



Compliance News

Fed to Host Webinar on TILA-RESPA Integrated Disclosures

The Federal Reserve will host a webinar to discuss the new Truth in Lending Act-Real Estate Settlement Procedures Act Integrated Disclosures rule from 2 to 3 p.m. (ET) June 17.

The webinar, presented by the Consumer Financial Protection Bureau, will be the first in a series to address the new rule as it is implemented by financial institutions over the next year.

The session will provide an overview of the final rule and the new disclosures, as well as address basic compliance questions. Subsequent webinars will address implementation and interpretive questions about the rule.

The CFPB announced the webinars are meant to consolidate and address questions "in a way that promotes consistent understanding of the rules and provides a resource that stakeholders may reference."

The new rule consolidates existing mortgage disclosures required under TILA and RESPA into two integrated forms to make it easier for consumers to understand and locate key information. The rule also integrates the substantive and procedural requirements for providing disclosures to consumers.

Use the links below for registration and more information.

[CFPB webinar registration](#)

[CFPB TILA-RESPA Integrated Disclosure resource center](#)

Source: CUNA News Now

Fannie Mae Updates Unemployment Forbearance Requirements

Fannie Mae has updated the requirements for its Unemployment Forbearance program, which allows borrowers to have their payments temporarily reduced or suspended in the event they become unemployed. The updated rules allow loan servicers to approve the use of the program without Fannie Mae's approval.

A borrower can be approved for the Fannie Mae Unemployment Forbearance Program by the loan servicer if:

- The borrower's mortgage payment is in imminent default or the mortgage loan delinquency is less than or equal to 12 months as of the evaluation date; and
- All other applicable Unemployment Forbearance eligibility requirements from the Fannie Mae servicing guide are met.

The initial forbearance period is the lesser of six months or upon notification from the borrower of re-employment.

Loan servicers may not offer forbearance for more than six consecutive months while the mortgage remains in their mortgage-backed securities pool. After the sixth consecutive month, it must be removed from the pool.

In its official announcement, Fannie Mae encourages mortgage servicers to implement the revised policy immediately, but it must be implemented no later than Sept. 1.

Source: CUNA News Now

Compliance Team

[Mark Robey](#)

Sr. VP of Regulatory Affairs

Phone: 800-477-1697, ext. 3327

Direct: 720-479-3327

[Melja Heimback](#)

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](#)

Compliance Coordinator

Phone: 800-477-1697, ext. 3821

Direct: 720-479-3821



ATM: Americans with Disabilities Act Requirements

The Justice Department is responsible for issuing Americans with Disabilities Act (ADA) regulations.

Any credit union with an Automated Teller Machine (ATM) is required to meet the standards defined by the U.S. Access Board's Accessibility Guidelines. These guidelines have specific requirements for ATMs to meet regarding such things as height, input devices, and approach space. Failure to meet these standards can result in civil fines and injunctions requiring compliance.

Listed below are some of the requirements for ATMs that are defined in § 707 Automated Teller Machines and Fare Machines:

- Clear floor or ground space – The minimum space is 30 inches (760 mm) by 48 inches (1220 mm), to provide a parallel approach by a wheelchair user. This standard is not applicable to drive-up only ATMs.

CFPB Sets Spring Rulemaking Agenda

The Consumer Financial Protection Bureau has released its spring rulemaking agenda, as required under the Regulatory Flexibility Act. Items in the agenda are considered in the pre-rule stage, proposed rule stage or final rule stage.

The agenda is as follows:

- **Mortgages:** The CFPB recently convened a small business review panel to discuss potential amendments to the Home Mortgage Disclosure Act. They also plan to focus on implementing a Dodd-Frank Act directive to consolidate and streamline federal mortgage disclosures required under the Truth in Lending Act and Real Estate Settlement Procedures Act. They will also address clarifications and amendments to the 2013 mortgage rules.
- **Defining "larger participants":** Implementation of their supervisory program for certain nonbank entities by defining "larger participants" in various markets for consumer financial products and services. The CFPB has previously defined larger participants in consumer debt collection, credit reporting and student loan servicing and are in the process of finalizing a rule defining larger participants in the international money transfer market.
- **Debt collection:** An assessment of issues in various other markets for consumer financial products. In November, the CFPB issued an advance notice of proposed rulemaking seeking comment, data, and information from the public about debt collection and received more than 23,000 comments.
- **Payday loans and prepaid cards:** Researching and considering whether rulemaking is needed in the areas of payday and deposit advance products, as well as consumer overdraft products. The CFPB released a report that analyzed payday lending and found that four of five payday loans are rolled over or renewed within 14 days. They also hope to issue a proposed rule to strengthen consumer protections for the prepaid cards.
- **Privacy disclosures:** The CFPB also expects to issue a proposal regarding notices that consumers receive each year from their financial institutions to explain their information sharing policies.

