

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

March 8, 2019

Compliance News

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Authority of Third-Parties to Conduct Transactions on Behalf of Individuals and Entities

Association compliance staff regularly receive questions related to a non-member third-party's authority to act on behalf of an individual or an entity. These questions arise most often in connection with corporations, trusts, estates, conservatorships and powers of attorney, and many of these questions can be answered by focusing on the authority required to conduct the transaction. In our most recent Compliance Community blog post, we provide tips to help you determine if you can allow a non-member third-party to conduct business on behalf of a member, and state-specific matrices of various third-party authority. You can read the blog [here](#).

Another Class-Action Lawsuit Appears

MWCUA member credit unions have been hit with a new potential legal issue. This week, we learned of two credit unions named in class-action lawsuits tied to overdraft charges. We want our members to be aware and ask that you keep us informed if your credit union is impacted. We urge you to work with staff and vendors to ensure compliance. Similar lawsuits were exposed last year in an article in [Credit Union Journal](#). It appears to be a growing trend in parts of the country. If you need assistance with public communications related to this matter, please contact Patti Hazlett at the Association.

CFPB Reports of Widespread Elder Financial Abuse

The CFPB has released a report, [Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends](#), about key facts, trends, and patterns revealed in "elder financial exploitation" (EFE) SARs—filed by banks, credit unions, casinos, and other financial services providers. The Bureau analyzed 180,000 EFE SARs filed with FinCEN from 2013 to 2017, involving more than \$6 billion. This first-ever public analysis provides a chance to better understand elder fraud

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Compliance Community Highlight

Congratulations to April Audett from Foothills Credit Union!! April was the winner of the drawing for a \$25.00 gift card in February. Each month anyone who posts a question or answers a question in the Mountain West Credit Union Association Compliance Community will be entered into the drawing. Network with your peers and join the discussion in the 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

and to find ways to improve prevention and response.

The Bureau said—

- In 2017, financial institutions filed 63,500 SARs reporting elder financial abuse. Yet these SARs likely represent only a tiny fraction of the actual 3.5 million incidents of elder financial exploitation estimated to have happened that year.
- Elder financial exploitation isn't just happening at banks or credit unions. Money services businesses, used by many people to wire money, have filed an increasing share of these SARs (58 percent in 2017).
- Older adults ages 70 to 79 lost on average \$43,300, and when the older adult knew the suspect, the average loss was even larger—about \$50,000.
- Fewer than one-third of elder financial exploitation SARs specify that the financial institution reported the activity to adult protective services, law enforcement, or other authorities. If the financial institution is not reporting to these authorities, this is a missed opportunity to strengthen prevention and response.

CFPB System for Submitting Prepaid Account Agreements

The Consumer Financial Protection Bureau has [announced](#) a streamlined electronic submission system for prepaid account issuers to submit their account agreements to the Bureau. Prepaid issuers can register for the system now before the April 1, 2019 effective date of the Bureau's prepaid rule.

The Bureau's prepaid rule includes a requirement that prepaid account issuers submit their prepaid account agreements, including fee information, to the Bureau. Prepaid account issuers can [register](#) for [Collect](#), the Bureau's online channel for submissions. All prepaid account agreements offered as of April 1, 2019, must be uploaded to Collect by May 1, 2019. After that, prepaid account issuers must make a submission to the Bureau within 30 days whenever a new agreement is offered, a previously submitted agreement is amended, or a previously submitted agreement is no longer offered.

Source: CFPB

Other Articles of Interest

- [Settlement Proposed in Data Breach Lawsuit Against Wendy's](#)
- [Judge's Ruling Continues CU Members' Lawsuit Over TILA Dispute](#)
- [CFPB Releases Report on First-time Homebuying Servicemembers](#)
- [Consumer Financial Protection Bureau Issues Advance Notice of Proposed Rulemaking on Property Assessed Clean Energy Financing](#)

Advocacy Highlight

This Week in Washington – March 4, 2019

CUNA's 2019 Advocacy Agenda

Keeping up with CUNA Advocacy

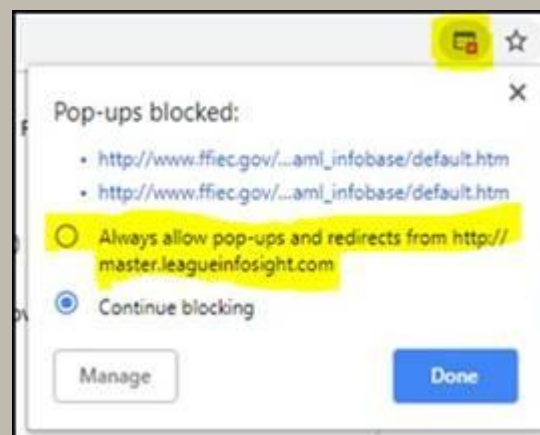
To stay abreast of the issues on which CUNA has provided input to

serve you.



Important Information for Chrome Users of InfoSight

A quick note for our InfoSight users on Google Chrome. Sometime in the past few weeks, Google Chrome made a change where links that are set to open in new windows and also set to have external link warnings are blocked as pop-ups by default. This may affect some of the links (e.g., FFIEC, FinCEN, etc.) on InfoSight. If you click on a link, receive a message that the link is going to a third-party site, and click OK on the message but the site does not open, you will need to update the pop-up setting for InfoSight to allow pop-ups and redirects from your state InfoSight. Changing this setting will allow you to view all of the links for InfoSight, but will not change your pop-up blocker settings for other sites. (See *example below*)



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.

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.



MOUNTAIN WEST
Credit Union Association

Training & Events Calendar

2019 Webinars

March 12

Webinar: [Synthetic ID Fraud: What It Is, How It Works & Real-Life Scenarios](#)

March 13

Webinar: [2019 ACH Rules Update](#)

March 20

Webinar: [Advanced BSA Officer Training: In-Depth Risk Issues & Difficult Situations](#)

March 21

Webinar: [Required Compliance for Commercial Loans Secured by Real Estate](#)

March 25

Webinar: [Handling Power of Attorney & Living Trust Documents on Deposit Accounts & Loans](#)

March 26

Webinar: [Red Flags in Board Reports](#)

April 1

Webinar: [New Private Flood Insurance Rules Effective July 1, 2019: Policy, Procedures & Compliance](#)

April 3

Webinar: [UDAAP: Consumer Complaint Monitoring & Avoiding Harm](#)

**For 2019 webinar questions, please contact MWCUA@cuwebtraining.com.*

Don't Miss BSA Officer Training in Denver

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 – 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.

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

March 8, 2019~FASB

[Targeted Transition Relief for Credit Losses \(CECL\)](#)

March 21, 2019~FHFA

[FHFA Validation and Approval of Credit Score Models](#)

March 26, 2019~NCUA

[Supervisory Committee Audits & Verifications](#)

Effective Dates New and Revised Rules

April 1, 2019

- [Prepaid Accounts under the EFT Act/Reg E and TILA/Reg Z](#)

July 1, 2019

- [Loans in Areas Having Special Flood Hazards](#)

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](#)

The registration deadline is only a couple weeks away! Join your BSA/compliance peers on **April 2** in **Denver, CO** 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. We're diving deep into the now, exploring BSA from a multitude of perspectives since BSA goes far beyond just money laundering.

Bonus Session! As part of the one-day BSA Officer Training, the IRS Criminal Investigation Office will present insightful information on Conducting & Documenting a SARs Investigation.

For more information and to register, [click here](#).

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](#)*

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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