

TILA-RESPA Integrated Disclosure Rule

With one of the most sweeping regulatory changes for credit unions in decades now just over 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.

85

Days until
October 3, 2015

Does your plan indicate if you will use model disclosure forms and language contained in the regulatory guidance or if you will develop your own?

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

July 10, 2015

Compliance News

Adding Associations to Your Field of Membership (FCUs)

The NCUA has updated the Field of Membership to include – effective July 6, 2015 – automatic approval of 12 categories of associations:

- Alumni associations;
- Religious organizations, including churches or groups of related churches;
- Electric cooperatives;
- Homeowner associations;
- Labor unions;
- Scouting groups;
- Parent-teacher associations organized at the local level to serve a single school district;
- Chamber of Commerce groups (members only, not employees of members);
- Athletic booster clubs whose members have voting rights;
- Fraternal organizations or civic groups with a mission of community service whose members have voting rights;
- Organizations with a mission based on preserving or furthering the culture of a particular national or ethnic origin; and
- Organizations promoting social interaction or educational initiatives among persons sharing a common occupational profession.

If your federal credit union (FCU) serves associations in your field of membership, or is contemplating doing so, you will benefit from the new NCUA guidance describing its modernized associational common bond rule. Additional information may be found in the recent [NCUA Letter](#) to Federal Credit Unions, just issued this month.

The guidance confirms that a credit union may continue, after the effective date of the rule, to add members from associations that were added to its field of

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Association Compliance Forums

Click on one of the below links to subscribe

[Compliance Forum](#)

[BSA Compliance Officer Forum](#)

Please provide the subscriber's name, credit union, title and email address. The subscriber will receive a welcome e-mail that details how to access the forum.

membership prior to the effective date of the new rule. We also received an e-mail from the Director of the Division of Consumer Access in the NCUA's Office of Consumer Protection confirming this as well.

Source: NCUA

NCUA Hosting Webinar on Compliance

Keeping pace with regulatory changes is important, and an upcoming National Credit Union Administration webinar, "Fine-Tuning Your Compliance Program: Common Compliance Violations," will provide valuable information about best practices for avoiding violations.

The webinar is scheduled for Tuesday, July 21, beginning at 2 p.m. Eastern. There is no charge. Qualifying attendees will be offered a certificate of attendance.

The webinar will be hosted by Diane Rector, training manager with NCUA's Office of Small Credit Union Initiatives, and Kathryn Baxter, Office of Small Credit Union Initiatives program manager. They will be joined by:

- Judy Graham, program officer with NCUA's Office of Examination and Insurance;
- Patrick Truett, information systems officer with the Office of Examination and Insurance;
- Matt Nixon, program officer with NCUA's Office of Consumer Protection;
- Jiji Bahhur, director of regulatory compliance for the National Association of Federal Credit Unions; and
- Bernadette Clair, senior regulatory compliance counsel for the National Association of Federal Credit Unions.

The panel will discuss how credit unions can navigate common compliance issues and examine various compliance areas of interest.

Online registration is [available here](#). Participants will use the same link to log into the webinar. Registrants should allow pop-ups from this website. The webinar will last 90 minutes.

Participants may submit questions in advance at WebinarQuestions@ncua.gov. The subject line of the email should read, "Compliance Violations."

Participants with technical questions about accessing the webinar may email audience.support@on24.com. This webinar will be closed captioned and then [archived here](#) approximately three weeks following the live event.

NCUA's [Office of Small Credit Union Initiative](#) fosters credit union development and the effective delivery of financial services for small credit unions, new credit unions, minority depository institutions and credit unions with a low-income designation.

Source: NCUA

CFPB Nears Landmark Victory Against Three Large Auto Lenders

Three of the nation's largest indirect auto lenders are poised to limit discretionary pricing for dealers after regulators accused them of allowing partners to mark up loans at higher rates to minorities, according to confidential documents.

In proposed consent orders obtained by *American Banker*, the Consumer Financial Protection Bureau is planning to cite American Honda Finance Corp., Toyota Motor Credit Corp. and Nissan Motor Acceptance Corp. beginning as early as July for unintentional discrimination.

If approved and signed, the orders would require all three firms to pay remuneration to affected consumers, but could forgo civil money penalties in return for changing how much flexibility they give dealer partners to mark up the cost of an auto loan. Though the CFPB cannot directly supervise auto dealers, it has been scrutinizing indirect auto lenders' policy of allowing price



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Field of Membership

Federal credit unions may have one of four types of charters, defining its common bond/field of membership that they may serve. For a complete description of the rules and procedures regarding each charter type, credit unions should refer to the [NCUA Chartering and Field of Membership Manual](#) (FOM Manual) (Interpretive Ruling and Policy Statement (IRPS) 03-1), as amended by IRPS 06-1, Organization and Operations of Federal Credit Unions.

Briefly, the four types of charters are:

- **Single-occupational common bond:** If a credit union serves a single-occupational sponsor, such as ABC Corporation, it will be designated as an occupational credit union. A single occupational common bond credit union may also serve a trade, industry, or profession (TIP), such as all teachers.
- **Single-associational common-bond:** If a credit union serves a single associational sponsor, such as The Ohio State University Alumni Association, it will be designated as an associational credit union.
- **Multiple-occupational/associational common-bond:** If a credit union serves more than one group, each of which has a common bond of occupation and/or association, it will be designated as a multiple-common-bond credit union. A multiple common-bond federal credit union may include in its field of membership, without regard to location, communities satisfying the definition of underserved areas in the Federal Credit Union Act. Adding an underserved area will not change the charter type of the multiple-common-bond federal credit union. More than one multiple-common-bond credit union can serve the same underserved area.

discretion to partners, arguing it often results in minorities paying more.

