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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.

**Has your credit union determined whether or not you will be requiring the member's signature on the Loan Estimate and created procedures to ensure consistency with your decision?**

See today's lead article below.

## Regulatory Compliance News



**MOUNTAIN WEST**  
Credit Union Association

May 29, 2015

### Compliance News

Now that many of your credit unions are in the process of making final decisions on the new forms required under the TILA-RESPA Integrated Disclosure Rule you may have noticed that §1026.37(n)(1) and (2) allows a credit union to choose whether or not to include the Confirm Receipt section of the Loan Estimate. A member's signature is not required on the Loan Estimate and therefore a credit union may choose to eliminate this section of the form.

If you choose not to include the Confirm Receipt section of the form, be aware that you ARE STILL REQUIRED to include the statement, "You do not have to accept this loan because you have received this form or signed a loan application." This statement must appear at the bottom of the third page after the Other Considerations paragraph.

Regardless of your choice about including the Confirm Receipt section of the Loan Estimate, it is important to have solid procedures and training for all applicable staff regarding signatures of this form. Given that credit unions use multiple delivery mechanisms (mail, electronic, in person) for the Loan Estimate, it will be critical to have consistency with signatures, regardless of delivery method. Inconsistencies within loan files raise concerns for examiners and can be an indicator of discriminatory practices.

### NCUA Issues Letter to Credit Unions Regarding Taxi Medallion Lending

Taxi medallion lending is a valuable member service provided by certain credit unions with expertise in this form of member business lending which entails some unique risks. Recently, market forces have contributed to a significant increase in medallion values in several major metropolitan markets. As a result, credit unions that offer or participate in these loans can be exposed to increased risk.

A Letter to Credit Unions issued in April of 2014 ([14-CU-06](#)) provided a [Supervisory Letter](#) regarding the taxi medallion industry and lending requirements. In response to receiving many questions for clarification regarding financial reporting of taxi medallion loans, methods for valuing taxi

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medallions, and influences on the value of the medallions as collateral, the NCUA has issued Letter [15-CU-03](#), which contains Frequently Asked Questions about this form of lending.

#### NCUA grant applications

The NCUA has [announced](#) that up to \$2 million will be available to low-income credit unions in the second round of Community Development Revolving Loan Fund grants for 2015.

#### NCUA Report

The NCUA has [posted](#) the May 2015 issue of the NCUA Report.

#### NCUA Board Action Bulletin

The NCUA has posted a [Board Action Bulletin](#) to announce the actions taken at its May 21, 2015 board meeting.

*Source: NCUA*

### CFPB Posts Spring 2015 Rulemaking Agenda

The CFPB has posted an article with an overview of the agency's current rulemaking agenda, including the following major initiatives:

- Updates to HMDA
- TILA and RESPA integrated disclosures
- Dodd-Frank mortgage reform implementation rules
- Prepaid financial products
- Payday, auto title, and certain other loans
- Overdrafts
- Larger participants
- Debt collection
- Arbitration

You can get the full agenda [here](#).

*Source: CFPB*

### Class-Action Lawsuits Target CU Overdraft Programs

A new wave of class-action lawsuits may be headed CU's way, and this time they target overdraft programs. Some say the lawsuits could lead to large losses in court.

Moreover, losses sustained from the suits would not be insurable, according to CUNA Mutual Group, which recommends that CUs make sure disclosures sufficiently and accurately describe the credit union's overdraft practices.

CUNA Mutual reports that it is aware of four credit unions in California that have been hit with the lawsuits regarding their overdraft practices, noting that the lawsuits are not all coming from one legal firm. According to CUNA Mutual, the lawsuits against the credit unions allege that the fees are being improperly assessed on the available balance instead of the actual balance, the CU's fee structure has not been clearly communicated, and that members are not being provided with accurate available balance information.

Some CUs assess overdraft fees based on the members' available balance, rather than on the actual balance. CUNA Mutual Group explained that the suits allege that this situation causes confusion and may mislead members because assessing the fee on the available balance could lead to situations where overdraft fees are assessed even though the actual balance may not go negative.

Click [here](#) for entire article.

*Source: CU Today Info*

## Advocacy Highlight

### CUNA Shares Information on Credit Card Market with CFPB

On May 18, 2015, CUNA filed a [comment letter](#) on the CFPB's review of the

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**The ACH Network** is a highly reliable and efficient nationwide batch-oriented electronic funds transfer system governed by the NACHA OPERATING RULES which provide for the interbank clearing of electronic payments for participating depository financial institutions. The Federal Reserve and Electronic Payments Network act as ACH Operators (central clearing facilities) through which financial institutions transmit or receive ACH entries. ACH payments include:

- Direct Deposit of payroll, Social Security and other government benefits, and tax refunds;
- Direct Payment of consumer bills such as mortgages, loans, utility bills and insurance premiums;
- Business-to-business payments;
- E-checks;
- E-commerce payments;
- Federal, state and local tax payments.