Portions of the agenda will be published in the *Federal Register*, and the complete CFPB spring 2014 rulemaking agenda can be found by clicking [here](#).

Source: CUNA News Now

Agencies Clarify NFIP Maximum Building Coverage Limit

Several federal agencies, including the National Credit Union Administration, have released a statement raising the National Flood Insurance Program (NFIP) maximum limit of building coverage available to \$500,000 from the previous amount of \$250,000.

Coinciding with Sunday being the official start of hurricane season, this rule applies to non-condominium residential buildings designed for use for five or more families. The maximum content coverage for policies covering such buildings will remain at \$100,000 per policy.

The Federal Deposit Insurance Corp. (FDIC), Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve, Farm Credit Administration and NCUA jointly issued the statement.

The change comes as a result of the Biggert-Waters Flood Insurance Reform Act of 2012, which extended the NFIP's authority through September 2017, and mandated major flood insurance reforms, including phasing out subsidies for many properties and raising the cap on annual premium increases.

The new coverage limits are available for new policies, policy renewals, or existing policies with change endorsements effective on or after June 1. The increase in the maximum amount of coverage available under the NFIP could affect the minimum amount of flood insurance required for both existing and future loans secured by buildings.

The release also states that "If, as a result of the increase in the maximum limit of building coverage for these buildings, a lender or its servicer determines on or after June 1, 2014, that the building securing the designated loan is now covered by flood insurance in an amount less than required by federal flood insurance regulation, it should take steps to ensure that the borrower obtains sufficient coverage, including force placing insurance pursuant to federal law."

If the borrower fails to obtain sufficient coverage within 45 days of notification, the lender or purchaser must purchase coverage on the borrower's behalf. The lender or its servicer may charge the borrower for the cost of premiums and fees incurred, including premiums and fees incurred for coverage beginning on the date on which flood insurance coverage did not provide a sufficient coverage amount.

- **Privacy – ATMs must provide the opportunity for the same degree of privacy of input and output available to all individuals.** In addition, individuals, who are visually impaired, have limited reach, use wheelchairs, or are short may not be able to effectively block the ATM screen with their bodies and may prefer to use speech output. They also could benefit from an option to render the visible screen blank, thereby affording them greater personal privacy.

Display screen – It must be visible from a point located 40 inches (1015 mm) above the center of the clear floor space in front of the machine. (This does not apply to drive-up only ATMs). Characters displayed on the screen must be in a sans serif font and a minimum of 3/16 inch (4.8 mm) high. Characters also must contrast with their background with either light-on-dark background or dark-on-light background.

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 Heimbuck at: mheimbuck@mwcua.com or (720) 479-3325 or 1 (800) 477-1697 ext. 3325

2014 Compliance Calendar

July 4

- [Independence Day – Federal Holiday](#)

July 31

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

September 1

Click [here](#) for the interagency statement on increased maximum flood coverage (PDF).

Source: CUNA News Now

CFPB Changes Date for Pre-Rule Activities Relating to Overdraft Practices (Updated June 4, 2014)

The Consumer Financial Protection Bureau (CFPB) has changed the date for further pre-rule activities on overdraft practices in its Spring 2014 rulemaking agenda and moved the date to February 2015.

The CFPB's analysis is meant to build off a June 2013 white paper summarizing the CFPB's initial findings of overdraft practices, taken from supervisory data from nine large banks.

According to its initial reports, this white paper "highlighted a number of possible consumer protection concerns, including how consumers opt in to overdraft coverage for ATM and one-time debit card transactions, overdraft coverage limits, transaction posting order, overdraft and insufficient funds fee structure, and involuntary account closures."

