

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

September 2, 2016

Compliance News

NCUA Encourages Flexibility in Post-Flood Assistance

The NCUA has [encouraged](#) credit unions to work with their members and consider options for assisting them that include offering new loans with special loan terms or rates and reduced documentation, providing payment flexibility for current loans, or potentially restructuring existing loans. Federal credit unions with questions about these options should contact their examiners. Credit Unions are also reminded that [NCUA Letter 11-CU-13](#) provides they may provide emergency financial services to nonmembers as part of their authority to engage in charitable activities under their incidental powers. Such services could include check cashing for nonmembers, access to ATM networks, or other means to access cash, to meet the short-term, emergency needs of nonmembers. Federal credit unions providing these emergency services must do so on a charitable basis, meaning that service charges cannot exceed direct costs.

Source: NCUA

DoD Publishes FAQ on MLA Regulation

The Department of Defense has published at [81 FR 58840](#) in the August 26, 2016, Federal Register an "Interpretive rule" in the form of an FAQ on its Military Lending Act regulation at 32 CFR Part 232. The series of 19 questions and answers "provides guidance on certain questions the Department has received regarding compliance with the July 2015 final rule." The rule became effective upon publication.

Source: Federal Register

FinCEN Proposes End of AML Program Exemption

FinCEN has published at [81 FR 58425](#) in the Federal Register a proposed rule that would amend portions of 31 CFR parts 1010 and 1020 to remove the anti-money laundering program exemption for banks that lack a Federal functional regulator, including, but not limited to, private banks, non-federally insured credit unions, and certain trust companies. The proposed rule would prescribe minimum standards for anti-money laundering programs for banks without a Federal functional regulator to ensure that all banks, regardless of whether they are subject to Federal regulation and oversight, are required to establish and implement anti-money laundering programs, and would extend customer identification program requirements and beneficial ownership requirements to those banks not already subject to these requirements. Comments on the proposal are due by October 24, 2016.

Source: FinCEN

Same Day ACH Return Items Info

Federal Reserve Financial Services has posted a [notice](#) concerning how

Your Credit Union's Regulatory Compliance Support Staff

[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

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[BSA Compliance Officer Forum](#)

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FedACH will deliver non-future-dated return items beginning with the September 23, 2016, implementation of Same Day ACH processing.

Source: FRB Services

CFPB Focus on Elder Financial Abuse

The Consumer Financial Protection Bureau has issued a [press release](#) and posted an [article](#) concerning elder financial abuse. A guide and best practices to help communities create partnerships for seniors and ways individuals can support community efforts to fight elder financial exploitation are discussed.

Source: CFPB

Advocacy Highlight

CUNA Needs Your Feedback Regarding the CFPB Small Dollar Loan Proposal:

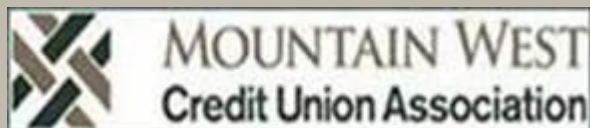
CUNA is currently seeking widespread feedback from credit unions about how the CFPB's [small dollar proposed rule](#) would impact credit union operations, and the ability to offer products and services. CUNA will continue to educate the Bureau about problems this rule could cause for credit unions and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

Source: CUNA Advocacy

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](#).



[Training & Events Calendar](#)

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 &](#)

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InfoSight Highlight Social Media Security

Social Media Risk Management Program

Credit unions should have a "risk management program" that permits it to "identify, measure, monitor, and control the risks related to social media." The risk management program should also include the involvement of "compliance, technology, information security, legal, human resources, and marketing" departments. According to the FFIEC, these risk management programs should have the following components:

- A governance structure with clear roles and responsibilities;
- Policies and procedures regarding the use and monitoring of social media and compliance with all applicable consumer protection laws, regulations, and guidance;
- A due diligence process for selecting and managing third-party service provider relationships in connection with social media;
- An employee training program that incorporates the institution's policies and procedures for official, work-related use of social media, and potentially for other uses of social media;
- An oversight process for monitoring information posted to proprietary social media sites administered by the financial institution or a contracted third party;
- Audit and compliance functions to ensure ongoing compliance with internal policies and all applicable laws, regulations, and guidance; and
- Parameters for providing appropriate reporting to the financial institution's board of directors or senior management that enable periodic evaluation of the effectiveness of the social media program and whether the program is achieving its stated objectives.

Even if the credit union does not participate in social

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

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

media, it should be prepared to respond to potential negative comments or complaints that may be posted on social media platforms. Credit unions must also provide guidance to employees regarding use of social media.

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 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.

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

CUNA Comment Calls – Due Dates on Proposed Rules

August 12, 2016~CFPB

Arbitration Proposal

September 19, 2016~CFPB

CFPB Small Dollar Proposal

October 31, 2016~CFPB

RFI for Small Dollar Proposed Rule



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

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

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