

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.

64

Days until
October 3, 2015

Have you developed a plan for ongoing training?

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

July 31, 2015

Compliance News

It's Official: TRID Postponed to October 3

The CFPB [announced](#) its [final rule](#) postponing the effective date of the Know Before You Owe mortgage disclosure rule, also called the TILA-RESPA Integrated Disclosures or TRID rule, to October 3, 2015. The final rule also includes technical corrections to two provisions of the TRID rule (1) affecting the amount in the Final Adjustments and Credits item for the Calculating Cash to Close table and (2) including Lender Credits in the amount disclosed as Closing Costs Paid at Closing in the Summary of Borrower's Transaction, both changes affecting amounts on the Closing Disclosure. [Published in the Federal Register on July 24, 2015, at [80 FR 43911](#)]

[\(Check out the MWCUA Webinar Training Offered September 1 - The 20 Most Important Things to Know About TRID Compliance Before the Revised October 3 Deadline\)](#)

CUs Assessed Late-Filing Penalties

The number of federally insured credit unions subject to civil money penalties for filing late Call Reports dropped to 15 in the first quarter of 2015, the National Credit Union Administration announced.

The 15 credit unions have consented to penalties. In the first quarter of 2014, 62 credit unions consented to penalties.

The late filers will pay a total of \$5,107 in penalties. Individual penalties range from \$45 to \$943. The median penalty was \$195. The Federal Credit Union Act requires NCUA to send any funds received through civil money penalties to the U.S. Treasury.

"We've made real progress during the last year, but full compliance with NCUA's quarterly filing deadlines is still the goal," NCUA Board Chairman Debbie Matz said. "To help, NCUA offers assistance so that credit unions can meet their obligations."

Assessment of penalties primarily depends on three factors: the credit union's

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

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[BSA Compliance Officer Forum](#)

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Spend more time with members and less time worrying

asset size, its recent Call Report filing history and the length of the delay. Of the 15 credit unions agreeing to pay penalties for the first quarter:

- Ten had assets of less than \$10 million;
- Four had assets between \$10 million and \$50 million; and
- One had assets between \$50 million and \$250 million.

No credit unions with assets greater than \$250 million filed late in the first quarter. One of the late-filing credit unions had been late in a previous quarter.

A total of 25 credit unions filed Call Reports late for the first quarter of 2015. NCUA consulted regional offices and, when appropriate, state supervisory authorities to review each case. This review determined mitigating circumstances in three cases that led to credit unions not being penalized. NCUA informed the remaining 22 credit unions of the penalties they faced and advised them they could reduce their penalties by signing a consent agreement. NCUA also said it would initiate administrative hearings against credit unions that did not consent. NCUA subsequently granted waivers to seven of those credit unions.

Source: NCUA

DoD Issues Final Military Lending Act Rule

The Department of Defense [announced](#) and published the final Military Lending Act (MLA) rule [[80 FR 43559](#)]. The rule applies to the protections of the Military Lending Act to all forms of payday loans, vehicle title loans, refund anticipation loans, deposit advance loans, installment loans, unsecured open-end lines of credit, and credit cards.

The implementing regulation provides several significant protections extended to active duty service members and their families, including:

- A 36 percent Military Annual Percentage Rate (MAPR) limit. This cap covers all interest and fees associated with the loan. The limit now includes charges for most ancillary "add-on" products such as credit default insurance and debt suspension plans.
- The MLA prohibits creditors from requiring service members to: submit to mandatory arbitration and onerous legal notice requirements; waive their rights under the Servicemembers' Civil Relief Act; provide a payroll allotment as a condition of obtaining credit (other than from relief societies); be able to refinance a payday loan; or be able to secure credit using a post-dated check, access to a bank account (other than at an interest rate of less than 36 percent MAPR), or a car title (other than with a bank, savings association or credit union).
- The changes to definitions of credit in the final rule bring any closed or open-end loan within the scope of the regulation, except for loans secured by real estate or a purchase-money loan, including a loan to finance the purchase of a vehicle.

The final rule will be effective beginning October 1, 2015, with staggered compliance dates beginning October 3, 2016.

Advocacy Highlight

Here is what you need to know about credit union advocacy this week:

- The House Financial Services Committee will hold a full committee markup of pending legislation, including several CUNA-supported bills.
- Cybersecurity will be discussed in hearings in the House Homeland Security Committee and the Senate Intelligence Committee.
- Comment calls are pending for NCUA's [Regulatory Review](#), [MBL proposal](#), and [EGRPRA Review](#) and the Department of Labor's [Minimum Wage and Overtime Pay](#) Proposal.

Source: CUNA

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InfoSight Highlight

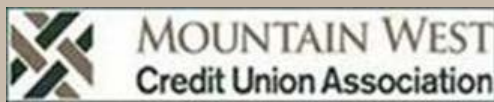
Service Denial and Expulsion

The funds that a credit union holds belong to its members. When a particular member causes the credit union to suffer a loss, that loss is borne by all members of the credit union. In light of this, some credit unions implement either a "member credit denial" policy or a "member expulsion" policy to deal with members who are indebted to the credit union and who cannot, or will not, repay their outstanding obligations. Another common issue is abusive or threatening members. In cases like this, many credit unions choose to adopt a service denial policy as a means of addressing the problem member.

In conjunction with these policies, the credit union may consider implementing a membership denial policy that denies a former member who has caused the credit union a loss and who either has not repaid that loss or is not in the process of repaying that loss, the privilege of re-obtaining membership at the credit union.

Definitions:

- A "**member credit denial**" policy simply denies future credit to any member who has caused the credit union a loss and who either has not repaid that loss or is not in the process of repaying that loss. The implementation of a credit denial policy is justified on the basis that any member who has caused the credit union a loss is not entitled to any future credit until that member has either repaid that loss or is in the process of repaying that loss.
- A "**member expulsion**" policy denies a member the privilege of continued membership at the credit union. This applies to a member who has caused the credit union a loss and who either has not repaid that loss or is not in the process of repaying that loss. The implementation of a member expulsion policy is justified on the basis that any member who has caused the credit union a loss, and who either has not



Training & Events Calendar

August 5

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

August 6

Webinar: [Call Report Preparation: Basic Lending Schedules](#)

August 11

Webinar: [CFPB Income Verification Rules for Self-Employed Borrowers: Tax Implications for Qualified Mortgages](#)

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 Demands for Member Funds](#)

September 1

Webinar: [The 20 Most Important Things to Know About TRID Compliance Before the Revised October 3 Deadline](#)

September 2

Webinar: [Advanced ACH Specialist Series: Defining & Identifying Third-Party Senders: Risk, Liability & Audit Requirements](#)

September 10

Webinar: [Loan Concentration Management: Evaluation, Risk Tolerance & Regulatory Guidance](#)

September 15

Webinar: [Loan Underwriting Basics: Interviewing, Credit Reports, Debt Ratios & Regulation B](#)

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](#)

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CUNA Comment Calls – Due Dates on Proposed Rules

repaid that loss or is not in the process of repaying that loss, is not entitled to retain his or her membership at the credit union.

- A **service denial policy** is a policy that simply denies certain member privileges or services (i.e. checking account, inside lobby transactions, etc.) to those members who are abusive or threatening in some fashion.

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

- 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

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](#)

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](#)

♣ Christmas Day – Federal Holiday

December 31

♣ Foreign Account Tax Compliance Act Effective Date

**Effective Dates
New and Revised Rules**

October 1, 2015~DOD

[Military Lending Act Rule](#)

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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