

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

December 21, 2018

Compliance News

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*This is the last Regulatory Compliance Newsletter until
January 11, 2019!*

May everyone have a safe and happy holiday season!

NCUA to Launch Alternating Exam Pilot Program

On January 1, 2019, the NCUA and six state credit union regulators will launch an [alternating examination pilot program](#) for a select group of federally insured, state-chartered credit unions. The NCUA has posted an [FAQ about the program](#).

The NCUA Board held an open meeting at the agency's headquarters on December 13, 2018, and [unanimously approved three items](#):

- Lowering the normal operating level of the National Credit Union Share Insurance Fund to 1.38 percent from 1.39 percent.
- Posting the final report of the agency's Regulatory Reform Task Force in the *Federal Register*, following a briefing by the Office of the General Counsel.
- A final rule making technical amendments to agency regulations to correct minor drafting errors and rescind certain unnecessary provisions.

Source: NCUA

NCUA to Return to 3-year Reg. Review

NCUA will return to its former practice of conducting rolling three-year reviews and will post updates to its website every six months, following one recommendation from the task force. [Here is more information and related links.](#)

Source: CUNA Removing Barriers Blog

UBS Financial Services to Pay \$15M for AML Failings

[The Financial Crimes Enforcement Network \(FinCEN\) announced Monday](#) that it has assessed a \$14.5 million civil money penalty on UBS Financial Services, Inc., of which \$5 million will be paid to the U.S. Treasury, and the balance will be concurrent with \$9.5 million of the \$10 million in penalties imposed for similar or related conduct by the Securities and Exchange Commission and

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Your Compliance Community

Your Compliance Community provides additional compliance resources including state-level compliance information and makes networking and collaborating with your local peers more effective and efficient.

If you haven't yet joined the Community, you can access it from the Association's [website](#) by clicking on the "Compliance Community" dropdown under the "Compliance" tab. From the Community homepage, you will be asked to "Join" the Community.

As always, we invite your feedback to help us improve how we serve you.



Annual Threshold Updates

At the end of every year, we have dollar amount changes for several thresholds in the BCFP rules, the Federal Reserve Board

the Financial Industry Regulatory Authority.

FinCEN said UBSFS failed to develop and implement an appropriate, risk-based anti-money laundering program that adequately addressed the risks associated with accounts that included both traditional brokerage and banking-like services. UBSFS failed to implement appropriate policies and procedures to ensure the detection and reporting of suspicious activity through all accounts—particularly for those accounts that exhibited little to no securities trading. The firm did not adequately structure its AML program to address the use of securities accounts for the purpose of moving funds rather than trading securities.

FinCEN also said that, over several years, UBSFS processed through certain of its brokerage accounts hundreds of transactions that exhibited red flags associated with shell company activity. UBSFS failed to adequately monitor foreign currency-denominated wire transfers—amounting to tens of billions of dollars—that were conducted through its commodities accounts and retail brokerage accounts. UBSFS's AML monitoring system failed to capture critical information about these foreign currency-denominated wires, including sender and recipient information and the country of origin and destination. As a result, it was unable to identify and investigate potentially suspicious transactions based on the presence of important risk factors, such as jurisdiction and the involvement of politically exposed persons.

Source: FinCEN

Advocacy Highlight

Advocacy Message from CUNA

2018 was a remarkable year for credit union advocacy. In a turbulent political environment, credit unions, Leagues and CUNA led the way. Because of our efforts, regulatory barriers were removed; we advanced the credit union charter at the federal and state level; we held data compromisers accountable; we preserved the tax status; we expanded our grassroots capabilities and we returned a credit union majority to Congress. This is shared victory that we should be very proud of!

But advocacy is a process, not an event. Our work to revolutionize the operating environment for credit unions is not over. We will be right back here in 2019 working with you to advance credit union priorities in Congress, at the regulatory agencies, in courts and in state capitals in coordination with state credit union leagues!

Source: CUNA

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](#).



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rules and even IRS rules. These changes will be reflected in InfoSight after the first of the year.

You can access InfoSight in the [Community](#) under the [Resources](#) tab.



Does your credit union have the right tools for today's compliance challenges? Whether you are looking for a required review, independent assessment, or simply the right tool for you to do the job, AffirmX has you covered. AffirmX is the leading cloud-based compliance solution, offering services for: complaint management, full-scope compliance reviews, internal audit, risk assessments, website accessibility, and project remediation. Each AffirmX solution delivers near-real time risk-based information to a dashboard that clearly informs your credit union about its compliance operations. If you are simply looking to better document the compliance steps you already take, AffirmX offers users a variety of self-review tools. One of today's most often requested self-reviews is for advertising compliance. To see this tool in action, [click here](#).

For more information about any of the AffirmX services, please contact Melia Heimbeck at: mheimbeck@mwcu.com (720) 479-3325 or 1 (800) 477-1697 ext. 3325

Compliance Videos

Compliance Connection Video

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 Comment Calls – Due Dates on Proposed Rules

December 3, 2018~NCUA

[Real Estate Appraisals](#)

December 10, 2018~NCUA

[OMB Request: Credit Union Service Organizations \(CUSO\)](#)

December 14, 2018~Federal Reserve

[Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments](#)

December 18, 2018~SBA

[Express Loan Programs; Affiliation Standards](#)

December 27, 2018~BCFP

[RFI re Bureau Data Collections](#)

January 31, 2019~FHFA

[FHLB Housing Goals Amendments](#)

Training & Events Calendar

2018 Webinars

January 8

Webinar: Compliance Training for the Frontline

January 9

Webinar: Record Retention & Destruction Rules: Paper & Electronic

January 10

Webinar: Credit Analysis & Underwriting Series: Regulator Issues & Update for the Credit Analyst

January 14

Webinar: IRA & HSA 2019 Update, Including Tax Reform Considerations

January 15

Webinar: FFIEC Exam Procedures for Business Continuity

January 16

Webinar: 2018 HMDA Submission Due March 1, 2019, Part 1: Identifying Reportable Loans, Data Integrity & FIG Analysis

January 24

Webinar: 2018 HMDA Submission Due March 1, 2019/Part 2: Requirements, Clearing Edits, Exempt Fields & More

January 29

Webinar: Real Estate Loan Collection Rules for Lenders & Mortgage Servicers

January 31

Webinar: Frontline Fraud Prevention: Stopping Fraud at the Teller Line

Free Webinar: Available until December 31, 2018

GDPR: What Is It & Should Your Financial Institution Be Concerned?

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

Save-the-Date

February Compliance Lunch & Learns

The topic for this set of programs is the **Do's Don'ts and I Don't Knows with Deceased Accounts**.

When a member dies there are many things the credit union needs to consider. Join us for a discussion on how to handle deceased accounts properly for your state.

The program will include time for an open forum to discuss any compliance-related topics that are important to you.

- **February 6 – Phoenix**
- **February 7 – Tucson**
- **February 12 – Denver**

Effective Dates New and Revised Rules

January 1, 2019

- HMDA Thresholds/Reg C

January 1, 2019

- Liability Provisions of Reg CC

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

- Risk-Based Capital

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](#)*



Compliance Calendar

December 25, 2018

- Christmas Day – Federal Holiday

January 1, 2019

- New Year's Day – Federal Holiday

Details and registration coming soon! To check out what's on tap for 2019, go to the Education page on our website, www.mwcua.com, and go to the [Training & Events Calendar](#).

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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