



Compliance News

AffirmX & Neustar Host DDoS Webinar, Provide Research Report to Credit Unions

AffirmX, formerly NeighborBench, and Neustar, a provider of industry-leading Distributed Denial of Service (DDoS) protection solutions for financial services institutions, announced that they will host a joint webinar on May 13th and provide a free research report on the DDoS threat to all attendees.

"Big banks aren't the only financial organizations targeted by DDoS attacks," said Ken Wolff, CEO of AffirmX. "The goal of this webinar is to help credit unions understand the full impact a DDoS exploit can have, ensure they are prepared to meet FFIEC guidance, and prevent the financial and data breaches that can coincide with a successful attack."

Speakers will include: Dennis Dollar, CEO of Dollar Associates; Jane Pannier, SVP and Legal Counsel for AffirmX; Jesse Boyer, IT Operations Specialist for AffirmX; and Susan Warner, DDoS Specialist/Sector Manager for Neustar.

The webinar will be held at 11am MDT on May 13th and is FREE for interested credit unions. Interested credit unions may **register online** by visiting <http://www.affirmx.com/affirmx-neustar-ddos-webinar/>

NCUA Hosts Webinar on Anti-Money Laundering Compliance

Credit unions can learn how to better comply with federal anti-money laundering requirements during a free webinar, "How to Be in Compliance with OFAC and FinCEN," offered by the National Credit Union Administration on Wednesday, May 21, 2014, at 2 p.m. Eastern.

During this webinar, Diane Rector, Training Manager with NCUA's Office of Small Credit Union Initiatives, will host leading experts, including:

- Adam Maddox, Sanctions Compliance Officer, Office of Foreign Assets Control
- Andrea Sharrin, Director, Office of Compliance and Enforcement, Financial Crimes Enforcement Network
- Stephanie Brooker, Associate Director, Enforcement Division, Financial Crimes Enforcement Network

Online registration for the May 21 webinar is now open [here](#). Participants will also use this link to log into the webinar. Registrants should allow pop-ups from this website.

Participants may receive a certificate of attendance if they individually participate in the survey offered during the webcast and take a short quiz at the end of the webcast.

This is the first of two webinars that will provide an overview of OFAC's and FinCEN's programs, their enforcement authorities and their relationships with other financial services regulators.

The second webinar will take place on June 25 and will cover reporting requirements, emerging money laundering threats, and creating an effective anti-money laundering compliance program. Registration information about this second webinar will be released shortly.

Staff from NCUA's Office of Examination and Insurance will also participate in both webcasts.

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Authentication in Internet Banking Environment

In October 2005, the FFIEC Agencies issued guidance that provided a risk management framework for financial institutions offering Internet-based product and services to their members. It stated that institutions should use effective methods to authenticate the identity of customers and that the techniques employed should be commensurate with the risks associated with the products and services offered and the protection of sensitive customer information.

To help your credit union remain in compliance, the Authentication in Internet Banking Environment topic was recently added to the ACH/Electronic Payments channel. In addition to a link to the FFIEC's *Supplement to Authentication in an Internet Banking Environment*, this topic includes information about the following:

Participants may submit questions in advance at WebinarQuestions@ncua.gov. The subject line of the email should read, "OFAC and FinCen Compliance Webinar." Participants with technical questions about accessing the webinar may email audience.support@on24.com.

Both webinars will be archived and closed-captioned online [here](#) approximately three weeks following the live event.

NCUA's Office of Small Credit Union Initiatives 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

FinCEN Publishes 5 Rulings on the Application of Money Transmission Definitions and Exemptions to Certain Business Models

The Financial Crimes Enforcement Network (FinCEN) today published five administrative rulings, providing additional information on how exemptions from money transmitter status may or may not apply to certain business models, under the 2011 modifications to the Bank Secrecy Act's (BSA) definition of a money transmitter.

- **FIN-2014-R008:** Whether a Company that Provides an Armored Car Coin and Currency Exchange Service is a Money Transmitter and Whether the Armored Car Service Exemption Would Apply to the Service (http://www.fincen.gov/news_room/rp/rulings/pdf/FIN-2014-R008.pdf)
- **FIN-2014-R007:** Application of MSB regulations to the rental of computer systems for mining virtual currency (http://www.fincen.gov/news_room/rp/rulings/pdf/FIN-2014-R007.pdf)
- **FIN-2014-R006:** Whether a Company that Provides Online Real-Time Deposit, Settlement, and Payment Services for Banks, Businesses and Consumers is a Money Transmitter rather than a Provider of Prepaid Access (http://www.fincen.gov/news_room/rp/rulings/pdf/FIN-2014-R006.pdf)
- **FIN-2014-R005:** Whether a Company that Offers Secured Transaction Services to a Buyer and Seller in a Given Sale of Goods or Services is a Money Transmitter (http://www.fincen.gov/news_room/rp/rulings/pdf/FIN-2014-R005.pdf)
- **FIN-2014-R004:** Application of MSB Regulations to a Company that Offers Escrow Services to a Buyer and Seller in a Given Internet Sale of Goods or Services (http://www.fincen.gov/news_room/rp/rulings/pdf/FIN-2014-R004.pdf)

Source: FinCEN

NCUA Stands Firm on May 28 RBC Comment Deadline

The comment deadline for the National Credit Union Administration's risk-based capital (RBC) plan remains at May 28, said agency board member Rick Metsger in a letter to the Credit Union National Association. The response aligns Metsger with NCUA Chair Debbie Matz who also said no to a joint request by CUNA and the National Association of Federal Credit Unions to extend the comment period.