**NACHA - The Electronic Payments Association** is the not-for-profit association that oversees the Automated Clearing House (ACH) Network and provides the legal foundation for the rules and guidelines, known as The NACHA Operating Rules.

**Regional Payments Associations** are, in most cases, not-for-profit trade associations whose main membership includes the banks and credit unions within their territory. Credit union members of a specific Regional Payments Association may contact their representative for regarding ACH Rules interpretation and operational support, payments system education, marketing support and guidance, and publication sales. Membership classifications and eligibility requirements vary by Regional Payments Associations.

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

### CU Compliance Connection – Mortgage Amendments

View this presentation to learn about the 2015 Mortgage amendments, including an overview of monetary thresholds in the CFPB rules associated with consumer pricing indexes, as well as some effective rules that may impact your mortgage lending policies and procedures. Click [here](#) for the video.

credit card market. The CFPB's review includes 12 topic areas related to the consumer credit card market. However, last week, the Bureau [extended](#) the comment deadline until June 17 for input on four of these areas:

- online disclosures,
- grace periods,
- add-on products, and
- debt collection.

CUNA's letter emphasizes the pro-consumer mission of credit unions, while at the same time stating that "it is reasonable for credit unions to assess appropriate fees and charge appropriate interest rates" for the services they offer.

The CFPB has acknowledged, and CUNA agrees, that overly complex disclosures tend to be less effective in informing the consumer about the terms of a financial product. However, CUNA asks the CFPB to continue to look for ways in which to improve disclosures, as they relate not only to the consumer but also to affected financial institutions. CUNA's letter urges the Bureau to be mindful of the regulatory constraints credit unions are currently facing from the CFPB and other federal financial regulators.

Click on the "[Provide feedback here \(by 06/03/2015\)](#)" link to further comment on this item.



#### [Training & Events Calendar](#)

#### June 4

Webinar: [Commercial Loan Application Danger Zones](#)

#### June 9

Webinar: [BSA Officer Reports to the Board](#)

#### June 10

Webinar: [Countdown to the Integrated Disclosure Deadline: August 1, 2015](#)

#### June 11

[Compliance Networking Council](#) – Casper, Denver, Phoenix

#### June 18

Webinar: [Stress Testing Your Loan Portfolio: Regulations, Risks & Impact on Value](#)

#### June 24

Webinar: [Credit Union Basics for New Employees Part 2: Regulatory Issues, Exams, Audits](#)

#### July 7

Webinar: [Compliance Regulations for the Frontline](#)

#### July 8

Webinar: [Managing E-SIGN, E-Statements & E-Disclosures](#)

#### July 15

Webinar: [Understanding the Board's Role in Cyber Security Risk](#)

#### July 22

Webinar: [Developing Your UDAAP Program: Policy, Procedures, Risk Assessment & Audit](#)



CUNA Regulatory Advocacy Report  
Delivering the regulatory news important to credit unions

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 the current report and past reports from the archive.



#### [Compliance Calendar](#)

#### May 16

• [IRS Form 990 Due](#)

#### 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](#)

#### July 24

• [5300 Call Report Due to NCUA](#)

#### August 1

• [CFPB: Know Before You Owe Disclosure - Effective Date](#)

#### August 1

• [CFPB: Integrated Mortgage Disclosures - Effective Date](#)

#### September 7

• [Labor Day – Federal Holiday](#)

#### September 18

• [NACHA's Return Rate Levels & Reinstated Transactions Rule](#)

#### CUNA Comment Calls – Due Dates on Proposed Rules

#### May 1, 2015~NCUA

[Small Entity Definition](#)

#### May 1, 2015~Federal Reserve

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

#### May 7, 2015~CFPB

[Consumer Complaint Database](#)

#### June 3, 2015~CFPB – Deadline Extended

[Credit Card Market Review](#)

#### June 22, 2015

[Dept of Labor Proposal to Define Fiduciary](#)

#### July 8, 2015~NCUA

[NCUA's Proposed Share Insurance/IOLTA Rule](#)

#### July 13, 2015~NCUA

[2015 Annual NCUA Regulatory Review List](#)

**July 30**

Webinar: [Regulatory Oversight of Third-Party Vendors: Due Diligence, Management & Contracts](#)

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### **Archived Webinar Offerings:**

Webinar: [The TILA/RESPA Integrated Disclosure Line-by-Line Part 1: Loan Estimate](#)

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

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### **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](#)

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### **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](#)

**June 25**

Webinar: [Use of Loan Guaranties Instead of Co-Signers](#)

**July 21**

Webinar: [What is New in Mortgage Lending Compliance](#)

**August 11 - 13**

Webinar: [Performing Your ACH Audit and ACH Risk Assessment Series](#)

**August 25 – December 31**

[CUNA Regulatory Compliance Update eSchool](#)

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

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