

99

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.

## Has your credit union identified the types of loans that will be affected by the TILA-RESPA Integrated Disclosure Rule?

*Regulatory Compliance News*



**MOUNTAIN WEST**  
Credit Union Association

April 24, 2015

### Compliance News

#### NCUA Releases Small Dollar Lending Webinar

The NCUA April 16th Small Dollar Webinar is now available via YouTube - [https://www.youtube.com/watch?v=v0Ero9ZHxpg&feature=em-subscriptions\\_digest](https://www.youtube.com/watch?v=v0Ero9ZHxpg&feature=em-subscriptions_digest)

*Source: NCUA*

#### Google Wallet Funds Now FDIC Insured

Mobile payments made through Google Wallet will soon be insured through the Federal Deposit Insurance Corporation (FDIC).

Typically, the FDIC insures banking funds up to \$250,000, but funds stored in prepaid debit cards and most mobile wallet services are not protected.

As of now, Google Wallet's user agreement says balances are not FDIC-insured. However, a Google spokesperson confirmed in a statement to *Yahoo! Finance* that its current policy has changed.

The company will hold wallet balances in multiple banking institutions that are FDIC-insured, which means if anything were to happen to the company, users' funds would be protected.

Other prominent mobile wallet services, such as Venmo and PayPal, do not offer FDIC insurance for users who leave cash in their accounts.

*Source: CUNA News Now*

#### CFPB Finalizes Rule to Improve Credit Card Agreement Submission Process

On April 15<sup>th</sup>, the Consumer Financial Protection Bureau (CFPB) issued a final rule aimed at improving the way companies submit consumer credit card agreements to the Bureau. The rule temporarily suspends a requirement that each quarter certain credit card issuers send their agreements to the Bureau, which publishes them in a public database on its website. Other requirements, including card issuers' obligations to post these agreements on their own publicly available websites, will remain unaffected by the rule.

"We are finalizing a rule that will help further the Bureau's work to improve the

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public credit card agreements database,” said CFPB Director Richard Cordray. “Updating and streamlining the process for how credit card companies submit their agreements to us can benefit industry and our agency. Improving this process can also enable consumers and others to access the data faster and in a more useable form.”

In 2009, Congress passed the Credit Card Accountability, Responsibility, and Disclosure (CARD) Act, which requires that credit card issuers post consumer credit card agreements on their websites as well as submit those agreements to the CFPB. These agreements feature general terms and conditions, pricing, and fee information. The CFPB maintains a public database on its website of these credit card agreements from nearly 450 card issuers. Federal regulations require that companies submit their agreements to the CFPB on a quarterly basis.

The final rule issued by the Bureau suspends for one year credit card issuers’ obligations to submit their credit card agreements to the Bureau. During this time, the Bureau will work to develop a more streamlined and automated electronic submission system. The Bureau intends for its new submission system to be easier for issuers to use than the current manual submission system. The CFPB also intends for the new system to enable faster posting of new and revised agreements on the Bureau’s website. In designing the new system, the Bureau also intends to explore improved reporting formats for the posted information.

Under the rule, credit card issuers will not be required to submit agreements that would otherwise have been due to the Bureau by the first business day on or after April 30, July 31, and October 31 of 2015, and January 31, 2016. Credit card issuers must resume submitting credit card agreements on a quarterly basis to the Bureau starting on April 30, 2016.

During the temporary suspension period, the CFPB will collect consumer credit card agreements from the largest card issuers’ public websites and post the agreements to its online consumer credit card agreements database. This will help ensure that the database contains agreement terms that are currently offered to consumers by credit card issuers responsible for the substantial majority of existing and new credit cards in the U.S.

The rule is available here:

[http://files.consumerfinance.gov/f/201504\\_cfpb\\_final\\_rule\\_credit-card-collection-suspension.pdf](http://files.consumerfinance.gov/f/201504_cfpb_final_rule_credit-card-collection-suspension.pdf)

Source: CFPB

### **Fannie Mae and Freddie Mac Issue Revised Private Mortgage Insurer Eligibility Requirements**

The Federal Housing Finance Agency (FHFA) announced that Fannie Mae and Freddie Mac (the Enterprises) are issuing revised requirements for private mortgage insurance companies that insure mortgage loans either owned or guaranteed by the Enterprises. The revised eligibility requirements set financial and operational standards that private mortgage insurers must meet to receive approved insurer status with Fannie Mae or Freddie Mac and are designed to reduce risk to the Enterprises. The requirements are effective December 31, 2015.

