

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

May 31, 2019

Compliance News

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NCUA Issues Regulatory Alert Regarding Flood Insurance Alternatives

Effective July 1, 2019, credit unions **must** accept private flood insurance policies for applicable loans. The policies must meet the definition of private flood insurance as included under the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act) and incorporated into [Part 760 of the NCUA's regulations](#). In addition, credit unions **may** accept private flood insurance policies that do not meet the definition of private flood insurance as explained in this letter, as well as NCUA-approved private flood insurance plans provided by mutual aid societies.

The Biggert-Waters Act was intended to ease the financial strain on the National Flood Insurance Program (NFIP) by expanding the acceptance of private flood insurance. On February 20, 2019, the [NCUA published an interagency rule](#) regarding loans in areas having special flood hazards in order to implement the private flood insurance provisions of the Biggert-Waters Act. As a result, Part 760 of the NCUA regulations has been updated to account for this rule.

[This Regulatory Alert letter](#) explains the alternatives to NFIP policies and the conditions for their acceptance.

CURE Offering Assistance for Chartering, Low-Income Designation

The NCUA's Office of Credit Union Resources and Expansion (CURE) will offer more resources for credit unions to identify low-income areas they might serve and to assist people organizing credit unions with the chartering process.

The NCUA has a new online [low-income designation area workbook](#) that organizing groups and existing credit unions can use

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, Esq.

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

Your Compliance Community

Recently there have been lawsuits filed against credit unions related to their overdraft programs. A recent blog in The Mountain West Credit Union Association Compliance Community provides information on how credit unions can mitigate the risk of lawsuits associated with overdraft programs. You can access the **Blog** on the home page of the 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

to research low-income areas they can target for possible member recruitment and outreach.

A new chartering modernization effort is under way that will automate and streamline the process. The NCUA plans to open a new web portal with information to assist credit union organizers. The agency will offer pre-developed business models that organizing groups can use.

The NCUA also makes training available for all credit unions, including minority depository institutions, through its [Learning Management Service](#) and hosts WebEx online meetings and teleconferences for credit unions to discuss management issues, grants and loans, and other topics.

Low-income credit unions interested in [2019 Community Development Revolving Loan Fund grants](#) can submit applications from June 2 through July 20. The NCUA will administer approximately \$2 million in grants to the most qualified applicants, subject to the availability of funds.

NCUA Offers Older Americans Valuable Information on Managing, Protecting Money

During [Older Americans Month](#), the National Credit Union Administration highlighted its online resources to help older adults manage money and protect against fraud and exploitation.

NCUA Board Chairman Rodney E. Hood said, “The theme of Older Americans Month is, ‘Connect, Create, Contribute,’ and the NCUA strives to connect older credit union members with important information to create greater personal financial security and contribute to their overall well-being. This includes both money management information as well as advice for how to recognize and protect themselves from elder financial abuse.”

The NCUA now has [a video](#) highlighting financial exploitation of older adults, and the agency offers information resources to help prevent [elder financial abuse](#) and avoid [financial scams](#) specifically targeting older people.

The [Aging and Managing Finances](#) section of the [MyCreditUnion.gov](#) consumer website also offers information on planning for [long-term health care](#) expenses and financial considerations of [reverse mortgages](#).

Throughout the month, the NCUA posted helpful tips and consumer advice on social media sites. Follow and share [@MyCU.gov](#) on Twitter and the agency’s [Facebook page](#).

Source: NCUA

FTC Rescinding Several FCRA Model Forms

The Federal Trade Commission recently published a final rule rescinding several Model Forms and Disclosures issued under the Fair Credit Reporting Act (“FCRA”) that it has determined are no longer necessary. Given the CFPB’s 2018 updates to its model forms and disclosures, the Commission determined that rescinding several of its model forms and disclosures would reduce confusion. The Commission also made conforming amendments to address

serve you.



Elder Financial Abuse Additional Resource Update

Once again, we hear about the elderly and vulnerable among us who are taken advantage of by family members or even by complete strangers. During the month of May, the NCUA has provided various resources to bring attention to this issue, and a state-wide directory has been updated in the Security -- Elder Financial Exploitation channel in InfoSight.

