

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

March 2, 2018

Compliance News

In This Issue:

- **What is a Good Source to Use for Making Sure the Procedures We Use for Our Annual Meeting are Correct?**
- **NMLS Reactivation Period Ends Soon**
- **SEC Charges Bitcoin Exchange and Operator with Fraud**
- **Amended 1098s are Due to Borrowers by March 15, 2018**
- **CUNA Files Motion to Defend Credit Union**

Q&A: What is a Good Source to Use for Making Sure the Procedures We Use for Our Annual Meeting are Correct?

The credit union's bylaws provide the procedures to be used for the credit union's annual meeting. The bylaws contain the time frame in which the credit union needs to hold the annual meeting. They also spell out the procedures for providing adequate notice of the annual meeting as well as the suggested order of business. In addition the bylaws provide the procedures that need to be followed for nominations and elections. Since bylaws can be changed it is a good idea to make sure the procedures the credit union is following for the annual meeting are in accordance with the most current version of the bylaws.

NMLS Reactivation Period Ends Soon

The NMLS has [posted a reminder](#) that the license and registration reactivation period for mortgage lending institutions and mortgage loan originators began on January 1 and ends February 28 at midnight ET. The reminder includes instructions for reactivation.

Source: NMLS

SEC Charges Bitcoin Exchange and Operator with Fraud

The Securities and Exchange Commission has [filed a complaint](#) charging a former bitcoin-denominated platform and its operator with operating an unregistered securities exchange and defrauding users of that exchange. The SEC also charged the operator with making false and misleading statements in connection with an unregistered offering of securities.

Source: SEC

Amended 1098s are Due to Borrowers by March 15, 2018

The IRS has finally removed the warning that has been displayed on the agency's 1098-Mortgage Interest webpage since February 9th, which stated that their information was not up to date. This warning has been replaced with "New Developments" which include:

"The deduction for mortgage insurance premiums (MIP) treated as

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InCompliance Implementation Materials

The Association's InCompliance Materials are provided to help your credit union meet the challenges of implementing new and changing regulations. InCompliance publications provide you with a brief summary of the rule to quickly assess its impact, a detailed analysis for compliance staff charged with implementation, sample policies, implementation checklists and, as appropriate, sample forms. In addition, these materials are updated with Q&As (InResponse), and other materials such as charts and matrices as questions are raised and issues are identified.

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qualified residence interest under IRC section 163(h)(3)(E)(iv) has been extended for amounts paid or accrued through December 31, 2017. This deduction phases out ratably for taxpayers with adjusted gross income of \$100,000 to \$110,000. Lenders must report MIP received in 2017 in Box 5, in accordance with the 2017 Instructions for Form 1098. Lenders who have already filed Forms 1098 and did not include reportable MIP should file corrected Forms 1098, including the reportable amounts, by the due date for filing the returns. Lenders who furnished statements to borrowers that did not include MIP should furnish corrected statements by March 15, 2018."

Additionally, the [IRS has issued IR-2018-33](#) alerting taxpayers to the "three popular tax benefits retroactively renewed for 2017" that the IRS has now reprogrammed its processing systems to accept. The agency assures us that it has been working closely with the tax-preparation industry to ensure that their available software processes can now accommodate these new provisions.

Important for your members to know: If they have already filed their 2017 federal tax returns and now wish to claim one of these renewed benefits, they can do so by filing an amended return on Form 1040X. Amended returns cannot be filed electronically and can take up to 16 weeks to process.

Source: IRS

Advocacy Highlight

CUNA and Cornerstone Credit Union League File Motion to Defend Credit Union

CUNA and the Cornerstone Credit Union League filed a [motion for leave](#) to file a brief supporting the BCM Federal Credit Union that is facing a frivolous lawsuit alleging website noncompliance under the ADA. The [brief supports the Houston-based credit union's motion to dismiss](#) the lawsuit brought against it.

Credit unions are being hit with virtually identical frivolous lawsuits from plaintiffs' firms exploiting a law designed to protect those with disabilities. CUNA anticipates taking similar actions in several cases in the coming weeks to maximize the impact on behalf of all credit unions and to ensure they preserve their arguments for any litigation that makes it to the appellate level.

