

## Regulatory Compliance News



**MOUNTAIN WEST**  
Credit Union Association

April 15, 2016

### Compliance News

#### NCUA Webinar

The NCUA's "[Hot Topics in Compliance](#)" webinar will begin at 2 p.m. ET on April 27. The free 90-minute presentation, which includes a thirty minute Q&A, will provide an in-depth review of the latest requirements for compliance, including:

- An overview of the BSA, with discussion of requirements and common violations;
- Monitoring of money laundering;
- Suspicious Activity Reports (SARs);
- Equal Credit Opportunity Act (ECOA) adverse action notice requirements; and
- Office of Consumer Protection contact information

#### NCUA Recovers Over \$3B from Wall Street Firms

The NCUA has reported that, with the completion of a settlement with Goldman Sachs, the regulator will have recovered more than \$3 billion from Wall Street firms that sold faulty mortgage-backed securities to five corporate credit unions (CCUs). The NCUA joined the Department of Justice and other governmental plaintiffs in a \$5 billion settlement that includes \$575 million to settle NCUA's claims against Goldman Sachs. The settlement resolves two lawsuits filed by NCUA as liquidating agent for three CCUs, U.S. Central, WesCorp and Southwest, against the firm for losses incurred as a result of the purchases of the faulty securities by the CCUs, which later failed.

Source: NCUA

#### FTC Sends Funds to Victims of Scams

The Federal Trade Commission has returned money to consumers who were harmed by a scam that collected millions in phantom payday loans and another involving mortgage relief services. Checks totaling more than \$596,000 were mailed to consumers who lost money to a [fraudulent debt collection scheme](#) that processed payments for payday loan debts they did not owe. Additional checks totaling more than \$33,000 were mailed to consumers who lost money to a scheme that [charged homeowners an up-front fee for mortgage relief services](#) that were promised but never provided.

Source: FTC

#### New Privacy Opt-Out Notice Checklist Available

The annual privacy notice has been an unnecessary compliance cost for many years. CUNA spent a lot of resources arguing this point before federal regulators and members of Congress. CUNA was extremely pleased to finally see changes made to this requirement. First, the alternative delivery method (website) rule in 2014 followed by the FAST Act eliminating the

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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.



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general annual notice requirement in December 2015.

These changes have resulted in many credit unions taking another look at their information sharing arrangements. Over the years, some credit unions have offered their members the option of opting out of information sharing even if it wasn't required, for example, even if the information sharing met an exception in the privacy rule. Credit unions did this simply as a member service. But now that costly annual notices are not required in all instances, many credit unions are carefully reviewing their information sharing arrangements to determine whether they are required or voluntary, and reconsidering whether the voluntary opt-out notices are worth the additional cost.

To assist credit unions with this review, CUNA has developed the [Privacy Opt-Out Notice Checklist](#). If your credit union is reviewing any information sharing arrangements, you may find this helpful.

Source: CUNA

## Advocacy Highlight

### DOL's Fiduciary Rule

The Department of Labor released its final rule defining who is a "fiduciary" of an employee benefit plan under the Employee Retirement Income Security Act (ERISA).

Under the "nutshell" version of the rule, a person is a fiduciary if he or she receives compensation for providing investment advice based on the particular needs of the individual being advised, or if he or she directs that person to a specific plan sponsor, plan participant, or IRA owner. A fiduciary can be a broker, registered investment adviser, or other type of advisor (whether subject to federal securities laws or not).

While CUNA remains aware that parts of this rule will add compliance burdens to CUSOs and credit unions offering certain products and services, we're pleased that the DOL made some important modifications to the final rule in response to CUNA's advocacy efforts.

To gain a better understanding of what changed from the proposal stage to the final rule, and the rule's potential impact on your operations, see [DOL Addresses Some CUNA Concerns in Fiduciary Rule](#) (4/7/16).

Source: CUNA

## CUNA Advocacy Update

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, 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

**March 24, 2016~NCUA**  
[NCUA Strategic Plan 2017- 2021](#)

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### InfoSight Highlight

#### Quarterly Submissions of Credit Card Agreements to the CFPB

Card issuers must make quarterly submissions to the CFPB no later than the first business day on or after January 31, April 30, July 31 and October 31 of each year. Each report must contain the following information:

- Any credit card agreement that the card issuer offered to the public as of last business day of the preceding calendar quarter that the card issuer has not previously submitted to the CFPB;
- Any credit card agreement previously submitted that was amended during the preceding calendar quarter; and
- Notification regarding any credit card agreement previously submitted that the issuer is withdrawing (i.e., no longer being offered to the public).

#### De Minimis Exception

Card issuers with fewer than 10,000 open credit card accounts under open-end (not home-secured) consumer credit plans, as of the last business day of the calendar quarter, are not required to file a registration.

If an issuer that previously qualified for the de minimis exception ceases to qualify, the card issuer must begin making quarterly submissions to the CFPB no later than the first quarterly submission deadline after the date as of which the issuer ceased to qualify. A card issuer that later qualifies for the de minimis exception qualifies must continue to make quarterly submissions until the CFPB is notified that the card issuer is withdrawing all agreements it previously submitted.

The OSC defines an "open account" as including a card account if either:

- The cardholder can obtain extensions of credit on the account; or

**March 26, 2016~NCUA**

[Overhead Transfer Rate Methodology](#)

**March 26, 2016~NCUA**

[Operating Fee Schedule](#)



[Training & Events Calendar](#)

**April 19**

Webinar: [Effective Management of Credit Report Disputes](#)

**April 20**

Webinar: [Troubled Debt Restructuring: Determination & Accounting](#)

**April 25**

Webinar: [Examining Complex TRID Issues, Part 1: Application Through Loan Estimate & Revised Loan Estimate](#)

**April 26**

Webinar: [Regulator Expectations for Risk Assessment: Policies, Procedures & Steps in Obtaining Board Approval](#)

**April 28**

Webinar: [ACH Rules Update](#)

**May 3**

[BSA Seminar - Denver](#)

**June 8**

[Financial Strategies Seminar - Denver](#)

## **CUNA Schools and Webinars**

**April 20**

[MIP and Account Opening Webinar](#)

- There is an outstanding balance on the account that has not been charged off.

An account meets this definition even if the account is inactive, or when it is closed (for example, due to default by the cardholder), but the cardholder is still making payments to pay off the outstanding balance.

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



**Compliance Calendar**

**April 22**

- 5300 Call Report Due to NCUA

**May 2**

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

**May 30**

- Memorial Day – Federal Holiday

**June 30**

- PCI-SSL/TLS Can No Longer Be Used as a Security Control

**July 31**

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

**October 31**

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

## **Effective Dates New and Revised Rules**

**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](#)

**January 1, 2017~NCUA**

[Member Business Loan Rule](#)

**September 15, 2017~NACHA**

[Same-day ACH \(NACHA\) – Phase 2](#)

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

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