

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

March 30, 2018

Compliance News

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IRS Reminds Taxpayers to Report Virtual Currency Transactions

The Internal Revenue Service recently reminded taxpayers that income from virtual currency transactions is reportable on their income tax returns. [Read the complete article here.](#)

Source: *IRS.gov*

Fed Adjusts Interest Rates in Regulations A and D

The Federal Reserve Board published in the recent *Federal Register* [amendments to Regulations A and D](#). The [Regulation A amendment](#) changes the interest rates in § 201.51(a) for primary credit and in § 201.51(b) for secondary credit provided to depository institutions by the Federal Reserve Banks to 2.25 percent and 2.75 percent, respectively, and applicable to credit extended beginning March 22. The [Regulation D amendment](#) increases the interest rates in § 204.10(b)(5) paid by the Federal Reserve Banks on required and excess reserves to 1.75 percent effective today and applicable to reserve balances beginning March 22.

Source: *Federal Register*

New CDD Rule: Exceptions and Exemptions

As we all know, beginning May 11, 2018, credit unions will be required to obtain identifying information about the beneficial owners of their legal entity accounts.

We also know that beneficial owners are defined in the rule as:

- **Ownership Criteria:** Each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of a legal entity customer: and
- **Control Criteria:** A single individual with significant responsibility to control, manage, or direct a legal entity customer, including:
 1. An executive officer or senior manager (e.g. a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer,

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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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Managing Member, General Partner, President, Vice President, or Treasurer); or

2. Any other individual who regularly performs similar functions.

There are some legal entities and some accounts that are so unlikely to foster money laundering that FinCEN has provided exceptions to the rule. In the final weeks before the compliance date, let's review the exceptions and exemptions of the new requirements.

Quasi-Exception: The following are instances when a credit union will only obtain the information required by the control criteria as described above:

- When there is no individual or entity that owns at least 25% of the legal entity opening the account at the credit union;
- When the legal entity is established as a nonprofit corporation or similar entity and has filed its organizational documents with the appropriate State authority as necessary; and
- When the legal entity is a pooled investment vehicle that is operated or advised by a financial institution not already excluded by one of the several exceptions in the rule as described below.

Click [here](#) to read the rest of CUNA's blog post!

Source: CUNA Compliance Community

Advocacy Highlight

CUNA Hosts Webinar on USAA Remote Capture Patent Issues

CUNA and outside Counsel conducted a webinar to discuss the letters credit unions are receiving from a law firm inviting them to negotiate a patent licensing deal with USAA for the continued usage of remote deposit capture (RDC) technology. According to the letter, USAA was the first to develop and patent RDC technology, and the patent licensing campaign is an effort to recover "a small and fair portion" of the value USAA has provided to the financial services industry.

Did you miss the webinar?

It's not too late – you can still watch a recorded version by [registering for free via this link!](#) [\[Read more here\]](#)

CUNA and LSCU File Amicus Brief in Support of The Infirmity FCU

CUNA and the League of Southeastern Credit Unions and Affiliates (LSCU) [filed a brief in support of a credit union](#) facing a predatory lawsuit alleging noncompliance with the Americans with Disabilities Act (ADA). The brief was filed in Scott v. The Infirmity FCU in the U.S. District Court for the Southern District of Alabama.

"This brief was filed by CUNA and LSCU to continue our aggressive defense of credit unions hit with predatory lawsuits from plaintiffs' attorneys looking to exploit a law that protects disabled Americans," said CUNA President/CEO Jim Nussle. "Credit unions unfortunately continue to see a string of meritless lawsuits taking advantage of ambiguities about what is required for website accessibility. In our brief, CUNA once again highlights that credit unions need clarity beyond a private industry standard and deserve due process."

The primary arguments of the joint brief are:

- The plaintiff lacks standing to file suit against the credit union;



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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



Employment

On the Employment channel in InfoSight are 30 different topics, some of which may apply to YOUR credit union! Are you hiring new employees and need to know the questions you can and can't ask or learn more about the Equal Employment Opportunity requirements? What if one of your employees has questions about the Family and Medical Leave Act? And - do you know what should – or shouldn't – be kept in a personnel file?

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.

CUNA Advocacy Update

The CUNA Advocacy Update is published at the beginning

- 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. [\[Read more here\]](#)

Source: CUNA Advocacy

Keeping up with CUNA Advocacy

To stay abreast of the issues on which CUNA has provided input to lawmakers and regulators, [here is a list of those topics](#).



Training & Events Calendar

2018 Webinars

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 9

Webinar: [ADA Website Compliance: Requirements, Common Issues & Litigation](#)

April 10

[BSA Officer Training - Denver](#)

April 12

Webinar: [Impact of Reg CC Rule Changes on RDC & ACH](#)

April 16

Webinar: [Understanding the New SAR Filing Format Requirements: Batch Submissions, Text Fields & Cyber Event Categories & Subtypes](#)

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](#)

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.

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](#)

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](#)

April 24

Webinar: [Residential Construction Lending: Compliance, Disbursements & More](#)

April 26

Webinar: [Denied Loan Requirements: Consumer, Commercial & Real Estate](#)

May 1

Webinar: [Handling Powers-of-Attorney & Living Trust Documents for Deposit Accounts & Loans](#)

May 8

Webinar: [Analyzing TRID Tolerance Cures: Clarifying the Confusion](#)

May 9

Webinar: [All You Need to Know About E-Sign, E-Statements & E-Disclosures](#)

May 10

Webinar: [Opening Business Accounts: Entities, Documentation Authority & Regulatory Requirements](#)

May 17

Webinar: [Top Escrow Compliance Exam Issues, FAQs & Field Audits](#)

**For 2018 webinar questions, please contact MWCUA@cuwebtraining.com.*

BSA Officer Training – Denver

[BSA Officer Training 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 Denver office will speak to attendees 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.

- April 10: [Denver, CO](#)

**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

CUNA Comment Calls – Due Dates on Proposed Rules

March 28, 2018~NCUA

[OMB Request: CDRLF – Loan and Grant Programs](#)

March 30, 2018~FHFA

[Credit Score Requirements](#)

April 2, 2018~NCUA

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

April 2, 2018~NCUA

[Involuntary Liquidation of Federal Credit Unions and Claims Procedures](#)

April 16, 2018~NCUA

[Golden Parachute and Indemnification Payments](#)

April 26, 2018~CFPB

[Civil Investigative Demands and Associated Processes](#)

April 30, 2018~CFPB

[Consumer and College Credit Card Agreements](#)

May 7, 2018~CFPB

[Bureau Rules of Practice for Adjudication Proceedings](#)

May 14, 2018~CFPB

[Bureau Enforcement Processes](#)

May 21, 2018~NCUA

[FCU Bylaws](#)

May 21, 2018~CFPB

[RFI re Bureau's Supervision Program](#)

May 29, 2018~CFPB

[RFI re Bureau's External Engagements](#)

June 7, 2018~CFPB

[RFI re Bureau Rulemaking Processes](#)

June 19, 2018~CFPB

[Bureau's Adopted Regulations and New Rulemaking Authority](#)

- 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.

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