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Days Until
Aug 1, 2015

With one of the most sweeping regulatory changes for credit unions in decades less than three months away, MWCUA is dedicated to helping you prepare. Each week we will present a topic, question, or idea taking you one step closer to successful implementation.

Is your loan staff planning to attend the Lending Compliance School offered by MWCUA next month?

Check out the MWCUA Training Offerings in today's newsletter.

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

April 17, 2015

Compliance News

New SDN List Format

OFAC has announced the release of the Specially Designated Nationals (SDN) list in an XML data format that is based on the United Nations 1267/1988 Committee's Advanced Sanctions Data Model. This format gives sanctions lists new capabilities and will aid list users in executing their compliance obligations.

Click [here](#) for Frequently Asked Questions regarding this new format.

Users of the advanced xml file are welcome to provide comments about the new format to OFAC at O.F.A.C@do.treas.gov

Source: US Department of Treasury

NCUA Hosting Financial Literacy Webinar and Twitter Chat April 22

Credit unions interested in promoting greater financial literacy among their members, particularly young members, can get valuable information and discuss their ideas and activities on a webinar and a Twitter chat hosted by the National Credit Union Administration on Wednesday, April 22.

The webinar, "Your Mission in Action: Developing Youth Financial Literacy and Savings Programs," is scheduled to begin at 2 p.m Eastern. The webinar is scheduled to last 90 minutes, and there is no charge.

Ken Worthey, Financial Literacy and Outreach Analyst in NCUA's Office of Consumer Protection, will moderate the webinar. He will be joined by Gail Laster, Director of NCUA's Office of Consumer Protection; NCUA Consumer Affairs Director Morgan Rogers; Louisa Quittman, Director of the U.S. Treasury's Office of Financial Education; Gigi Hyland, Executive Director, National Credit Union Foundation; and Katie Bryan, Communications Director for the Consumer Federation of America.

Topics that will be discussed include:

- Strategies for developing new youth financial literacy programs or enhancing current programs,
- Research available on youth savings and financial literacy,
- Making outreach effective, and

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- Financial literacy resources available from NCUA, other federal agencies and nonprofits.

Online registration is available [here](#). Participants will also use this link to log into the webinar. Registrants should allow pop-ups from this website.

Source: NCUA

FHLB Access Among 5 CUNA-Backed Regulatory Relief Bills Winning House Approval

Five CUNA-supported regulatory relief bills sailed through the House Monday, including a stand-alone credit union relief measure that would correct a drafting error that has prevented some credit unions from accessing Federal Home Loan Bank membership.

"CUNA and credit unions could not be more appreciative that the House's first order of business after coming back to session after a two-week District Work Session was to vote favorably on a regulatory relief package that will help credit unions better serve their members," Ryan Donovan, CUNA Chief Advocacy Officer, said Monday after the votes.

"We look forward to working closely with Senate Banking Committee leadership to help these important statutory changes make their way through that chamber and onto the president's desk to be signed into law," he added.

The other CUNA-supported bills approved by resoundingly favorable votes in the House were:

- The Privacy Notice Modernization Act (H.R. 601), which would require financial institutions to send privacy policy notifications only when the policy has changed. Since 2001, credit unions have sent out an average of 87 million notices per year. The bill passed by a voice vote;
- Helping Expand Lending Practices in Rural Communities Act (H.R. 1259), which would direct the Consumer Financial Protection Bureau (CFPB) to establish an application process for determining whether an area should be defined as "rural," which would impact products credit unions in those areas could offer. The bill was passed by the House during the last Congress and passed with a 401-1 vote;
- Bureau Advisory Commission Transparency Act (H.R. 1265), which would open up meetings of the CFPB's Credit Union Advisory Council to the public. The bill passed with a vote of 401-2; and
- The SAFE Confidentiality and Privilege Enhancement Act (H.R. 1480) would allow state and federal regulatory officials with financial services industry oversight authority to access information provided to the Nationwide Mortgage Licensing System and Registry without the loss of confidentiality protections provided by federal and state laws. The bill passed by a 401-0 vote.

Source: CUNA News Now

CFPB Files Suit Against Participants in RoboCall Debt Collection Operation

Last week, the CFPB filed a [lawsuit](#) against a robocall debt collection operation. The CFPB alleges that Marcus Brown and Mohan Bagga led a group of individuals and entities that threatened, harassed, and deceived consumers in order to collect phantom debt. Phantom debt is debt consumers do not actually owe or debt that is not payable to those attempting to collect it. According to the complaint, Brown and Bagga and those working with them used many fictitious names as they threatened consumers with arrest, wage garnishment, and "financial restraining orders." The CFPB's claims against these defendants are based on the Consumer Financial Protection Act and the Fair Debt Collection Practices Act. The CFPB's complaint alleges that consumers were tricked into believing that the collectors were legitimate because the collectors verified consumers' personal information, such as date of birth, social security number, the names of family members, and employment information. According to the complaint, Brown and Bagga purchased consumers' personal information from debt brokers and lead generators. They then used a telemarketing firm, Global Connect, to automatically broadcast robocalls to millions of consumers. The calls alleged that the consumer had engaged in check

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Flood Insurance

Flood insurance is a special insurance required for loans secured by dwellings located in a flood plain. The Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994, has made the purchase of flood insurance mandatory for a federally backed mortgages on structures located in special flood hazard areas. Making, increasing, extending, or renewing a loan secured by a dwelling located in a special flood hazard area (SFHA) may trigger compliance.

At this time, the NCUA does not regulate CUSOs for flood insurance; however, if a CUSO wants to sell a loan to Fannie Mae or Freddie Mac the loan must meet the flood insurance requirements.

How does flood insurance affect credit unions?

