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

Days until
October 3, 2015

The CFPB issues *final rule* to delay the effective date of the TILA-RESPA Integrated Disclosure Rule and Amendments until October 3, 2015.

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

July 24, 2015

Compliance News

Outlook Live Webinar Scheduled

The [Federal Reserve's "Outlook Live" conference series continues](#) with a webinar on Common Violations and Hot Topics on Wednesday, July 29 at 2 p.m. EDT. Senior Federal Reserve staff will focus on areas where substantive and/or common violations occur, including:

- Home Mortgage Disclosure Act (Regulation C)
- Equal Credit Opportunity Act (Regulation B) - Spousal Signatures
- Flood Disaster Protection Act of 1973
- Unfair and Deceptive Acts or Practices Act (UDAP)

Source: CUNA

CFPB 'Complaint Snapshot'

The CFPB has announced the first in a new series of monthly reports to highlight key trends from consumer complaints submitted to the Bureau. The monthly report will spotlight a particular product and location and provide complaint data on company performance, complaint volume, state and local information, and product trends. The first edition features debt collection complaints and complaints from consumers in the Milwaukee, Wisconsin area.

Auto Loan Pricing

Consent Orders have been filed by the [CFPB](#) and [DOJ](#) concerning American Honda Finance Corporation discretionary auto loan pricing and compensation practices. A joint CFPB and DOJ investigation began in April 2013 of Honda's indirect auto lending compliance with the Equal Credit Opportunity Act, which prohibits creditors from discriminating against loan applicants in credit transactions on the basis of characteristics such as race and national origin. The investigation concluded that Honda's policies resulted in thousands of minority borrowers paying higher dealer markups from \$150 to over \$250 more for auto loans. Under the CFPB order, Honda must substantially reduce or eliminate entirely dealer loan pricing discretion, pay \$24 million in damages for consumer harm, and administer the distribution of those funds to victims. Under the DOJ

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](#)

Coordinator Association Services/Compliance

Phone: 800-477-1697, ext. 3281

Direct: 720-479-3281

Association Compliance Forums

Click on one of the below links to subscribe

[Compliance Forum](#)

[BSA Compliance Officer Forum](#)

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Order, Honda will also pay \$1 million to fund a consumer financial education program focused on consumer auto finance that is designed to benefit African-American, Hispanic and Asian/Pacific Islander populations. [Read CFPB's announcement.](#)

Source: CFPB

CFPB's Fifth TRID Webinar Available

Part 5 of the CFPB's TILA/RESPA webinar series is now available for viewing [here](#). This fifth and final webinar addresses specific questions related to rule interpretation and implementation challenges that have been raised to the CFPB by creditors, mortgage brokers, settlement agents, software developers, and other stakeholders. In particular, this session covers industry questions relating to operations and technology challenges.

Recordings of the previous webinars in the TILA/RESPA series are available at the links below:

- [TILA-RESPA Integrated Disclosure, Part 1 — Overview of the Rule](#)
- [TILA-RESPA Integrated Disclosure, Part 2 - Various Topics](#)
- [TILA-RESPA Integrated Disclosure, Part 3 — Completing the Loan Estimate](#)
- [TILA-RESPA Integrated Disclosure, Part 4 — Completing the Closing Disclosure](#)

Source: CFPB

NCUA Hosting Webinar on FFIEC Cybersecurity Assessment Tool

Credit unions can learn more about using the cybersecurity assessment tool recently announced by the Federal Financial Institutions Examination Council during an upcoming National Credit Union Administration webinar.

The 90-minute webinar, "An Introduction to the New Cybersecurity Assessment Tool for Credit Unions," is scheduled for Wednesday, July 29, beginning at 2 p.m. Eastern. There is no charge.

The webinar, hosted by Tim Segerson, Deputy Director of Examination and Insurance, and Patrick Truett, an Information Systems Officer with the Office of Examination and Insurance, will include a discussion of the assessment tool's background and purpose from NCUA's perspective, the agency's implementation plans and how to use the tool.

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

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

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

NCUA's [Office of Examination and Insurance](#) provides national guidance for NCUA's efforts to assure the safety and soundness of federally insured credit unions.

Source: NCUA

Advocacy Highlight

NCUA's Proposed Member Business Lending Rule

The NCUA Board approved a [proposed](#) member business loan (MBL) rule at the agency's June open Board meeting. The proposed rule will have a 60-day comment period with comments due to NCUA by August 31, 2015.