The primary arguments of the joint brief are:

- The plaintiff lacks standing to file suit against the credit union;
- A website is not a place of public accommodation;
- Applying Title III of the ADA to websites renders the statute impermissibly vague in the absence of any implementing regulations by the Department of Justice; and
- The court should dismiss the complaint pursuant to the Primary Jurisdiction Doctrine.

CUNA continues to work to create or defend favorable precedent in each impacted state as the litigation begins to move through different stages. CUNA has been employing 360 degree Advocacy to curb frivolous and predatory litigation under the ADA. In the last several weeks CUNA has:

- Met with DOJ multiple times;
- Joined CUBroadcast to discuss the latest updates;
- Held a webinar on Litigation and Compliance;

expectations with AffirmX. CCRS is a supervisory policy for evaluating a financial institution's adherence to consumer compliance requirements. By adding AffirmX to your team of experts, a credit union can meet examiner expectations to proactively prevent, self-identify, and correct compliance issues. AffirmX is the leading cloud-based compliance solution that delivers a near-real time risk-based dashboard of your compliance operations. AffirmX provides document review for all areas of regulatory compliance, including ACH, Advertising, BSA, Deposits, Loans, and Operations, as well as helps you create and manage your Cybersecurity Risk Assessment.

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



Accounts and ACH/Electronic Payment Channels

On the Accounts Channel in InfoSight, there are 30 different topics, including Account Issues for Minors, Charitable Contributions, Fiduciary Accounts, Health Savings Accounts, Power of Attorney Issues, Service Denial and Expulsion, Share Insurance, Trusts, and more.

Under the ACH/Electronic Payment channel, you'll find close to 20 topics, from Account Aggregation to Visa and Master Card Rules.

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

Compliance Videos

Compliance Outlook for Q1 and Q2 2018

In this NEW video, Glory LeDu provides the [overview of what's ahead in the compliance world for 2018](#). This covers annual threshold updates, HMDA changes, Payday Alternative Loans, Military Lending Act, ACH Same-day ACH processing and more!

Just a reminder that Compliance videos since 2016 can be found on YouTube at [the Compliance Connection channel](#), where they are generally updated quarterly.

Effective Dates New and Revised Rules

March 16, 2018

- [Same-day ACH - Phase 3 \(Final phase\)](#)

April 19, 2018

- [Amendments to 2013 Mortgage Rules under RESPA/Reg X and TILA/Reg Z](#)

- Continually updates [CUNA's Compliance Resources](#); and
- Hosted a breakout session at the Governmental Affairs Conference in Washington, DC.

CUNA continues to engage with Congress and the Department of Justice, and to work with like-minded stakeholders facing similar waves of predatory litigation alleged under the American with Disabilities Act.

Source: *CUNA Removing Barriers Blog*

CUNA Advocacy Update

The CUNA 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. To receive this update, click on "Get CUNA Updates" on the [CUNA Advocacy Page](#). Additional Advocacy efforts may also be found under [CUNA's Removing Barriers blog](#). With the recent updates to CUNA's website, Advocacy information has also changed. To view recent advocacy issues and see ways your credit union can become involved, visit the [Priorities](#) or [Actions](#) pages.



Training & Events Calendar

2018 Webinars

March 6

Webinar: [Opening Deposit Accounts for Nonprofit Organizations](#)

March 8

BSA Officer Training - Phoenix

March 8

Webinar: [Revisiting CDD Policies & Procedures to Include Beneficial Ownership Rule Changes Effective May 11, 2018](#)

March 14

Webinar: [ACH Rules Update 2018](#)

March 15

Webinar: [Flood Insurance Compliance Review & Update 2018](#)

March 20

Webinar: [Recent Call Report Changes & Top 10 Errors](#)

March 21

Webinar: [Compliance & Legal Risks in Mobile Banking: Rules & Security Requirements](#)

March 22

Webinar: [Completing the CTR Line-by-Line Effective May 28, 2018: Technical Changes, New Data Fields & Alternate Model Reporting](#)

May 11, 2018

- [Customer Due Diligence/CDD](#)

May 25, 2018

- [EU's General Data Protection Regulation](#)

July 1, 2018

- [Availability of Funds and Collection of Checks/Reg CC](#)

October 1, 2018

- [Amendments to the Integrated Disclosure Rule](#)

