

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

April 6, 2018

Compliance News

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Q&A: If the credit union has a conservatorship account, what happens when the ward or protected person dies?

A. Under the laws of our three states, a conservatorship terminates upon the death of the protected person. See A.R.S. § 14-5425(D) (and *In re Conservatorship/Guardianship of Hill*, 166 Ariz. 230, 801 P.2d 465 (Ct. App. 1990)), C.R.S. § 15-14-431, and Wyo. Stat. § 3-3-1101. Generally, the credit union may act on the instructions of the conservator within the scope of the conservatorship until the credit union has notice of the death of the protected person. A conservator is generally prohibited from spending funds of the protected person's estate after the protected person's death, except that the conservator may pay reasonable funeral, burial or cremation expenses. See A.R.S. § 14-5425(F) and C.R.S. § 15-14-428(2) (Wyoming statutes do not appear to provide similar authority). Once notified of the death of the protected person, the credit union should take care that funds are not used for any purpose other than permitted for funeral, burial or cremation, or transferred to a properly appointed personal representative of the deceased person's estate. If the conservator attempts to disburse funds other than for the foregoing reasons, the credit union should consider asking for a court order.

FinCEN Issues Updated FAQ for Customer Due Diligence Requirements

On April 3, 2018, FinCEN issued Frequently Asked Questions to assist covered financial institutions in understanding the scope of the Customer Due Diligence Requirements for Financial Institutions, (the

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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.

Visit mwcu.com to register



CDD Rule) published on May 11, 2016. [Click here to access the updated FAQs.](#)

Source: FinCEN

NCUA Posts New Share Insurance Fund Distribution Directions Online

Federally insured credit unions now can find online information about calculating and recording the planned Share Insurance Fund equity distribution from the National Credit Union Administration.

The NCUA recently posted new frequently asked questions about the distribution that include a preliminary pro rata calculation figure and instructions for recording the distribution, available online here.

The pro rata calculation figure is subject to change, and the NCUA assumes no responsibility for an eligible credit union's accounting estimate of its Share Insurance Fund equity distribution.

Following the closure of the Temporary Corporate Credit Union Stabilization Fund and the transfer of assets to the Share Insurance Fund on Oct. 1, 2017, the NCUA Board, at its February 2018 open meeting, authorized a statutorily required Share Insurance Fund equity distribution of \$736 million to eligible credit unions, to be paid in the third quarter of 2018.

NCUA Marks National Financial Capability Month

Agency to Participate in Twitter Chat, Webinar, Facebook Live, and Capitol Hill Event

The National Credit Union Administration will join several events highlighting the importance of financial preparedness as part of the Financial Literacy and Education Commission's Financial Capability Month campaign.

During Financial Capability Month, which runs April 1 to April 30, the NCUA will participate in the following events:

- April 11, 1 p.m. Eastern—Twitter chat hosted by the agency and members of FLEC. During the chat, participants will learn more about the resources available to help improve financial well-being. Credit unions and consumers are encouraged to follow the conversation and contribute using the **#FinancialChat** hashtag on Twitter.
- April 12, 12 p.m. Eastern—Financial Literacy Day on Capitol Hill to educate lawmakers, congressional staffers, and the public about consumer protection and financial literacy efforts by the federal government and its partners. As a participant, NCUA will share information about federally insured credit unions and the role of NCUA. The event is organized by the Jump\$tart Coalition, Junior Achievement USA, and the Council for Economic Education.
- April 18, 3 p.m. Eastern—Facebook Live event, *"Improving Your Financial Future"* The live event will be hosted on the [Federal Emergency Management Agency's Facebook page](#).
- April 26, 2 p.m. Eastern—Webinar, *"Be Ready Financially: Resources to Help Individuals and Families with Financial Preparedness,"* also hosted by the Federal Emergency Management Agency. Registration information will be available from the NCUA soon. There will be no charge for this webinar.

[View the entire press release](#)

Source: NCUA



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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



Field of Membership

Field of membership (FOM) is something that sets credit unions apart from other financial institutions and defines the person, including organizations and other legal entities, a credit union is permitted to accept for membership. Generally, credit unions can only offer services to persons within the FOM who have actually become members of the credit union. The credit union's charter and bylaws will identify who is eligible for membership within your credit union.

