

## Regulatory Compliance News



**MOUNTAIN WEST**  
Credit Union Association

August 5, 2016

### Compliance News

#### FRB Updates TRID Questions List

The Federal Reserve System held "Know Before You Owe Mortgage Disclosure Rule" webinars in March and April of 2016, which have been archived and may be accessed [here](#). They have also updated the "Index of TRID Questions Addressed During Webinars" on the disclosure rule, which is located under Presentation Materials for each of the webinars.

*Source: Federal Reserve Systems/CFPB*

#### CFPB Requests Comments on Payday Loans Proposal

The CFPB [announced](#) publication in the *Federal Register* of a previously proposed rule [81 FR 47863] that would require lenders to determine whether borrowers can afford to pay back their loans. The proposed rule would also cut off repeated debit attempts that rack up fees and make it harder for consumers to get out of debt. These proposed protections would cover payday loans, auto title loans, deposit advance products, and certain high-cost installment loans. The Bureau requested comments from individuals, financial institutions, consumer advocates and anyone else who wants to share their views. The deadline for [comments](#) on the proposal is November 7, 2016 (the Bureau had originally set a September 14 comment deadline).

#### CFPB Releases Proposal to Amend TRID Rule

CFPB Director Richard Cordray hinted months ago that the Bureau was working on amendments to clarify and refine the "Know Before You Owe" TILA/RESPA Integrated Disclosure (TRID) Rule, and that it was likely to be ready in July 2016. The proposal was [announced](#) Friday, July 29, the last business day of the month. The Bureau reports that the proposed amendments memorialize the Bureau's informal guidance on various issues and include clarifications and technical amendments. The Bureau is also proposing tolerance provisions for the total of payments, an adjustment to a partial exemption mainly affecting housing finance agencies and nonprofits, extension of coverage of the integrated disclosure requirements to all cooperative units, and guidance on sharing the disclosures with various parties involved in the mortgage origination process. Comments on the [proposal](#) are due by October 18, 2016.

#### CFPB Monthly Spotlight Shines on Credit Card Complaints

The CFPB has [released](#) its [monthly complaint snapshot for July 2016](#), which highlights consumer complaints about credit cards. The report shows that consumers continue to complain about trouble receiving clear information from their credit card issuers regarding creditworthiness, and the assessment of payments and fees. This month's report also highlights trends seen in complaints coming from Washington State and the Seattle metro area. As of July 1, 2016, consumers in that area have submitted

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18,900 of the 930,700 complaints handled by the Bureau.

Source: CFPB

### NCUA Exam Process Videos Released

The NCUA has [announced](#) that credit union board members can learn more about the purpose, process and components of an NCUA examination in a new four-part video released on the National Credit Union Administration's YouTube channel. The video provides an overview of the NCUA examination process, including the small credit union examination program. Viewers will learn more about:

- What risk categories NCUA assesses during the examination process,
- How CAMEL ratings are determined, and
- How a credit union can prepare for an exam.

Source: NCUA

### Advocacy Highlight

#### Oral Arguments are Set for this Fall for TCPA Order Challenge

The oral arguments for the lawsuit challenging the Federal Communication Commission's July 2015 Telephone Consumer Protection Act (TCPA) Order have been set for October 19, 2016. CUNA, along with the American Bankers Association and Independent Community Bankers Association, filed the financial services [joint amici brief](#) in support of the litigation in the U.S. Court of Appeals for the District of Columbia challenging the FCC's TCPA Order.

The brief was a very important addition to the lawsuit because it primarily focuses on specific concerns to credit unions and other smaller financial institutions.

The brief challenged three specific aspects of the Order:

- The definition of an automatic telephone dialing system (auto-dialers).
- The standard for liability based on a single call made to a reassigned number (i.e., a wireless telephone number that has been reassigned to a consumer that has not provided consent to receive such calls).
- The broad and undefined expectations expressed by the FCC with regard to the mechanisms that need to be made available to individuals to revoke consent to receive auto-dialed calls.

It also discussed the practical limitations of the financial institutions exemption, which has not proven useful for credit unions seeking to communicate with members.