As Conservator of the Enterprises, FHFA directed Fannie Mae and Freddie Mac to align and strengthen their risk management requirements for mortgage insurance counterparties. In July 2014, FHFA sought broad input on draft private mortgage insurer eligibility requirements. The finalized requirements reflect a multi-year effort to produce a clear and comprehensive set of standards that incorporate a new, risk-based framework to ensure that approved insurers have sufficient financial and operational strength to weather an economic downturn. Fannie Mae and Freddie Mac are issuing these

risk assessments isn’t what you are looking for, we now offer a basic annual compliance package, including BSA, ACH, SAFE Act, and Website compliance for one low price.

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



### **InfoSight Compliance Calendar**

The Compliance Calendar in InfoSight ([AZ](#), [CO](#), [WY](#)) provides links to many helpful dates to remember:

- CUNA’s Dodd-Frank Implementation Dates
- Regulatory Compliance Effective Dates
- Complete Compliance Calendar
- Other Important Reminders and Information



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



### **Compliance Calendar**

#### **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 16**

- IRS Form 990 Due

#### **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**

requirements after the Enterprises and FHFA consulted with a range of stakeholders, including state insurance commissioners, private mortgage insurers, consumer advocates and seller/servicers.

"The requirements announced are prudent steps to align and strengthen Fannie Mae and Freddie Mac's operational and financial requirements for private mortgage insurance companies, which will reduce the Enterprises' overall risk and protect taxpayers," said FHFA Director Melvin L. Watt. "Completion of this requirement fulfills a key scorecard item for the Enterprises."

Links:

[Fannie Mae Statement](#)  
[Freddie Mac Statement](#)

Source: FHFA

### CFPB Updates Interpretive Rule on Homeowner Counseling Lists

The Consumer Financial Protection Bureau has announced a final interpretive rule restating and expanding upon its November 2013 guidance on how to provide mortgage applicants with a list of local homeownership counseling organizations. The updated rule provides further guidance for lenders who are building their own lists of housing counselors. The rule also includes guidance on the qualifications for providing high-cost mortgage counseling and for lenders participating in such counseling. Other specific additions include new instructions about:

- How to provide applicants abroad with homeownership counseling lists;
- Permissible geolocation tools;
- Combining the homeownership counseling list with other disclosures;
- Use of a consumer's mailing address to provide the list; and
- High-cost mortgage counseling qualifications and lender participation in such counseling.

The updated rule will become effective when it is published in the Federal Register.

Source: CFPB

## Advocacy Highlight

### Deadline Approaching for RBC2 Comment Deadline

April 27<sup>th</sup> is 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 all members that previously commented are encouraged 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 [Risk Center](#), and [RBC Blog](#). CUNA members can also contact us directly with any questions or comments by emailing [RBC@cuna.coop](mailto:RBC@cuna.coop)

Source: CUNA

### Small Entity Definition Proposal

The NCUA Board proposes to amend its [Regulatory Flexibility Act](#) (RFA) definition of small entity increasing the threshold from \$50 million in assets to \$100 million in assets.

The RFA requires federal agencies to determine whether a proposed or final rule would have a significant economic impact on a substantial number of small entities. If a substantial number of small entities would be impacted, the RFA requires agencies to engage in a small entity impact analysis, known as an initial regulatory flexibility analysis (IRFA) for proposed rules and a final regulatory flexibility analysis (FRFA) for final rules.

### April 24, 2015~NCUA

[Fixed Assets](#)

### May 1, 2015~NCUA

[Small Entity Definition](#)

### May 1, 2015~Federal Reserve

[EGRPRA Review \(Excludes NCUA\)](#)

### May 6, 2015~CFPB

[Credit Card Market Review](#)

### May 7, 2015~CFPB

[Consumer Complaint Database](#)

### 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](#)



## [Training & Events Calendar](#)

### 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](#)

*Plan to attend the 2-day Lending Compliance School where we'll cover the latest challenges and changes in credit union lending rules and 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.*

*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](#)

This rulemaking effort is narrower in scope than NCUA's 2013 final rule that changed the asset threshold for the definition of small entity to the current \$50 million from \$10 million. That final rule changed the definition of "complex" credit union for prompt corrective action in Part 702 and revised the threshold for credit unions subject to NCUA's interest rate risk rule to \$50 million. NCUA's current risk-based capital proposal would change the definition of complex to \$100 million.

The other impact of this rule is on the asset threshold for obtaining services from NCUA's Office of Small Credit Union Initiatives (OSCUI) for credit unions with \$100 million or less in assets.

This proposal would amend Interpretive Ruling and Policy Statement (IRPS) 87-2, as amended by IRPS 03-2 and 13-1 and make a technical change to subpart B of Part 791 of NCUA's regulations.

Comments are due to [CUNA](#) by May 1, 2015 and to NCUA by May, 4, 2015.

[Management, Including Maturing HELOC Guidance](#)

## CUNA Schools and Webinars

**June 1 - 18**

[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.

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