The official Spring 2014 list of agency rules posted by the Office of Information and Regulatory Affairs states that an analysis of overdraft regulations is considered to be in the "pre-rule stage."

Source: CUNA News Now

Visa Announces New Prepaid Card Designation

Visa Inc. announced Tuesday a new designation for reloadable prepaid cards, aiming to simplify fees and improve consumer protection. The designation was developed in conjunction with the Center for Financial Services Innovation and The Pew Charitable Trusts.

Simplified fees mean that cardholders will be charged a flat monthly fee that includes all basic activities. No fees will be charged for declined transactions, customer service, in-network ATM withdrawals, balance inquiries, PIN or signature transactions, or overdrafts.

There will also be a quick-use guide provided to consumers to find the lowest-cost way to use the prepaid cards.

Other consumer protections on the cards include:

- Individual National Credit Union Administration or Federal Deposit Insurance Corp. insurance required;
- Dispute resolution rights under the Federal Reserve's Regulation E;
- Coverage under Visa's zero liability policy; and
- Access to Visa's Prepaid Clearinghouse Services to mitigate prepaid card fraud.

Prepaid programs must meet a set of standards to qualify for the new Visa prepaid designation and identification seal.

Visa also announced that it will aim "to keep prepaid at the forefront of financial services innovation," which includes working with industry leaders to improve consumer financial health through education, new products and ways to safely build credit.

It also plans to work with other card networks to introduce a global tokenization standard to enhance security of digital payments, particularly for shopping on smartphones, tablets and other devices.

Source: CUNA News Now

Advocacy Highlights

The deadline to submit a comment letter to NCUA on the agency's proposed rule for Associational Common Bond and Field of Membership Requirements is rapidly approaching. CUNA requests feedback by June 23 and comment letters are due to NCUA by June 30. This is a very important proposal for any federal credit union that has associations in its field of membership (FOM). Important highlights in the proposed rule include:

- A new "threshold" requirement, which is an express prohibition that an association cannot be formed primarily for the purpose of expanding credit union membership;
- Location requirements added to the "totality of the circumstances test";
- Requirement that an association be in operation for more than one year before being added to a FOM;
- Information on NCUA's "quality assurance review" of existing associations;
- Pre-approved groups that can be automatically added to a credit union's FOM.

There are a number of positive elements of the proposal but it has raised serious concerns as well. These include that if the proposal is adopted, federal credit unions would be limited in their use of associational common bonds. CUNA is encouraging federal credit unions that have associational

• [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](#)

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

June 23, 2014~NCUA

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

July 14, 2014~CFPB

[Annual Privacy Notice Requirements Under GLBA](#)

CUNA Webinars

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

August 10 - 14

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

September 14 - 19

[CUNA Regulatory Compliance School](#)

fields of membership or include an association FOM in their common bond to provide information to us on how this rule will impact you. The Comment Call is available [here](#). Credit union questions or comments can be directed to Lance Noggle at lnoggle@cuna.com.

Source: CUNA



This week's Regulatory Advocacy Report will bring you up to speed on the following issues we are working for on your behalf:

- RBC Front and Center as NCUA Continues to Sort Through Record Number of Comment Letters
- Associational Common Bond and Field of Membership Requirements Comment Deadline
- Federal Reserve Announces New Collateral Margins Table for Discount Window and Payment System Risk Purposes; Potential Effects on Credit Unions
- CUNA Files Comment Letter on Reg Z Mortgage Proposed Amendments
- CFPB's Chopra Alerts Congress to Major Concerns Related to Graduates' High Debt-to-Income Ratios
- Minimum Requirements for Appraisal Management Companies
- Department of Defense Report to Congress on MLA
- CUNA Supports Recent VA Rule Defining "Qualified Mortgage"
- CUNA Submits Comments on CFPB International Remittance Transfers Rule
- Second Circuit Reverses District Court's Denial of SEC Citigroup Mortgage Settlement

Be sure to visit our new [Risk-Based Capital blog](#) for the latest from CUNA staff and guest bloggers.

[Introduction & Update](#), Chicago, IL

October 26 - 29

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



[Training & Events Calendar](#)

June 18

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

June 19

[Compliance Networking Council – Registration Form](#)

June 24

[Webinar: Reg F & Debit Card Error Resolution: Processing, Disclosure & Investigation](#)

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](#)

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)