The proposed rule would completely overhaul NCUA's MBL regulation. Almost all requirements not in the Federal Credit Union Act would be removed. The proposal would create a category of "commercial" loans for safety and soundness purposes and utilizes the category of MBLs for compliance with the

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InfoSight Highlight Member Business Lending

If a loan is made to a non-natural person or is used for a commercial, corporate, business investment or agricultural purpose, it is generally considered a business loan. More specifically, the Federal Credit Union Act defines a business loan as any loan, line of credit or letter of credit, the proceeds of which will be used for a commercial, corporate, other business investment property or venture, or agricultural purpose.

There are certain **exceptions** to this general definition. In addition to loans insured or guaranteed by a government agency or some loans granted by corporate credit unions, the following types of loans are not considered business loans according to the Federal Credit Union Act:

- Loans that are fully secured by a lien on a one-four family dwelling that is the primary residence of the member.
- Loans fully secured by credit union shares or other financial institution deposits;
- Loans to a borrower whose aggregate amount of business credit is less than \$50,000.00.
- Loans made by federal credit unions to other credit unions and to credit union service organizations (CUSOs). This also applies to federally insured state chartered credit unions if their state regulator says there is a specific law on loans to other credit unions and CUSOs.

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

Act's limitations on member business lending. For example, the Act does not categorize any nonmember participations as MBLs and neither does the proposed rule. However, business loan participations are considered commercial loans for the purposes of safety and soundness.

The rule would remove all of the specific requirements that currently require waivers, including the personal guarantee requirement. It would also exempt some CUs with less than \$250 million in assets from the board of director and management responsibility requirements and commercial loan policy requirements. The proposal does have an 18-month implementation period.

FCC Issues Declaratory Ruling on TCPA

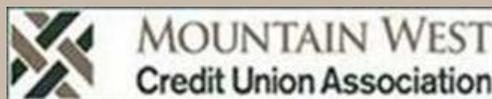
On July 10 the Federal Communications Commission (FCC) issued an Omnibus Declaratory [Ruling and Order](#) about the Telephone Consumer Protection Act (TCPA). One important component of this ruling is an exemption granted for certain free-to-the-consumer auto-dialed calls by financial institutions.

This includes calls concerning: (1) transactions and events that suggest a risk of fraud or identity theft; (2) possible breaches of the security of customers' personal information; (3) steps consumers can take to prevent or remedy harm caused by data security breaches; and (4) actions needed to arrange for receipt of pending money transfers.

The FCC noted in the ruling that restrictions imposed on the exemption requires that the messages include no marketing or advertising, and that each message include information regarding how to opt out of future messages. Additionally, the FCC's Order requires that financial institutions make sure that messages will be delivered free of charge to consumers.

CUNA supported this exemption in a [comment letter](#). Specifically, CUNA's comment expressed support for relief that would permit communications concerning: (1) transactions and events that suggest a risk of fraud or identity theft; (2) possible breaches of the security of customers' personal information; (3) steps consumers can take to prevent or remedy harm caused by data security breaches; and (4) actions needed to arrange for receipt of pending money transfers.

While the exemption generally is good news for credit unions, CUNA's Compliance department is in the process of reviewing the Order to determine how much relief this provides to credit unions



[Training & Events Calendar](#)

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](#)

August 19

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

August 20

Webinar: [Garnishments, Subpoenas, Summonses, Levies: Handling Official](#)

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

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

October 3

⬇ [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](#)

December 25

⬇ [Christmas Day – Federal Holiday](#)

December 31

⬇ [Foreign Account Tax Compliance Act Effective Date](#)

CUNA Comment Calls – Due Dates on Proposed Rules

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](#)

Demands for Member Funds

MWCUA Regulatory & BSA School

Be sure to mark your calendars and take advantage of training opportunities taking place this Fall. And, if you are tight on funds, professional development scholarships are available through Mountain West Credit Union Foundation. Click [here](#) to view the Scholarship Application.

Regulatory Compliance & BSA School

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

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

CUNA Schools and Webinars

August 11 - 13

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

August 25 – December 31

[CUNA Regulatory Compliance Update eSchool](#)

July 13, 2015~NCUA

[2015 Annual NCUA Regulatory Review List](#)

August 24, 2015~NCUA

[Member Business Lending Rule](#)

August 27, 2015~DOL

[Department of Labor Proposal to Update Rules Concerning Overtime Pay](#)

September 8, 2015~NCUA

[NCUA's Economic Growth and Regulatory Paperwork Reduction Act \(EGRPRA\) Regulatory Review: No. 3](#)

Effective Dates New and Revised Rules

October 3, 2015~CFPB

[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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