

Compliance News

NCUA RBC Listening Sessions are Filling Up Fast

Interested in attending one of the National Credit Union Administration's three listening sessions on its risk-based capital proposal? You'd better hurry up, as spaces are filling up fast, the Credit Union National Association reminds.

Each listening session with Chairman Debbie Matz is open to 150 attendees. The June 26 session in Los Angeles already has 76 registrants, 101 have registered for the July 10 session in Chicago and 87 have registered for the final listening session in Alexandria, Va.

"The NCUA is hosting the sessions as a result of pressure from CUNA and others to provide a forum for credit unions to speak directly with the agency regarding the proposed rule," CUNA Deputy General Counsel Mary Dunn said.

CUNA will be attending each of the sessions and will be working with the leagues to ensure credit unions' concerns are heard by the agency, she added.

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.

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.

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

To sign up for the NCUA sessions and access CUNA's RBC Action Center, use the resource links.

[NCUA listening sessions](#)

[CUNA Risk-Based Capital Action Center \(members only\)](#)

Source: CUNA News Now

Report Reviews Ongoing Efforts to Modernize and Protect Credit Union System

The National Credit Union Administration has released its 2013 Annual Report that highlights the agency's activities, policy initiatives and accomplishments for the year. Click [here](#) for the full report.

"In 2013, America's credit unions turned a corner," NCUA Board Chairman Debbie Matz said. "A strengthening economy led to increased loan demand and fewer delinquencies, helping federally insured credit unions, as a whole, experience one of the best years on record."

During 2013, NCUA took significant steps to adapt the agency to an ever-changing financial services industry. The agency focused on protecting the National Credit Union Share Insurance Fund and modernizing regulations while at the same time reducing the regulatory burden for

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



CUNA eGuides

As part of the League InfoSight partnership with CUNA, the eGuides developed by CUNA staff are accessible by League InfoSight users. The eGuides cover a myriad of compliance topics and serve as a source of additional information and guidance.

Recently, CUNA developed a new website to enhance the service provided to affiliated credit unions and other credit union industry partners. As an additional security measure, the eGuides now require the user to sign-in to confirm their eligibility to access the eGuides. To minimize the impact on the users, the sign-in will only be required once every 90 days. Click the "Remember me" box on the login screen (Sample below). If you do not have a CUNA login Username and Password, click on the 'Sign up here' text.

<http://www.cuna.org/Webassets/Pages/Login.aspx>

smaller credit unions and expanding access to affordable financial services for millions of Americans.

NCUA's 2013 initiatives and accomplishments can be grouped into six broad categories. Specifically, the agency sought to:

- Implement an effective supervision program to ensure the continued safety and soundness of federally insured credit unions.
- Adopt safe, targeted and flexible regulations to protect the credit union system and maintain a strong and independent National Credit Union Share Insurance Fund.
- Modernize the agency's operations.
- Minimize assessments for the Temporary Corporate Credit Union Stabilization Fund.
- Engage and provide assistance to key stakeholders.
- Serve as a responsible steward of the public's trust.

The 2013 Annual Report also assesses the agency's performance in meeting its strategic and priority goals. The report additionally contains the audited financial statements of each of NCUA's four permanent funds, as well as historical data and statistics.

"While there are many challenges ahead, including interest rate risk and cybersecurity," Matz said, "I'm confident that NCUA will be able to meet these challenges head on and ensure that millions of Americans can continue to safely utilize our nation's cooperative credit system now and well into the future."

Source: NCUA

New SBA Administrator: Make Extra Effort for Underserved Groups

Maria Contreras-Sweet just wrapped up her first month on the job as administrator of the Small Business Administration (SBA) and has already set up a goal for the remainder of her term: getting capital to the small businesses that need it.

At an address to the National Association of Guaranteed Government Lenders last week, she said a major part of achieving that goal was to throw more support behind minority-owned businesses.

According to the Department of Commerce, minority-owned businesses with gross receipts of \$500,000 or less were three times more likely to be turned down for a business loan than their non-minority-owned counterparts. Loan denial rates for larger firms are twice as high for minority-owned businesses.

"We know that SBA lending to African-Americans, Asian-Americans, Native Americans, Hispanic Americans--and women-owned businesses--can lift up entire communities," she said. "I'm determined to do more to get loans into those underserved communities hit hardest by the recession."