A key reason the deadline must remain May 28, according to Metsger, is that the regulator wants adequate time for staff to summarize written RBC comments to better inform the Listening Sessions Matz and Metsger--and perhaps NCUA nominee J. Mark McWatters by then--will be conducting across the country this summer.

Also, basic human nature--lulling many to wait until the last minute to submit a report or comments--argues against an extension, Metsger asserted.

"Extension of the comment period is more likely to delay the receipt of comments (and thus delay their consideration) than it is to generate additional comments. It would seem more productive for interested parties to utilize the significant time still left in the comment period to focus their energy on actually analyzing the proposal and providing input, rather than eroding that time on other issues," he wrote.

Metsger noted in his April 30 letter that he will carefully consider any comment on the proposal prior to a final vote, regardless of when it is received. CUNA General Counsel Eric Richard pointed out, however, that the other members of the NCUA board have not made any similar commitment. "The comment deadline remains May 28--that is hard and fast. A credit union must meet that deadline to become a part of the official record on this historic proposal," he said.

Metsger reminded in his letter that the agency has created resources, available at www.ncua.gov to help credit unions understand the proposed rule.

Reflecting another point made by Matz when she sent her response to the joint trade group request for an extension, Metsger said, "While I cannot predict what the board will do, it is common for final

• **Layered Security Programs** – Layered security is characterized by the use of different controls at different points in a transaction process so that a weakness in one control is generally compensated for by the strength of a different control. Learn about some of the effective controls that may be included in a layered security program.

• **Effectiveness of Certain Authentication Techniques** – Learn about the effectiveness of device identification; challenge questions; and member awareness and education.

CU Compliance Connection: One Per Year IRA Rollover

Recent court action has changed how members will have to manage their individual retirement accounts and limits rollovers to one per year. [Click here](#) for the video.



Our compliance partners at NeighborBench have changed their name to [AffirmX](#).

Enhancements have been made to this cloud-based, near real-time solution that identifies risk AND provides you access to experts. This innovative tool combines call-report data, onsite visits, and document review in the areas of Operations, Lending, BSA, Deposit and Advertising. Imagine staying current with your consumer regulatory compliance risks in one easy-to-read dashboard depiction that saves you time and money. If a full suite of compliance risk assessments isn't the answer for you, 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 Heimback at: mheimback@mwcu.com or (720) 479-3325 or 1 (800) 477-1697 ext. 3325

2014 Compliance Calendar

May 26

- [Memorial Day – Federal Holiday](#)

July 4

- [Independence Day – Federal Holiday](#)

July 31

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

September 1

- [Labor Day – Federal Holiday](#)

September 19

rules to be modified to reflect comments received. History suggests the more complex and significant a rule is, the greater the likelihood modifications will be made."

On Thursday, Richard reiterated CUNA's urging to credit unions to weigh in on the RBC plan.

The NCUA proposal would make changes to Prompt Corrective Action (PCA) rules, that would replace existing risk-based net worth requirements with new risk-weighted asset and capital requirements. The rule would apply to federally insured "natural person" credit unions with more than \$50 million in assets.

CUNA supports risk-based capital. However, the association strongly opposes the proposal the NCUA has issued for comment. Working with CUNA's Examination and Supervision Subcommittee, CUNA is developing its comment letter, which it says will reflect major concerns and present a range of recommendations to make the proposal workable.

In the meantime, CUNA is encouraging all credit union with assets above \$40 million to consider how the proposal will affect their operations and to file a comment letter.

Source: CUNA News Now

CUNA Clarifies Questions on Post-Death Benefit Payment Collections

Receiving depository financial institutions (RDFIs) are liable for all benefit payments received after the death of a recipient, unless they meet certain requirements, the Credit Union National Association clarified in a *CompBlog* post.

According to U.S. Treasury regulations, an RDFI will not be liable if it:

- Certifies that it did not have actual or constructive knowledge of the recipient's death or incapacity at the time of the deposit of any post-death benefit payments;
- Returns all post-death benefit payments it receives after it learns of the death; and
- Responds to the Notice of Reclamation completely and adequately, so that it is received by the Government Disbursing Office within 60 days from the date of the notice.

Credit unions should first determine the balance of a given account when it receives a notice of reclamation from the government. If there are insufficient funds, a partial payment should be remitted to the Government Disbursing Office that issued the reclamation, CUNA wrote.

The Treasury says financial institutions may not attempt to reclaim funds if all or part of post-death benefit payments have been withdrawn from an account. "If the RDFI does so, it acts under its own authority in terms of its contract with its depositor or under state law," according to the agency.

