

## Regulatory Compliance News



**MOUNTAIN WEST**  
Credit Union Association

June 7, 2019

### Compliance News

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#### Bureau Updates TRID FAQs

The Consumer Financial Protection Bureau has updated its [TILA-RESPA Integrated Disclosure \("TRID"\) FAQs](#). The FAQs address questions relating to:

- Corrected closing disclosures and the three business-day waiting period before consummation
- Model forms
- Construction loans (added)

#### CFPB Launches Financial Education Tool for Active-Duty Servicemembers

The Consumer Financial Protection Bureau (CFPB) significantly expanded its Misadventures in Money Management financial education tool to active duty servicemembers. Misadventures in Money Management ([MIMM.gov](#)) was initially developed for future servicemembers who signed a contract to enlist in the armed forces, but had not yet shipped off to basic military training. Today the CFPB is expanding the program to be available for all servicemembers on active duty, including in the Reserve or the National Guard.

*Source: CFPB*

#### Register Now for June 18 Flood Insurance Webinar

[Online registration](#) is open for a June 18 webinar discussing [updates to the flood insurance rule](#).

The webinar, hosted by the National Credit Union Administration and four other federal financial regulatory agencies, is scheduled to begin at 2pm Eastern and run approximately one hour. Participants will be able to log into the webinar and view it on mobile devices using the registration link.

Staff from the NCUA, the Board of Governors of the Federal Reserve

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### Compliance Community Highlight

Congratulations to Candise Taylor of Sweetwater FCU in Wyoming. She is the winner of Compliance Community May drawing. Anyone who posts a question or answers a question in the Mountain West Credit Union Association Compliance Community will be entered in the monthly drawing for a \$25.00 gift card. The Compliance Community is a great place to share information and network with your peers get involved today.

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

System, the Farm Credit Administration, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency will cover topics including:

- Mandatory acceptance of private flood insurance,
- Mandatory-acceptance compliance aid,
- Discretionary acceptance of private flood insurance,
- Flood coverage provided by mutual aid societies, and
- Recommended preparations for compliance with the new rule.

A question-and-answer session will follow the presentation. Participants also may submit questions in advance at [fedwebinar@sf.frb.org](mailto:fedwebinar@sf.frb.org). Credit unions may wish to review the [NCUA's online flood insurance resources](#).

*Source: NCUA*

### Review of RESPA's Anti-Kickback Provision

Section 8 of RESPA prohibits anyone from giving or accepting a fee, kickback, or anything of value in exchange for referrals of settlement services in connection with any loan covered by RESPA. The Act also prohibits fee splitting and receiving unearned fees for services not actually performed. These restrictions apply in any situation where settlement services are related to a federally related loan. The rendering of services by a mortgage broker is a "settlement service" for purposes of the rule.

Some examples: Let's suppose a real estate agent hosts an open house for brokers, and a mortgage lender offers to pay for lunch at the open house. This would violate RESPA because the mortgage lender has just provided a thing of value (lunch) in consideration for the referral of business in violation of RESPA's anti-kickback provision. Now, what if instead, the lender gave the real estate agent marketing materials, such as desk calendars, pens, and notepads, all of which promote the mortgage lender company's name. While this seems like it would be a "thing of value" on par with lunch, there is actually an exception in RESPA for normal promotional and educational activities that are not conditioned on the referral of business and that do not defray expenses that otherwise would be incurred by persons in a position to refer settlement service business. Likewise, if the mortgage lender had attended the open house to market its services or make a presentation, then paying for the lunch could be also be lawful. What about providing gifts or promotional gift cards in the context of a settlement service? This is not acceptable in most cases. In the past, HUD has settled with an appraiser who gave a mortgage company's employees restaurant gift certificates in exchange for referrals.

Another example: what if a real estate agent and a mortgage lender agree to place a joint advertisement in the paper together and both split the cost of the advertisement 50/50? Provided the ads were of equal size and the fees were split evenly, this would not be a RESPA violation. Nothing in RESPA prevents joint advertising, provided each party is paying their pro-rata share.

*Source: CUNA Compliance Blog*

## Advocacy Highlight

serve you.



### RESPA's Borrower Protections and Prohibited Practices

It's a good idea to be reminded of those activities that are considered a "kickback" when it comes to RESPA-related loans. The Detailed Analysis in the Loans and Leasing channel provides more specific details for your review.

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](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

## The Week in Washington – June 3, 2019

### **FCC Call-blocking Rule Includes Relief for Legitimate Callers**

The Federal Communications Commission (FCC) voted on June 6th to approve its default call-blocking order which includes a CUNA-supported mechanism for challenging erroneous call blocking. [CUNA is concerned](#) the order will lead to credit unions being unable to reach members with important information with members unaware the calls have been blocked. FCC Chairman Ajit Pai said that the proposal had been [modified in response to feedback](#) to include a “safety valve” to allow legitimate callers to file complaints with voice carriers over erroneously blocked calls, which CUNA called for in its comment letter.

“Today’s ruling would not have been possible without the 360-degree advocacy of the CUNA/League system,” said Ryan Donovan, CUNA chief advocacy officer. “Over the last few months, CUNA, Leagues and credit unions worked directly with the FCC, Congress, the CFPB and NCUA to ensure that any approach to stem robocalls protects credit unions’ ability to contact members and protect their financial health and security. This is how we approach every issue, and it has proven successful time and time again.” During the meeting, FCC Commissioner Michael O’Rielly raised concerns similar to CUNA’s, saying the order could result in unintended consequences and said legitimate businesses utilize programs that could fall under the definition of “robocalls” to contact consumers with important information. The FCC [unveiled the proposal](#) several weeks ago, with a shorter-than-usual comment deadline and another week before the FCC voted. This led CUNA to launch an [action alert](#) to call for comments by the May 30 comment deadline.

More than 1,000 credit union advocates contacted the FCC with letters describing concerns and urging changes to the proposal so that credit unions can continue to communicate and provide members with critical information. CUNA’s concerns were also covered in [Fox Business](#), the [Wall Street Journal](#) and [The Hill](#) in the lead up to the vote.

*Source: CUNA*

### **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.

#### **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 1, 2019~CFPB**

[Regulatory Flexibility Act Review of 2009 Overdraft Rule](#)

#### **July 8, 2019~CFPB**

[HMDA ANPR on Data Points](#)

#### **July 8, 2019~CFPB**

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

#### **August 19, 2019~CFPB**

[Debt Collection NPRM](#)

## **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](#)*



**MOUNTAIN WEST**  
**Credit Union Association**

Training & Events Calendar

2019 Webinars

**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 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

**July 10**

Webinar: FinCEN Guidelines on Reporting Elder Financial Exploitation

**July 17**

Webinar: Job-Specific BSA Training for the Frontline

**July 18**

Webinar: Legally Handling ATM & Debit Card Claims Under Reg E

**July 24**

Webinar: Outsourcing Tech Services: Regulations, Examiner Expectations & Actions for Vendor Management

**June 26**

Webinar: Card Data Security: PCI-DSS Risk, Readiness & Compliance

**July 30**

Webinar: [Opening Accounts Online: Rules, Risks & Best Practices](#)

**July 31**

Webinar: [20 Common Mistakes in Consumer Collections](#)

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

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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