

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

August 26, 2016

Compliance News

TRID Rule Revision Proposal Published with Request for Public Comment

The CFPB has published in the Federal Register, 81 FR 54317, the proposal it announced on July 29 to amend Regulation Z to clarify and refine the Bureau's TRID Rule. Comments on the proposal are due by October 18, 2016.

Source: CFPB

NCUA Warns of Text Phishing Scam

The National Credit Union Administration has received consumer calls about a suspicious text message claiming to come from the agency.

The message reads: "National Credit Union Administration Alert for (recipient's phone number). Contact 844-234-5445."

This is not a communication from NCUA. The agency does not seek personal information through the internet or on the telephone.

Please contact NCUA's Consumer Assistance Center at 1-800-755-1030 between 8 a.m. and 5 p.m. Eastern if you receive one of these messages. NCUA also recommends contacting your credit union and local law enforcement.

You may also contact the [Internet Crime Complaint Center](#), a partnership between the Federal Bureau of Investigation and the National White Collar Crime Center.

NCUA operates an online [Fraud Prevention Center](#) that offers information about avoiding frauds and scams on its [MyCreditUnion.gov](#) website.

If you suspect you may have become a victim of identity theft as a result of this scam, you should immediately contact the three major credit bureaus and request a fraud alert be placed on your credit report: Equifax (866-640-2272), Experian (888-397-3742), and TransUnion (855-681-3196).

Source: NCUA

FCC Hosts First "Robocall Strike Force" Meeting

On Friday August 19, the FCC hosted the first meeting of the "Robocall Strike Force," a telecommunications and technology-led industry group that is "committed to developing comprehensive solutions to prevent, detect, and filter unwanted robocalls."

FCC Commissioner [Tom Wheeler](#) sent letters to the CEOs of major wireless and wireline phone companies in July, calling on them to offer free robocall-blocking services to their customers. He also sent letters to

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Association Compliance Forums

Click on one of the below links to subscribe

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[BSA Compliance Officer Forum](#)

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intermediary carriers that connect robocallers to phone companies "reminding them of their responsibility to help facilitate the offering of blocking technologies." The companies were asked to respond in 30 days with concrete call-blocking solutions and technologies to prevent caller ID "spoofing."

More than 30 major technology and communication companies responded to Wheeler's "call to action," including AT&T, Google, Apple, Microsoft, Verizon and Comcast, to name a few. The first portion of this meeting was open to the public and is available [here](#).

The strike force will report to the FCC by Oct. 19 on "concrete plans to accelerate the development and adoption of new tools and solutions," said the group's chairman, AT&T Chief Executive Officer Randall Stephenson.

Fannie Mae and Freddie Mac Publish Redesigned Uniform Residential Loan Application Form and Dataset

Fannie Mae and Freddie Mac [announced](#) the publication of the [redesigned Uniform Residential Loan Application \(URLA\)](#), the standardized form used by borrowers to apply for a mortgage loan. This is the first substantial revision made to the form in more than 20 years and the changes will allow lenders to deliver an easier, more consumer-friendly loan application experience. The redesigned URLA form includes a reorganized layout, simplified terminology, and new data fields that capture necessary information in an easy-to-read format.

Additionally, the GSEs worked together to create a common corresponding dataset, called the Uniform Loan Application Dataset (ULAD) to ensure consistency of data delivery. The documents are being published now, in an effort to provide the industry with ample time to become familiarized with the URLA and ULAD updates and plan necessary changes to their systems.

Lenders may begin using the redesigned URLA on January 1, 2018. A timeline for required use of the redesigned URLA and ULAD will be established at a later date. The forms are preliminary, and could still be updated after a CFPB review.

Source: Fannie Mae

Q&A: Share Insurance & Inherited IRAs

Q: Will an IRA account continue to receive NCUA share insurance coverage after the owner's death if a designated beneficiary who inherits the IRA is a non-member?

A: Yes. According to NCUA's rules, share insurance coverage will continue for a designated beneficiary regardless of membership status. In a [2007 comment letter](#), NCUA noted that share insurance for traditional and Roth IRAs "is based on the present vested ascertainable interest of a participant or designated beneficiary." The agency clarified that while the participant or original owner of the IRA would have to have been a member to open the account in the first place, the regulations provide coverage to a designated beneficiary without specifically requiring the designated beneficiary to be a member. (12 CFR 745.9-2(c)(2)).

Source: CUNA Compliance Community

Advocacy Highlight

CUNA Needs Your Feedback Regarding the CFPB Small Dollar Loan

Lending, and Operations.

If a full suite of compliance services is not what you are looking for, we now offer self-assessment tools, individual loan reviews, and a basic annual compliance package that includes ACH, BSA, SAFE Act, and Website compliance.

For more information about our compliance services, please contact Melia Heimbeck at: mheimbeck@mwcua.com or (720) 479-3325 or 1 (800) 477-1697 ext. 3325



InfoSight Highlight

Customer Due Diligence and Beneficial Ownership

On May 11, 2016, FinCEN published a final rule regarding Customer Due Diligence (CDD) Requirements for Financial Institutions. This rule amends the Bank Secrecy Act regulations and formalizes several existing practices related to the monitoring of customer activity, and adds new requirements that covered financial institutions establish and maintain written procedures that are reasonably designed to identify and verify the beneficial owners of legal entity customers. Financial institutions must comply with this new rule by May 11, 2018.

Four core elements of CDD described in the final rule are required for all AML programs, those being the:

- Identification and verification of customers;
- Identification and verification of beneficial owners of legal entity customers, subject to certain exceptions;
- Development of a customer risk profile through an understanding of the nature and purpose of the customer relationship, and
- Ongoing monitoring for reporting suspicious activity, and on a risk basis, maintaining and updating customer information.