For the full *CompBlog* post, use this link: [CUNA CompBlog Q&A](#)

Source: CUNA News Now

NCUA Releases Part II of RBC Q-and-A Video

More credit union questions about the National Credit Union Administration's risk-based capital plan are answered by NCUA staff in a new, second YouTube video.

The video is intended to serve as a resource for federally insured credit unions to understand how the proposed changes to NCUA's Prompt Corrective Action rule may affect their risk-based capital (RBC) ratios, the agency said.

Questions addressed in the video include:

- Why did NCUA propose the rule, and why now;
- How many credit unions will be impacted; and
- What are the differences between well-capitalized, adequately capitalized and undercapitalized credit unions under the rule.

CUNA continues to urge credit unions to weigh in on the RBC plan. The NCUA will accept comment on the proposal until May 28.

Working with CUNA's Examination and Supervision Subcommittee, CUNA is developing its own comment letter, which it says will reflect major concerns and present a range of recommendations to make the proposal workable.

The NCUA proposal would make changes to Prompt Corrective Action rules that would replace existing risk-based net worth requirements with new risk-weighted asset and capital requirements. The rule would apply to federally insured "natural person" credit unions with more than \$50 million in assets.

Use the links below for the NCUA video and CUNA's RBC Action Center. CUNA's Action Center

NACHA Operating Rules Changes

October 13

- [Columbus Day – Federal Holiday](#)

October 31

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

November 2

- [Daylight Savings Time Ends](#)

November 11

- [Veterans' Day – Federal Holiday](#)

CUNA 2014 Effective Dates New and Revised Rules

June 30, 2014~NCUA

[Credit Union Service Organization](#)

December 31, 2015~IRS

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

2014 CUNA Comment Calls

Due Dates on Proposed Rules

May 12, 2014~CFPB

[2014 International Remittance Transfers Proposed Rule](#)

May 28, 2014~NCUA

[Risk Based Capital \(RBC\)](#)

June 9, 2014~NCUA

[Annual Regulatory Review List](#)

TBD~NCUA

[Associational Common Bond and Field of Membership Requirements](#)

CUNA Webinars

May 12

[Traps and Tripwires in Reg X and the UCC](#)

May 14

[Agency Callables, Agency Step-Ups](#)

[Negotiation Skills and Tactics](#)

May 15

[OFAC – More Than a Scan](#)

[Payday Lending – The Credit Union Way](#)

May 19

[Money Mission Demo - Online Financial Literacy Game](#)

May 21

[Mortgage-Backed Securities](#)

features a calculator to help credit unions assess how the proposal will affect their operations, a video explaining the NCUA's plan, and much more.

[NCUA video](#)

[CUNA RBC Action Center \(members only\)](#)

Source: CUNA News Now

Advocacy Highlights

Risk Based Capital Proposal

CUNA urges credit unions to weigh-in on RBC Proposal and needs your help to make sure NCUA receives at least 1,000 comment letters on the risk-based capital (RBC) proposed rule. Commenting is easy by using this automated letter-writing [tool](#). Comments may be simple; nonetheless, there is no comment more powerful than one that reflects your credit union's own concerns. You can take a single issue, explain why it harms or helps credit unions, and give NCUA an alternative (including doing nothing). Your credit union can also submit more than one comment letter if you think of something else prior to the May 28 deadline. Please do not forget to send a copy to your Members of Congress, CUNA, and your league.

Additionally CUNA continues to seek feedback from credit unions **through May 12** on the CFPB's recent [proposed rule](#) to modify its international remittance transfers rule. The proposed rule would extend for an additional five years a temporary provision that permits federally insured credit unions and other depository institutions to estimate certain pricing disclosures. This temporary provision is set to expire on July 21, 2015. Also, the proposal would make several clarifications and technical corrections.

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.



MOUNTAIN WEST
Credit Union Association

[Training & Events Calendar](#)

May 22

[Colorado: Consumer Lending Basics for Non-Lenders](#)

May 29

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

June 18

[Webinar: Regulatory Compliance for the Frontline, Including BSA](#)

July 1

[Webinar: COMPLIANCE OFFICER TRAINING: Will Your AML/BSA/OFAC Program Satisfy Examiner Scrutiny?](#)

July 9

[Webinar: Completing the SAR Report Line by Line](#)

July 30

[Webinar: Real Estate Lending Series: Avoiding HMDA Reporting Mistakes](#)

May 22

[The Low-Down on Private Student Loans](#)

May 28

[Collateralized Mortgage Obligations](#)

May 29

[The Keys to Loan Growth](#)

June 19

[NCUA Share Insurance](#)

July 9

[Marketing Compliance eSchool](#)

July 14

[3rd Party Vendors and Regulatory Compliance Demands](#)

July 17

[Garnishments-Levies](#)

July 22

[Consumer Lending Update and Fair Lending](#)

July 29

[Mortgage Lending Update](#)

CUNA Schools and Conferences

August 10 - 14

[CUNA Lending Compliance School, Las Vegas](#)

September 14 - 19

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

October 26 - 29

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

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](mailto:Deb.Larrabee)