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



Stay on top of compliance and still have time to serve your members. 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 (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

references to the updated model forms and disclosures in related rules. You can find the final rule [here](#).

The amendments, which were effective May 22, remove current appendices A and D through H in 16 CFR part 698, redesignating current appendices B (Model Forms for Risk-Based Pricing and Credit Score Exception Notices) and C (Model Forms for Affiliate Marketing Opt-Out Notices) as appendices A and B. This final rule includes a table of rescinded 16 CFR part 698 appendices and the corresponding CFPB appendices taking their place.

Source: FTC

FinCEN Announces Its Innovation Hours Program

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) announced this week the [FinCEN Innovation Hours Program](#) to better shape and inform its ongoing engagement with Anti-Money Laundering (AML)/Countering the Financing of Terrorism (CFT) innovators.

The Innovation Hours Program will provide financial technology (FinTech) and regulatory technology (RegTech) companies and financial institutions the opportunity to present their new and emerging innovative products and services to FinCEN. Technology demonstrations should highlight how these innovations work and how financial institutions might use them. FinCEN expects to hold events in the Washington D.C. metro area, as well as some regional events that focus on financial services-related innovation.

Primary consideration for requests for Innovation Hours will be given to entities that are at the operational stage. Companies interested in meeting with FinCEN should submit a [web request](#) and provide applicable background information about their firm's business and innovative products. Requests will be accepted on a rolling basis.

The Innovation Hours Program is part of a broader Innovation Initiative at FinCEN that also includes consideration of exceptive relief for pilot programs designed to facilitate innovative solutions to AML/CFT compliance challenges, and ongoing efforts to provide enhanced feedback and information sharing programs.

Source: FinCEN



MOUNTAIN WEST
Credit Union Association

Training & Events Calendar

2019 Webinars

June 3

Webinar: [Untangling Complex RDFI Challenges](#)

June 5

Webinar: [Job-Specific BSA Training for Operations](#)

Proposed Rules

May 1, 2019~CFPB

[Consumer Credit Card Market](#)

May 7, 2019~CFPB

[Residential Property Assessed Clean Energy Financing](#)

May 15, 2019~CFPB

[Payday, Vehicle Title, and Certain High-Cost Installment Loans](#)

May 21, 2019~DOL

[Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees](#)

June 3, 2019~FTC

[Privacy of Consumer Financial Information Rule Under the GrammLeach-Bliley Act](#)

June 24, 2019~NCUA

[Compensation in Connection with Loans and Lines of Credit to Members](#)

June 28, 2019~CFPB

[Potential Regulatory Changes to the Remittance Rule](#)

July 8, 2019~CFPB

[Home Mortgage Disclosure \(Reg C\) Data Points and Coverage](#)

Effective Dates New and Revised Rules

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](#)

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](#)*

June 6

Webinar: [Handling Dormant Accounts, Unclaimed Property & Escheatment](#)

June 12

Webinar: [Hemp Farming Act: CBD, FAQs & Impact on Financial Services](#)

June 18

Webinar: [Reg E Fundamentals](#)

June 24

Webinar: [Complying with the 2019 SAR Cyber-Event Reporting Requirements](#)

June 24

Webinar: [Complying with the 2019 SAR Cyber-Event Reporting Requirements](#)

June 26

Webinar: [Card Data Security: PCI-DSS Risk, Readiness & Compliance](#)

June 27

Webinar: [Living, Grantor & Family Trust Accounts: Common Problems in Account Opening & Lending](#)

July 1

Webinar: [ALLL Supporting Documentation: Current Rules & Future Expectations Under CECL](#)

July 2

Webinar: [Managing Accounts & Records for Nonresident Aliens: Opening, Identifying, Monitoring & Tax Reporting](#)

July 9

Webinar: [Surviving a TRID Compliance Exam](#)

June 26

Webinar: [Card Data Security: PCI-DSS Risk, Readiness & Compliance](#)

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

Advocacy Highlight

CUNA's 2019 Advocacy Agenda

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.

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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