January 1, 2019

- [HMDA Thresholds/Reg C](#)

January 1, 2019

- [Risk-Based Capital](#)

April 1, 2019

- [Prepaid Accounts under the EFT Act/Reg E and TILA/Reg Z](#)

August 19, 2019

- [Payday Lending, Vehicle Title, and Certain High-Cost Installment Loans](#)

January 1, 2020

- [HMDA Threshold/Reg C](#)

December 15, 2020

- [Current Expected Credit Losses](#)

January 1, 2022

- [Amendments to Equal Credit Opportunity Act \(Reg B\) Ethnicity and Race Information Collection](#)

*For detailed information on rules and effective dates, click [here](#)

CUNA Comment Calls – Due Dates on Proposed Rules

February 12, 2018~CFPB

[Consumer's Experience with Free Access to Credit Scores](#)

March 5, 2018~Federal Reserve

[Consumer Leasing \(Regulation M\)](#)

March 27, 2018~CFPB

[Bureau Civil Investigative Demands and Associated Processes](#)

March 30, 2018~FHFA

[Credit Score Requirements](#)

April 2, 2018~NCUA

[Modernizing Data Collection for Supervision of Credit Unions](#)

April 2, 2018~NCUA

March 28Webinar: [Collections & The Servicemember: From the MLA to SCRA](#)**April 3**Webinar: [FFIEC Cyber Security Assessment Tool: Issues & Answers](#)**April 4**Webinar: [BSA Special Risks: Policy, Law Enforcement & Regulator Issues](#)**April 5**Webinar: [Dealing with Dormant Accounts, Unclaimed Property & Escheatment](#)**April 10**

BSA Officer Training - Denver

April 12Webinar: [Impact of Reg CC Rule Changes on RDC & ACH](#)**April 17**Webinar: [How to Complete & File UCC-1 Financing Statements](#)**April 18**Webinar: [Compliance Rules All Staff Must Know: Red Flags for Identity Theft, Bribery, Privacy & Ethical Considerations](#)**April 19**Webinar: [Top 25 Things to Know About Reg CC Changes Before July 1, 2018](#)**April 26**Webinar: [Denied Loan Requirements: Consumer, Commercial & Real Estate](#)**For 2018 webinar questions, please contact MWCUA@cuwebtraining.com.***BSA Officer Training in March & April**

BSA Officer Training begins on March 8 in Phoenix, AZ for credit union BSA professionals. The second program will be held on April 10 in Denver, CO. Led by compliance expert Mary-Lou Heighes, credit union BSA professionals are invited to attend a full-day seminar that will provide new and experienced BSA officers not only the newest information as it relates to the Bank Secrecy Act and OFAC requirements, but also the fundamentals of the duties of being a BSA Officer. **An added bonus!** Special Agents from the Phoenix IRS Criminal Investigation office will be guest speakers for attendees in Arizona, and Special Agents from the Denver office will speak to attendees in Colorado regarding information on Conducting & Documenting a SARs Investigation. Don't miss this chance to find out what happens to your SARs information once you've reported it. The cost is \$229 per person and includes instruction, materials and lunch. Click below for more information and to register. Contact jweiser@mwcua.com with registration questions.

- March 8: [Phoenix, AZ](#)
- April 10: [Denver, CO](#)

Involuntary Liquidation of Federal Credit Unions and Claims Procedures**April 6, 2018~CFPB**[Bureau Rules of Practice for Adjudication Proceedings](#)**April 13, 2018~CFPB**[Bureau Enforcement Processes](#)**Compliance Calendar****April 29, 2018**

- 5300 Call Report Due to NCUA

May 28, 2018

- Memorial Day – Federal Holiday

July 4, 2018

- Independence Day – Federal Holiday

July 29, 2018

- 5300 Call Report Due to NCUA

September 3, 2018

- Labor Day – Federal Holiday

October 8, 2018

- Columbus Day – Federal Holiday

November 12, 2018

- Veterans Day (observed) – Federal Holiday

Please respond to [Mark Robey](#) with any questions or concerns regarding content of this newsletter.Sign up to receive Regulatory Compliance News by sending an email to [Donna Gibbs](#).Archived Regulatory Compliance Newsletters can be accessed [here](#) or on our website www.mwcua.com – Compliance News.

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