Under the proposed deals, Honda, Toyota and Nissan's financing arms would agree to cut the price discretion that they offer dealers by roughly half of their current rates. While sources caution that the orders could still change because they are not yet finalized, such an agreement would be a significant victory for the CFPB, which until now [has struggled](#) in its efforts to curb pricing discretion.

"If the CFPB can get the lenders to cut the caps — as unpalatable as that may be from a business perspective — you address what the CFPB sees as the systemic problem. It basically gets them closer to the fixed-rate option that the agency has pushed for," said Joe Rodriguez, of counsel at Morrison & Foerster, who formerly worked in the CFPB's fair-lending group.

Source: American Banker

Advocacy Highlight

In mid-May, the CFPB launched a public inquiry into student loan servicing practices that could "make paying back loans a stressful or harmful process for borrowers." According to the CFPB's press release, consumers are experiencing problems associated with servicing transfers, payment posting, lost records, correcting errors, and a general lack of customer service. To address these concerns, the CFPB is seeking information from borrowers, lenders, loan servicers, and other interested parties on:

- Industry practices that create repayment challenges: whether billing error dispute processes harm consumers; whether financial institutions apply payments in a way that maximizes fees or increases the amount of interest paid; and if servicers provide the borrower enough information when transferring a loan.
- Hurdles for distressed borrowers: whether servicers' policies and procedures result in borrowers paying more fees or prolonging repayment.
- Economic incentives that might affect the quality of service: whether student loan servicers have adequate economic incentives to enroll borrowers in flexible repayment options or help them avoid default. The deadline for submitting comments is July 13, 2015. [Docket No. CFPB-2015-0021]. Visit <http://www.regulations.gov/#!submitComment;D=CFPB-2015-0021-0001> to submit a comment.

Source: CFPB



[Training & Events Calendar](#)

July 15

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

July 22

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

July 29

Webinar: [Does Your Originator Agreement Meet NACHA Rule Requirements?](#)

July 30

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

August 5

Webinar: [Fair Lending Comparative File Review](#)

August 12

Webinar: [Best Practices for Commercial Lending & Commercial Loan Portfolios](#)

Community: A community charter is based on a single, geographically well-defined local community, neighborhood, or rural district where individuals have common interests and/or interact.

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



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](#)

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

September 7

⬆ Labor Day – Federal Holiday

September 18

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

October 3 – Proposed Delayed Effective Date

⬆ CFPB: Know Before You Owe Disclosure - Effective Date

October 3 – Proposed Delayed Effective Date

⬆ CFPB: Integrated Mortgage Disclosures - Effective Date

October 12

⬆ Columbus Day – Federal Holiday

October 23

⬆ 5300 Call Report Due to NCUA

November 1

⬆ Daylight Savings Time Ends

November 11

⬆ Veterans Day - Federal Holiday

November 26

⬆ Thanksgiving Day – Federal Holiday

CUNA Comment Calls – Due Dates on Proposed Rules

June 22, 2015~Department of Education
[Dept of Ed Proposal on Student Loans](#)

August 19

Webinar: [Website & Social Media Compliance](#)

August 20

Webinar: [Garnishments, Subpoenas, Summonses, Levies: Handling Official Demands for Member Funds](#)

MWCUA Regulatory Compliance & BSA School

As a credit union compliance professional, you face an increasingly complex regulatory environment and challenging compliance issues. Plan to attend the Mountain West Regulatory Compliance and BSA School with compliance expert Ty Parker, where you will receive a solid understanding of the regulations and laws affecting your regulatory compliance responsibilities. The class will take place on September 9-10 in Denver, CO, and October 20-21 in Phoenix, AZ. For program summary and registration details, click on the link of the program nearest you below:

[September 9-10: Denver, CO](#)

[October 20-21: Phoenix, AZ](#)

Scholarships are available through Mountain West Credit Union Foundation. Click [here](#) to view the Scholarship Application.

CUNA Schools and Webinars

July 21

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

July 22

[CUNA Marketing Compliance eSchool](#)

August 11 - 13

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

August 25 – December 31

[CUNA Regulatory Compliance Update eSchool](#)

June 24, 2015~CFPB

[Student Loan Servicing RFI](#)

June 26, 2015~Federal Reserve Board

[Comment on Same-Day ACH](#)

July 5, 2015~CFPB

[Delay of Integrated Mortgage Disclosures Rule Under the Real Estate Settlement Procedures Act \(Reg X\) and the Trust in Lending Act \(Reg Z\) and Amendments](#)

July 8, 2015~NCUA

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

July 13, 2015~DOL

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

July 13, 2015~NCUA

[2015 Annual NCUA Regulatory Review List](#)

Effective Dates New and Revised Rules

October 3, 2015~CFPB – *Proposed Delayed Effective Date*

[TILA-RESPA Integrated Disclosure Rule](#)

December 31, 2015~IRS

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

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

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