Credit unions must check to determine if a dwelling is located in a special flood hazard area (SFHA). The Federal Emergency Management Agency (FEMA) issues the flood maps that identify the special flood hazard areas. The credit union may use a third party to make the determination of whether the secured property is or will be located in an SFHA; however, the credit union can rely on that determination only if the third party guarantees the accuracy of the information provided to the credit union.

All designated loans that fall within a flood plain must have flood insurance. A "designated loan" is a loan secured by a building or mobile home that is located or will be located in a special flood hazard area (SFHA) in which flood insurance is available under the National Flood Insurance Program (NFIP).



This week's [Regulatory Advocacy Report](#) will bring you up to speed on the following issues:

- CUNA has Major Concerns with NCUA White Paper
- Banking Agencies Announce Additional Economic Growth and Regulatory Paperwork Reduction Act

fraud and threatened to contact the consumer's employer. In response to the debt collectors' threats and false statements, consumers provided credit or debit card payment information. The complaint alleges that once the debt collectors got consumers' payment information, they would submit it to the payment processors who enabled the collectors to access consumers' bank accounts to withdraw money, despite the many indications of misconduct.

NCUA Updates National Supervision Policy Manual Regarding Approval of Secondary Capital

NCUA recently announced revisions to its National Supervision Policy Manual intended to make secondary capital processes easier for low-income credit unions as well as investors. Specifically, the changes were aimed at achieving two goals: expediting the approval of secondary capital requests by regional offices and making it possible for credit unions that have secondary capital to return portions of the loans that no longer count towards net worth. The revised procedures can be found in the [updated section](#) of the agency's National Supervision Policy Manual.

Advocacy Highlight

Deadline Approaching for RBC2 Comment Deadline

With April 27 fast approaching until NCUA's comment deadline for RBC2, the agency has already received and posted 350 comment letters to their [website](#). While there have been several key changes made to this version of the Risk Based Capital proposal, it is still important for credit unions to comment, and encourage all members that previously commented to do so again. For the most up-to-date resources on this proposal, and to see CUNA's guide on how to write an effective RBC2 comment letter, please visit CUNA's [RiskBased Capital Action Center](#), and [RBC Blog](#). CUNA members can also contact us directly with any questions or comments by emailing RBC@cuna.coop.

Source: CUNA



Training & Events Calendar

April 22

Webinar: [TILA/RESPA Integrated Disclosure Line-by-Line – Part 2: Closing Disclosure](#)

April 23 - Denver

[Interest Rate Risk and Investment Strategies](#)

April 23

Webinar: [Current Trends in Cyber Crime & Payments Fraud](#)

April 27

Webinar: [Important SAR Procedure Updates from the Revised BSA/AML Exam Manual](#)

April 28

Webinar: [Red Flags, Privacy & Ethical Considerations: Know Your Compliance Responsibilities](#)

April 30

Webinar: [BSA Compliance Series: Updating Your Credit Unions's BSA/AML/OFAC Risk Assessment](#)

Lending Compliance School:

[May 14-15, 2015: Phoenix, AZ](#)

[May 20-21, 2015: Denver, CO](#)

Looking for the information you need to prepare your credit union for the CFPB's new mortgage rules? Plan to attend the 2-day Lending Compliance School where we'll cover the latest challenges and changes in credit union lending rules and

of 1996 (EGRPRA) Outreach Meetings

- NCUA Updates National Supervision Policy Manual regarding Approval of Secondary Capital
- CFPB Files Suit Against Participants in Robo-Call Debt Collection Operation

Be sure to visit CUNA's [Risk-Based Capital blog](#)



Compliance Calendar

March 30

- [NACHA Operating Rules Changes](#)

April 24

- [5300 Call Report Due to NCUA](#)

April 30

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

May 25

- [Memorial Day – Federal Holiday](#)

July 3

- [Independence Day – Federal Holiday](#)

July 18

- [Higher-Priced Mortgage Loans: Modified exemptions for loans secured by manufactured homes](#)

July 23

- [Changes to Posting Rules for ACH Transactions \(Federal Reserve\) Effective date](#)

CUNA Comment Calls – Due Dates on Proposed Rules

April 24, 2015~NCUA

[Fixed Assets](#)

May 1, 2015~NCUA

[Small Entity Definition](#)

May 6, 2015~CFPB

[Credit Card Market Review](#)

July 13, 2015~NCUA

[2015 Annual NCUA Regulatory Review List](#)

Effective Dates New and Revised Rules

August 1, 2015~CFPB

[TILA-RESPA Integrated Disclosure Rule](#)

December 31, 2015~IRS

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

CUNA Schools and Webinars

June 1 - 18

regulations, including updates on the full scope of the CFPB's new mortgage requirements and the new TILA/RESPA rules that are effective August 1, 2015. This program will give you a solid base of information needed to either begin or continue the implementation process, including the scope of the new rule and how the new rule differs from the existing TILA/RESPA disclosures, and the timing requirements. This 2-day program will provide lending compliance professionals with in-depth knowledge and resources in the areas of lending compliance that have seen the greatest change. For more information, please click on the link of the program that is nearest you:

All credit union lending and operations personnel are encouraged to attend. Scholarships are available through Mountain West Credit Union Foundation. [Click here](#) to view the Scholarship Application.

May 14

Webinar: [Home Equity, HELOC & Second Lien Risk Management, Including Maturing HELOC Guidance](#)

[CUNA Consumer Lending eSchool](#)

June 1

Webinar: [Basics of Consumer Lending – Part 1](#)

June 4

Webinar: [Home Equity Lending](#)

June 8

Webinar: [Basics of Consumer Lending – Part 2](#)

June 11

Webinar: [Consumer Lending Compliance 101](#)

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](#).

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