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

CUNA Provides First Quarter Update for the MLA Fee Comparison Spreadsheet

In September of 2017 CUNA announced that it had worked with a third party to develop an interactive MLA Fee Comparison spreadsheet for determining whether certain credit card fees they charge are considered Reasonable and Bona Fide.

At the request of a number of credit unions, CUNA has agreed to update the spreadsheet on a quarterly basis during 2018.

The [recently-updated first quarter 2018 fee comparison spreadsheet](#) has been downloaded in CUNA's Compliance Community under Compliance Resources Tab and is also located under the CUNA Resources tab in the MLA topic of CUNA's e-Guide.

In each location you will find the updated spreadsheet from the end of March 2018 as well as the initial spreadsheet from September 2017, in case you need to refer to historical data.

CUNA estimates that use of the spreadsheet will significantly reduce the time required to determine whether a credit union's fees are "Reasonable" and Bona Fide when compared to performing the same steps manually.

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

Source: CUNA Compliance Community

Advocacy Highlight

CFPB Issues 10th RFI in Series

The CFPB has [announced the tenth in its Call for Evidence series](#) of Requests for Information to ensure the Bureau is fulfilling its proper and appropriate functions. [The latest RFI](#) seeks comments and information from interested parties to assist in assessing the overall effectiveness and accessibility of its guidance materials and activities, including implementation support. The Bureau is also considering whether it would be appropriate to make changes to the formats, processes, and delivery methods for providing this guidance, and whether it would be appropriate to make changes to the disclaimers used on certain forms of guidance. Publication of the RFI was scheduled for Monday, April 2nd. A 91-day comment period will end Monday, July 2, 2018.

Source: CUNA Advocacy

CUNA and Trades Disagree with Part of Court's FOM Ruling

The U.S. District Court for the District of Columbia upheld two challenged portions of the National Credit Union Administration's field of membership (FOM) rule and struck down two provisions in a lawsuit filed against the agency by the American Bankers Association (ABA), CUNA, the National Association of Federally-Insured Credit Unions (NAFCU), and CUNA Mutual Group, in a joint statement, disagreed with the court's decision and reiterated their intent to continue to work in support of the agency's authority to issue this rule.

"Our organizations are pleased the court upheld components of the NCUA's field-of-membership rule; however, we strongly disagree with the court's decision that aspects of the rule exceed the agency's legal authority," said NAFCU President/CEO Dan Berger, CUNA President/CEO Jim Nussle and CUNA Mutual Group President/CEO Robert Trunzo. "The

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](#)

field-of-membership rule is not only entirely consistent with the Federal Credit Union Act, but also credit unions must have the ability to grow and serve more Americans. As the parties consider their options going forward, we will continue to support the agency on this critical issue."

The provisions declared to exceed the NCUA's statutory authority include those that automatically qualify a combined statistical area (CSA) with fewer than 2.5 million people to be a local community and the increase to 1 million people for the population limit for rural districts. [\[Read more here\]](#)

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](#).



MOUNTAIN WEST
Credit Union Association

Training & Events Calendar

2018 Webinars

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](#)

April 24

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

April 26

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

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](#)



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

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.*

Next Compliance Lunch & Learn in Grand Junction, CO on May 10

The next Compliance Lunch & Learn session in Colorado will take place on May 10, 2018 in Grand Junction, CO at Western Rockies FCU. Join your credit union compliance peers for instruction and a discussion regarding Advertising & Sweepstakes Rules. Led by Mountain West's Mark Robey, we'll review important advertising regulations, and discuss how to avoid pitfalls with promotional giveaways, sweepstakes and contests. Cost is \$35/ person. [Click here to register](#).

Save The Date for AZ Compliance Lunch & Learns!

The next set of Arizona Compliance Lunch & Learns are scheduled for May 22 and May 23. The topic will be Managing Secured Transactions – see dates and locations below. Stay tuned for more information.

May 22, 2018 – Phoenix, AZ

May 23, 2018 – Tucson, AZ

• 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](#).

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