A study conducted by the Urban Institute found that women and minorities are three to five times more likely to be approved for an SBA-backed loan than a traditional loan because of the guarantee the government provides. Four of every five loan applications received from Hispanic and African-American business owners are for \$150,000 or less.

Contreras-Sweet also said the SBA plans to roll out SBA One, which she described as "TurboTax for business lending," that will provide one set of forms, services and data management to thousands of SBA lending partners.

"We'll create a single portal that's a one-stop shop for eligibility, underwriting, closing, loan modification, servicing, and purchase. It will automate the upload of documents. It will automate the generation of forms. It will automate credit scoring. And it will automate electronic signatures," she said. "SBA One will streamline and simplify our lending process."

The Credit Union National Association supports a goal of increasing small business access to capital through the reduction of statutory and regulatory impediments, such as enabling full credit union participation in the SBA's Section 504 programs.

CUNA has urged Congress to increase the member business lending (MBL) cap to 27.5% of assets from 12.25%. CUNA has estimated that lifting the MBL cap would create 140,000 jobs and inject \$13 billion in new funds into the economy, at no cost to taxpayers.

[Contreras-Sweet remarks](#)

Source: CUNA News Now

New - May 9: IRS Form 1042 - FATCA

IRS releases 2014 Instructions for Form 1042:

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 Heimbeck at: mheimbeck@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

- [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](#)

Form 1042 for 2014 has been modified from prior years for withholding agents who are making payments and withholding amounts under the new FATCA requirements. The revised instructions are available [here](#).

Source: CUNA CompBlog

Treasury Allows "Transition Period" for FATCA Compliance

The Treasury Department issued Notice 2014-33 to allow calendar years 2014 and 2015 to be considered a "transition period" for purposes of the IRS enforcement of some of the new FATCA rules.

According to the notice, an entity that has not made good faith efforts to comply with the new requirements will not be given any relief from IRS enforcement during the transition period.

For more information see [Notice 2014-33](#).

Source: CUNA CompBlog

Q&A: NLRB's Employees' Rights Poster

Q: What ever happened to the National Labor Relation Board's (NLRB) employees' rights poster that was supposed to be required in workplaces in 2011? I know it was delayed due to legal challenges, what's the latest?

A: Private employers will not be required to post the NLRB's notice of employee rights in the workplace. As you noted, the NLRB had issued a rule in 2011 requiring most private-sector employers to post a notice telling employees of their rights under the National Labor Relations Act. The requirement was scheduled to go into effect in April 2012, but it was held up by legal challenges. The Fourth Circuit Court of Appeals and the D.C. Circuit Court both struck down the requirement. On January 6th, the NLRB gave up its battle to require employers to post the notice when it announced that it will not seek Supreme Court review of the Appeals Court decisions.

The Department of Labor's website states: "Appellate courts have enjoined the NLRB's rule requiring the posting of employee rights under the National Labor Relations Act. However, employers are free to voluntarily post the notice, if they wish."

You can access the [NLRB's Poster here](#).

Source: CUNA CompBlog

Advocacy Highlights

The CFPB released a privacy proposal last week that would provide a measure of relief from sending annual privacy notices to consumers. The proposal would amend Regulation P to provide an alternative delivery method for the annual privacy notice, which credit unions would be able to use under certain circumstances. This alternate delivery method would only be available to credit unions and other financial institutions that do not share a consumer's nonpublic personal information with non-affiliated third parties in a manner that triggers opt-out rights.

The CFPB is accepting comments for 30 days following publication of the proposal in the Federal Register. Please review [CUNA's Regulatory Call to Action](#) and provide feedback by June 2.

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

Reminder!

Town Hall Meeting

with Rick Metsger, NCUA Board Member

Monday, June 9th starting at 1:30 p.m.

Denver Community Credit Union - Community Room
1041 Acoma Street Denver, CO

[Training & Events Calendar](#)

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 28, 2014~NCUA

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

May 30, 2014~CFPB

[Amendments to the 2013 Mortgage Rules Under the Truth in Lending Act \(Reg Z\)](#)

June 2, 2014~CFPB

[Amendments to Annual Privacy Notice/Disclosures](#)

June 9, 2014~NCUA

[Annual Regulatory Review List](#)

June 23, 2014~NCUA

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

CUNA Webinars

May 19

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

May 21

[Mortgage-Backed Securities](#)

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 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

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?](#)

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July 9

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

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July 30

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

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@mwcu.com with any questions or concerns regarding content of this newsletter.

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