

## Regulatory Compliance News



**MOUNTAIN WEST**  
Credit Union Association

February 1, 2019

### Compliance News

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- **Are Your CDD Policies Ready for Your Next Exam?**

#### Bureau Releases Report on Servicemember Complaints

The CFPB has posted a [Bureau Blog](#) entry announcing the release of the [sixth Annual Report](#) from the Bureau's Office of Servicemember Affairs (OSA) highlighting issues and emerging trends facing servicemembers, veterans, and military families. The annual review allows the CFPB to highlight and address critical issues and emerging trends facing the military community and informs the Bureau's efforts to protect military consumers.

The OSA provides service to the military community by highlighting issues like abuses of the military allotment system, aggressive marketing of refinance offers to veteran homeowners, and full explanations of servicemembers' rights under the Servicemember Civil Relief Act (SCRA). This year's Annual Report describes emerging servicemember issues in the financial marketplace such as:

- Medical, telecommunications and VA debts on servicemembers' credit reports
- Student loan servicing obstacles
- Automobile add-on products in the car buying process

Source: CFPB

#### Tax Season Has Begun – Prepare for Direct Deposits of Refunds

The IRS has shared the following reminders to taxpayers in regard to direct deposited tax refunds:

- Refunds can be split into as many as three separate accounts. For example, a checking, a savings, and a retirement account.
- Refunds should only be directly deposited into accounts that are in the taxpayer's own name, their spouse's name, or both if it's a joint account.
- Refunds should not be direct deposited into an account in a return preparer's name.

Click [here](#) for additional information and important filing dates.

Source: IRS/CUNA Compliance Blog

#### Are Your CDD Policies Ready for Your Next Exam?

Last August, NCUA issued [Supervisory Letter \(SL No. 18-01\)](#) to

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### Compliance Community Highlight

#### Can the credit union require GAP insurance as a condition of the loan?

The newest blog post in the Compliance Community answers this question as well as provides some additional compliance information related to this issue.

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.

address credit union's compliance with the new BSA Customer Due Diligence and Beneficial Ownership Rules. With this letter, NCUA stated that credit unions could expect that "field staff would not identify non-compliance as a significant BSA violation, as long as credit unions were making a good faith effort to comply with the new rules." Credit unions were to expect this reprieve through the end of 2018.

Well, we are now into 2019, and NCUA has listed "in-depth reviews of BSA/AML policies and procedures and assessing compliance with the customer due diligence regulation" as one of the agency's supervisory priorities for this year.

As you prepare for your next exam, [some items you should consider include](#):

- Does your written BSA compliance program include Customer Due Diligence and Beneficial Ownership Identification and Verification?
- Have you established an adequate Customer (member) Due Diligence (CDD) Program?
- Does your CU have effective procedures for developing member risk profiles that identify the specific risks of individual members or categories of members?
- Are your risk-based CDD policies, procedures, and processes commensurate with your credit union's BSA/AML risk profile, with increased focus on higher risk members?
- Do your procedures include identifying members that may pose a higher risk for money laundering or terrorist financing and whether and/or when, on the basis of risk, it is appropriate to obtain and review additional member information?

*Source: CUNA Compliance Blog*

## Advocacy Highlight

### 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](#).

### 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.



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### Content Update

In response to a request from an InfoSight user, the **Security Channel** was recently updated with a new topic: Active Shooter. Please review this serious topic to ensure the safety of your credit union staff and members.

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



Is your credit union ready for NCUA's 2019 Supervisory Priorities? With Bank Secrecy Act Compliance and Consumer Compliance listed as two of the top three priorities for this year's examinations, let AffirmX help you be prepared. AffirmX is the leading cloud-based compliance solution that adds expertise to your compliance team and easily integrates into your operations. AffirmX services cover: ACH audit, BSA Independent Testing, SAFE Act audit, 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. In addition, AffirmX offers users a variety of self-review tools, so you can tackle compliance items on your own.

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

## Compliance Videos

### Compliance Connection – New Videos

[In this video](#), League InfoSight CEO Glory LeDu talks about the highlights from the 4<sup>th</sup> Quarter of 2018 and the 1<sup>st</sup> Quarter of 2019.

When S.2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, passed in 2018 there was a lot to understand! Glory LeDu, League InfoSight CEO, provides [Part 1 in this short video](#) to break it down for you.

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**

## Training & Events Calendar

### 2019 Webinars

#### **February 5**

Webinar: Right of Setoff on Deposit Accounts & Loans: Legal Issues

#### **February 7**

Webinar: ACH Tax Refund Exceptions, Posting & Liabilities

#### **February 12**

Webinar: Teller Training: Risks & Precautions for Endorsements & Other Negotiable Instruments

#### **February 13**

Webinar: Board Secretary Procedural and Compliance Responsibilities

#### **February 14**

Webinar: Prepaid Cards: Your Credit Union's Responsibilities Under the New Rules, Effective April 1, 2019

#### **February 21**

Webinar: The New NIST Digital Identity Guidelines: Impact on Passwords, Security Questions & Account Lockouts

#### **February 28**

Webinar: Flood Insurance Compliance Update & FAQs

*\*For 2019 webinar questions, please contact [MWCUA@cuwebtraining.com](mailto:MWCUA@cuwebtraining.com).*

## **Compliance Lunch & Learn - Denver**

- Do's and Don'ts and I Don't Knows with Deceased Accounts – Feb 12th

## **BSA Officer Training**

Bill Elliott will be our speaker for the **March 7** program in **Phoenix, AZ**. This one-day seminar is designed for BSA professionals who are competent in the core requirements of Bank Secrecy Act rules. The program will provide a higher level of lecture, training, and interactive discussion regarding the challenges of developing and managing an effective BSA program.

The **April 2** program in **Denver, CO** will be led by Rayleen Pirnie. Join us to explore the world of BSA today, how CU internal processes must change to keep pace in our ever-increasing online world, how common frauds can affect compliance, and how the ACH Network is battling risks of Third-Parties posing BSA risk to CUs. This interactive session allows participants to share their questions and success stories, and provides valuable take-aways.

Bonus Session! In both locations, the local IRS Criminal Investigation Office will present insightful information on Conducting &

#### **January 14, 2019~NCUA**

NCUA's FCU Bylaws Proposal

#### **January 22, 2019~NCUA**

Fidelity Bonds

#### **January 31, 2019~FHFA**

FHLB Housing Goals Amendments

#### **February 8, 2019~BCFP**

Availability of Funds and Collection of Checks (Reg CC)

#### **February 11, 2019~BCFP**

Policy on No-Action Letters and the BCFP Product Sandbox

#### **March 19, 2019~FHFA**

FHFA Validation and Approval of Credit Score Models

## **Effective Dates New and Revised Rules**

#### **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

#### **January 1, 2022**

- 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](#)*

Documenting a SARs Investigation.

Click on the link below for the location closest to you for more details and to register.

**March 7:** [BSA Officer Training - Phoenix, AZ](#)

**April 2:** [BSA Officer Training - Denver, CO](#)



**February 18, 2019**

- President's Day – 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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