators and affected members after a breach involving member information systems maintained by a credit union or its contracted service providers. So, a merchant breach would not trigger a Part 748 member notification, CUNA explained.

"Nevertheless, notifying affected members is still a good idea, both to protect the member and the credit union from fraudulent card usage," CUNA said.

Many credit unions have alerted their members through mail and e-mail following the Target data breach, posted information on their websites, and educated members on the steps they can take to protect themselves. CUNA has emphasized that these efforts are still ongoing.

There are 46 states that have their own data breach notification laws, and state leagues will have information on any specific actions that are required by state law, the blog post added.

CUNA Mutual Group has also released a series of tips to help credit unions mitigate the risks posed by data breaches. Tips include:

- Educating cardholders regarding phishing fraud (i.e., not responding to phone calls or e-mail/text messages requesting account information), reporting fraudulent transactions to the credit union and placing fraud alerts on credit reports;
- Reviewing the card associations alerts daily and taking action when necessary;
- Evaluating compromised card numbers to determine if there will be increased fraud exposure;
- Blocking and reissuing affected cards, or accelerating card expiration dates on active cards;
- Making sure that all fraud associated with an event has been reported to the

experts.

For more information, contact Melia Heimbuck at: 720-479-3325 or mheimbuck@mwcu.com



Materials Available On-Line

InCompliance Implementation materials can be found on our website www.mwcu.com.

The materials are located under the Compliance tab and "resources" link.



Because the laws and regulations are constantly changing, CU Policy Pro provides you with policy updates at least semi-annually and with a toll-free product support help line to call when you have questions.

CU Policy Pro contains more than 200 detailed model policies to help your credit union manage today's ongoing compliance and operational challenges. Together with our compliance InfoSight, your credit union has at its disposal a comprehensive suite of policies and regulatory compliance guidance written especially for credit unions by legal and financial experts.

If you have not signed up for this great resource, please click [HERE](#) and register for access to CU PolicyPro.

Mountain West CU Association Bankruptcy & Collections School

Day One: April 16 – Developing and Maintaining an Effective Collections Department

Day Two: April 17 – Bankruptcy: Beyond the Basics!

Register for one day or both days

card associations and to the credit union's insurance company; and

- Working with a fraud monitoring system vendor to create rules and strategies to help prevent future fraud on the compromised card accounts.

For more compliance gems, use the following:

[CompBlog Wrap-Up](#)

[Identity Theft—Who Has Your Number electronic member seminar kit](#)

[Prevent Identity Theft drive-up envelope](#)

[ID Theft: How to Prevent It and How to Get Over It statement stuffer \(customized\)](#)

Source: CUNA

Advocacy Highlight

CUNA continues to be concerned about the CFPB's data collection efforts and the resulting obligations that may fall on credit unions and others pertaining to such data collection efforts. Under the Dodd-Frank Act, section 1022 allows the CFPB "to gather information from time to time regarding the organization, business conduct, markets, and activities of covered persons and service providers" by using various methods, including requiring banks and other "covered persons and service providers participating in consumer financial services markets to file with the Bureau, under oath or otherwise, in such form and within such reasonable period of time as the Bureau may prescribe by rule or order, annual or special reports, or answers in writing to specific questions."

In light of the recent data breaches occurring with merchants such as Target and Neiman Marcus, there is renewed concern by lawmakers and others that the data collection efforts regarding credit cards and mortgages by the CFPB may further expose consumers to potential identity theft and/or fraud opportunities. CUNA is continuing to voice its concerns in this area with the CFPB and lawmakers, alike.

[Click here](#) for the CFPB's answers to questions about the agency's data collection activities asked during a House Financial Services Committee hearing last fall.

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.

To register and view the course information, click here

2014 Compliance Calendar February 17

- ♦ [Washington's Birthday/President's Day – Fed 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](#)

April 30

- ♦ [Credit Card Quarterly Agreement Submission Due to CFPB](#)

CUNA 2014 Trainings

February 18

[Rates, Risk and Return webinar](#)
[ACH Policies and Procedures - 2 Part webinar series](#)

February 25

[The Financial Statement Game - Gaining a Deeper Understanding webinar](#)

April 6 - 11

[CUNA Regulatory Compliance School Introduction, Hollywood, CA](#)

Telephone Trainings

[View List of February Telephone Training Sessions](#)

[View List of March Telephone Training Sessions](#)

Bank Secrecy Act School

The Bank Secrecy Act School will be taking place in two locations this Spring. Select the location that is nearest you to register and learn more about the program.

[Bank Secrecy Act School: Phoenix, AZ: March 6, 2014](#)

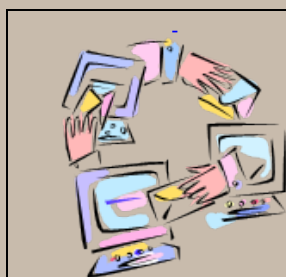
[Bank Secrecy Act School: Denver, CO: May 29, 2014](#)

Consumer Lending Basics for Non-Lenders

Join us this Spring for Consumer Lending Basics for Non-Lenders. This program introduces MSRs and entry-level consumer lenders to the fundamentals of consumer lending. and will take place in Phoenix, AZ and Denver, CO. For more information or to register, click on the link to choose the program nearest you.

[Arizona: Consumer Lending Basics for Non-Lenders: March 20, 2014](#)

[Colorado: Consumer Lending Basics for Non-Lenders: May 22, 2014](#)



Upcoming Networking Councils

Compliance: February 19, 2014

Lending: March 5, 2014

To register or obtain additional information, please contact Shay Jacobs: sjacobs@mwcu.com

February 20

[Webinar: Expanding Your Required IT Risk Assessment Program](#)

February 25

[Webinar: The ALLL in Troubled Debt & Foreclosed Asset Restructuring](#)

February 27

April 6 - 11

[CUNA Regulatory Compliance School Update](#), Hollywood, CA

September 14 - 19

[CUNA Regulatory Compliance School Introduction](#), Chicago, IL

September 14 - 19

[CUNA Regulatory Compliance School Update](#), Chicago, IL

October 26 - 29

[CUNA Bank Secrecy Act Conference](#), Las Vegas, NV

CUNA 2014 Effective Dates New and Revised Rules

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 Calls Due Dates on Proposed Rules

ASAP ~ NCUA

[Risk Based Capital](#)

February 24, 2014 ~ FRB

[Emergency Lending Authority](#)

March 24, 2014~FRB

[2013 Regulation CC Proposal \(Check Collection and Return Rules\)](#)



[Webinar: Essential HR Recordkeeping from Hiring to Firing](#)

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March 3

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

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March 6

[Webinar: Loan Origination in the Current Regulatory Environment: Improving Compliance, Costs & Turnaround Times](#)

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

Sign up to receive Regulatory Compliance News by sending an email to [Deb Larrabee](#)