Since the FCC's Order, CUNA has also [written](#) to Congress with its TCPA concerns, [outlined](#) credit union concerns to the National Credit Union Administration and the Consumer Financial Protection Bureau, met with the [FCC](#) to discuss concerns and [hosted](#) a webinar on potential issues for credit unions.

CUNA also recently filed a [comment](#) in response to the FCC's implementation of the Budget Act.

Source: CUNA Advocacy



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### InfoSight Highlight

#### Board of Directors – Meeting Agenda and Minutes

Credit union board meetings, which take place at least monthly, require timely communication. Well in advance of the meeting, directors should be given copies of the meeting agenda, financial and committee reports and pertinent information on items to be discussed. These materials should be sent at least one week in advance of the meeting time. This allows adequate preparation for directors to focus on important details and prepare pertinent questions. An agenda keeps meetings on schedule, focuses the participants on the issues at hand, and allows proper minutes/recording of the decisions by the Board.

Minutes provide a record of every motion or official action taken by the board. Minutes are required by regulators and provide needed action by credit union management to implement decisions through written policies and procedures.

#### What should be included in a Board Meeting Agenda?

Most boards follow a standard agenda. An agenda is most helpful when it is specific and as complete as possible, so directors can be prepared on each item for discussion. Including a time frame for each item is helpful to keep the meeting on schedule as much as possible (not a requirement). You should also include the name or position of the person expected to lead each discussion.

#### What should be included in the Board Minutes?

Minutes are legal documents - representing a record of the actions of the board of directors. They must be complete and accurate. At a minimum, minutes must record every motion or official action taken by the board.

The board secretary or a designated staff member must take minutes of all board meetings. Minutes are part of the corporate records of the credit union. They

## Training & Events Calendar

### **August 9**

Webinar: [Email Risks, Rules, Records & Regulations](#)

### **August 10**

Webinar: [Legally Handling ATM & Debit Card Claims Under Reg E](#)

### **August 17**

Webinar: [Internal Controls & Due Diligence: The Supervisory Committee's Role](#)

### **August 18**

Webinar: [Consumer Loan Documentation](#)

### **August 23**

Webinar: [Complying with Final Military Lending Act Rule Changes Effective October 3, 2016](#)

### **August 24**

Webinar: [Auditing for BSA Compliance](#)

### **August 25**

Webinar: [Annual MLO Compliance Requirements & Auditing for SAFE Act](#)

### **August 30**

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

### **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](#)

### **October 4, 2016**

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

### **October 20, 2016**

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

### **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](#)

### **Registration Now Open for 2016 Compliance Schools**

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](#)
- Phoenix, AZ: [October 12-13](#)

document policy changes and other actions. They show whether the board followed legislative and regulatory requirements in its deliberations. They record the history of the credit union. Minutes may also record duties assigned, discussions undertaken, suggestions, and opinions, either positive or negative.

The board must take action to approve or amend minutes from the previous meeting to make sure the record is accurate and complete.

Minutes of board (and committee) meetings should support conclusions reached by the officials in the meeting. Thorough and accurate minutes should cover all aspects of the credit union's operations and should document significant changes to capital, financial performance results, and major credit union activities. Likewise, the minutes should document findings noted in supervisory committee, audit and examination reports presented to the board.

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

### **Compliance Videos**

#### **Military Lending and 2<sup>nd</sup> Quarter 2016 Review**

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](#).

Glory LeDu, Manager of League System Relations, reviews the Compliance Outlook the 1<sup>st</sup> and 2<sup>nd</sup> Quarter of 2016. View the video [here](#).

### **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**

#### **July 1, 2016~DoEd**

[Program Integrity and Improvement](#)

#### **September 23, 2016~NACHA**

[Same-day ACH \(NACHA\) – Phase 1](#)

## CUNA Webinars

**July 7, 2016 - July 7, 2017**

CFPB's Payday, Small Dollar and Vehicle Title Proposed Rule – Recorded



### Compliance Calendar

**July 25**

- 5300 Call Report Due to NCUA

**July 31**

- Credit Card Quarterly Submission Due to CFPB

**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

**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

### CUNA Comment Calls – Due Dates on Proposed Rules

**July 15, 2016~NCUA**

2016 Regulatory Review

**July 25, 2016~NCUA**

Community Development Revolving Loan Fund

**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

**September 30, 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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