

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

February 8, 2019

Compliance News

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First TRID Rule FAQs Posted by CFPB

The CFPB has posted [four FAQs relating to compliance with the TRID Rule](#). Three of the questions concern corrected closing disclosures and the three-business day waiting period before consummation.

The fourth question addresses use of a model form that doesn't reflect a TRID Rule change finalized in 2017. That question and the Bureau's answer provide "cover" for the creditor and the Bureau, since the Bureau did not update the sample TRID model forms in appendix H. An example is model form H-24(C), which shows a "4.00%" interest rate in the prepaid interest disclosure, although the 2017 amendments (TRID 2.0) would call for it to be disclosed as "4%," with the trailing zeros to the right of the decimal point truncated.

Bureau Updates Credit Bureau List

The CFPB recently posted on their blog to announce the 2019 edition of its list of consumer reporting companies and to provide information regarding who can see one's consumer reports, when to check a report, and resources to take action if needed. [Check out the blog for additional information!](#)

Source: CFPB

Cosmetics Company Pays \$996,000 for OFAC Violations

OFAC has announced a [settlement of \\$996,080 with e.l.f. Cosmetics, Inc.](#) of Oakland, California. ELF has agreed to settle its potential civil liability for 156 apparent violations of the North Korea Sanctions Regulations, 31 C.F.R. part 510 (NKSR). The apparent violations involved the importation of false eyelash kits from two suppliers located in the People's Republic of China that contained materials sourced by those suppliers from the Democratic People's Republic of Korea. OFAC determined that e.l.f. Cosmetics voluntarily self-disclosed the apparent violations and that the apparent violations constitute a non-egregious case.

Source: OFAC

Your Credit Union's Regulatory Compliance Support Staff

Mark Robey, Esq.

Sr. VP of Regulatory Affairs

Phone: 800-477-1697, ext. 3327

Direct: 720-479-3327

Melia Heimbuck, JD, CUDE

VP of Compliance Operations

Phone: 800-477-1697, ext. 3325

Direct: 720-479-3325

Julie Kappenman, BSAS, CUCE, CUDE, CAMS

Director of Association Compliance Services

Phone: 800-477-1697, ext. 3324

Direct: 720-479-3324

Donna Gibbs

Executive Administrator

Phone: 800-477-1697, ext. 3281

Direct: 720-479-3281

Compliance Community Highlight

Congratulations to Caroline French from Sweetwater Federal Credit Union. She was the winner of the January drawing for the \$25.00 gift card from the Compliance Community.

Anyone who posts a question or answers a question in the Mountain West Credit Union Association Compliance Community will be entered into the drawing each month. Participate in the discussion and connect with your peers, and you will be entered into the drawing for your chance to win a \$25.00 gift card.

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.

NCUA Publishes Technical Corrections to Regulations

The NCUA has published a final rule at [84 FR 1601](#) in this week's Federal Register to make technical amendments to various provisions of the NCUA's regulations to correct minor drafting errors and inaccurate legal citations and remove unnecessary regulatory provisions no longer applicable to federally insured credit unions (FICUs). Affected are 12 CFR parts 700 through 705 and 708. The amendments are effective immediately.

Source: NCUA

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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Training & Events Calendar

2019 Webinars

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](#)

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



Information Sharing

The USA PATRIOT Act, Section 314(b) permits financial institutions (after certain notice provided to the U.S. Department of Treasury), to share information with one another in order to identify and report to the federal government activities that may involve money laundering or terrorist activities.

Recently, several credit unions received fictitious "phishing" emails purported to be from another credit union, threatening to report the receiving credit union "for money laundering, under 314(b) of the USA Patriot Act." Additionally, there was an attachment that – if opened - could cause harm to credit union data. Some of the "red flags" contained in the email were:

- The email address does not reflect the credit union name they state that they are from, but rather contains a domain name that can contain a series of strange letters or a generic domain name.
- Second, the sender name and the name in the email address do not match.
- Third, there are several typos and misspellings in the email, including a "suspicious transfer."

Credit unions should visit the Information Sharing topic under the Bank Secrecy Act channel within InfoSight for more information.

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 2019 webinar questions, please contact 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 & 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](#)

Compliance Videos

Compliance Connection – New Videos

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

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

CUNA Comment Calls – Due Dates on Proposed Rules

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](#)

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

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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