Several of these elements are part of the existing customer identification program (CIP) rules, with others implied through suspicious activity reporting (SAR) requirements. The beneficial ownership identification requirement is new and not part of any existing rule.

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

Compliance Videos

Same Day ACH Preview

In this newly released video Amy Smith, VP and Executive Director of The Clearing House Payments

Proposal:

CUNA is currently seeking widespread feedback from credit unions about how the CFPB's [small dollar proposed rule](#) would impact credit union operations, and the ability to offer products and services. CUNA will continue to educate the Bureau about problems this rule could cause for credit unions and their members. Please check out the comment call and send comments, questions or concerns to [Leah Dempsey](#).

Source: CUNA Advocacy



Training & Events Calendar

August 30

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

September 7

Webinar: [Understanding the NCUA Regulation & the 7 Critical Risk Areas Directors Should Track](#)

September 12

Webinar: [New Customer Due Diligence Rules for Beneficial Ownership: Implementation Game Plan](#)

September 13

Webinar: [Navigating Compliance Issues for Promotions, Bonuses, Contests & Sweepstakes](#)

September 19

Webinar: [HMDA Roadmap Part 1: Impact, Important Changes & Implementation Considerations for Lenders](#)

September 20

Webinar: [Director & Officer Liability: Rules, Risks & Trends](#)

September 22

Webinar: [Best Practices for Garnishments & Levies](#)

September 27

Webinar: [Mobile Remote Deposit Strategies: Technology, Deployment Models & Risks](#)

September 28

Webinar: [Clarifying Signature Card Confusion for Personal & Business Accounts](#)

October 4, 2016

Webinar: [Handling Dormant Accounts, Unclaimed Property & Escheatment](#)

October 5

Webinar: [Essential Compliance Regulations for Deposit Operations](#)

October 6

Webinar: [Avoiding the Top 10 Legal & Compliance Mistakes in the E-Statement Process](#)

October 20, 2016

Webinar: [Conducting the 2016 ACH Audit](#)

November 3

Webinar: [Cyber Series – Member Authentication & Validation](#)

Authority, provides background information on the current batch-and-forward ACH payment system and introduces the “Phased Approach” of the Same Day ACH program, which will begin in September of 2016. You will want to pay special attention to Amy’s suggestion to review current ACH files you may be transmitting. View the video [here](#).

Military Lending Act

This video provides an overview of the key changes made to the Military Lending Act that credit unions are going to need to consider and implement prior to the compliance effective date of October 3, 2016. View the video [here](#).

2016 Q3 Review

Glory LeDu, Manager of League System Relations provides an [overview](#) of the compliance challenges your credit union is facing now in the 3rd quarter of 2016.

CUNA Advocacy Update

The Regulatory Advocacy Report is now combined with CUNA’s Legislative Update into a comprehensive CUNA Advocacy Update. The new [Advocacy Update](#) is published at the beginning of every week, and 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.

Prior CUNA Regulatory Advocacy Reports have been archived and are available [here](#).

**Effective Dates
New and Revised Rules****September 23, 2016~NACHA**

[Same-day ACH \(NACHA\) – Phase 1](#)

October 3, 2016~DoD

[Limitations on Terms of Consumer Credit Extended to Service Members & Dependents](#)

December 1, 2016~DOL

[New Overtime Rules](#)

January 1, 2017~CFPB

[HMDA – Regulation C](#)

January 1, 2017~NCUA

[Member Business Loan Rule](#)

April 10, 2017~DOL

[Fiduciary](#)

September 15, 2017~NACHA

[Same-day ACH \(NACHA\) – Phase 2](#)

November 15

Webinar: [Recognizing & Responding to Elder Fraud: What Every Staff Member Should Know](#)

November 15-16 – Phoenix

IRA School: [Essentials & Advanced](#)

December 14

Webinar: [Essential Compliance Training for the Board & Senior Management](#)

December 15

Webinar: [Powers of Attorney In-depth: Good Faith, Fraud & Fiduciary Capacity](#)

December 21

Webinar: [Emerging Need & Regulatory Expectations for Enterprise Risk Management Framework](#)

2016 Compliance Schools Registration

Compliance expert, Gaye DeCesare, NCCO, CUCE, BSACS, will be the instructor for both locations, giving attendees a solid understanding of the regulations and laws affecting their regulatory compliance responsibilities.

- Denver, CO: [September 13-14](#) (*Deadline to register Sept. 2nd - limited seating*)
- Phoenix, AZ: [October 12-13](#) (*seats still available*)

CUNA Webinars

July 7, 2016 - July 7, 2017

[CFPB's Payday, Small Dollar and Vehicle Title Proposed Rule – Recorded](#)



Compliance Calendar

September 5

- Labor Day – Federal Holiday

September 23

- [Same-day ACH \(NACHA\) – Phase 1 of the Implementation Period for the Rule](#)

October 3

- [DOD Military Lending Act Regulation - Effective Date](#)

October 3

- [NACHA's Network Quality Rule](#)

October 10

- Columbus Day – Federal Holiday

October 24

- 5300 Call Report Due to NCUA

October 31

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

CUNA Comment Calls – Due Dates on Proposed Rules

August 3, 2016~CFPB

[Amendment to the Annual Privacy Notice Requirement Under Gramm-Leach-Bliley](#)

August 12, 2016~CFPB

[Arbitration Proposal](#)

September 19, 2016~CFPB

[CFPB Small Dollar Proposal](#)

October 31, 2016~CFPB

[RFI for Small Dollar Proposed Rule](#)

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

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