

Regulatory Compliance News



MOUNTAIN WEST
Credit Union Association

September 6, 2019

Compliance News

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Our Newest Team Member is Ready to Serve

We are very excited to welcome our newest team member, Laura McFadden, to your credit union's regulatory compliance support staff. Laura has joined the Association's Regulatory Affairs team as our Director of Association Compliance Services. Laura brings a wealth of knowledge and credit union operations experience to the position. Laura fills the position opened when Julie Kappenman was promoted to Vice President of Compliance Operations. In her position, Laura is responsible for providing dues-based compliance support to all member-credit union staff. Her dedication to providing superior member service makes her a great resource for your credit union. Please reach out to Laura with any compliance support needs you have at lmcfadden@mwcu.com or (720) 479-3279.

FFIEC Releases 2018 HMDA Data

The FFIEC has [announced](#) the availability of data on mortgage lending transactions at 5,683 U.S. financial institutions covered by the Home Mortgage Disclosure Act. Covered institutions include banks, savings associations, credit unions, and mortgage companies. Released this week were loan-level HMDA data covering 2018 lending activity that were submitted on or before August 7, 2019. The HMDA loan-level data available to the public will be updated, on an ongoing basis, to reflect late submissions and resubmissions. Accordingly, loan-level data downloaded from the [FFIEC HMDA website](#) at a later date will include any such updated data.

The FFIEC also posted a [Modified LAR browser](#) for accessing a downloadable modified LAR file for each HMDA filer that has submitted data on its 2018 (or 2017) lending, along with [information on the modified file specifications, schemas, and instructions](#).

Source: FFIEC

Your Credit Union's Regulatory Compliance Support Staff

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Compliance Community Highlight

Congratulations to Casey Perkins from Ent. Casey is the winner of the August drawing for the \$25.00 gift card. Anyone who posts a question or answers a question in the Mountain West Compliance Community is automatically entered into the monthly drawing. Network with your peers and share your knowledge by participating in the Mountain West 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

FinCEN Launches Investigations Division

FinCEN has [announced](#) the launch of its Global Investigations Division (GID), which will be responsible for implementing targeted investigation strategies rooted in FinCEN's unique authorities under the Bank Secrecy Act (BSA) to combat illicit finance threats and related crimes, both domestically and internationally. GID will leverage FinCEN's BSA authorities, including Section 311 of the USA PATRIOT Act, to investigate and target terrorist finance and money laundering threats, and GID will work more closely with foreign counterparts to coordinate actions against such threats when appropriate.

Source: FinCEN

Fidelity Bond Coverage

NCUA finalized changes to its fidelity bond rule back in July with the changes going into effect October 22, 2019. The Federal Credit Union Act requires that certain credit union employees and elected officials have fidelity bond coverage. Implementing requirements can be found in [Parts 704](#) (federally insured natural person credit unions) and [713](#) (corporate credit unions) of NCUA's Rules and Regulations.

What did the rule change for natural person federally insured credit unions?

Generally, the rule expands credit union board of director oversight of fidelity bond coverage; extends the discovery periods after both a voluntary and involuntary liquidation; allows for bond coverage of certain credit union service organizations; it amends which type of bond forms will require NCUA Board approval; and establishes a sunset date for NCUA approved bond forms.

The board of directors of a credit union is responsible for annually reviewing all applications for the purchase or renewal of coverage to ensure that there is adequate coverage. The board approval of the purchase and renewal of coverage should be documented in the form of a board resolution in the board meeting minutes. Also, the standard industry practice of employees signing renewal documents is no longer acceptable. Once effective, any renewals must be signed by a non-employee and one that is different from the signatory that signed the prior renewal.

Credit unions might want to start thinking about an appropriate time for the board to review the bond coverage (remember once this rule is effective, bond coverage will need to be reviewed annually). Once you've determined the appropriate time for the annual bond review, you'll need to organize all the relevant materials and forms set for review so these items can be included in the board packet.

If there are any new purchases of bond coverage or renewals at this time, don't forget there will need to be a board resolution (as NCUA wants approvals for new and renewed coverage documented in the board minutes). In addition, remember that non-employees must sign any renewed or new coverage – and the same non-employee cannot sign for any consecutive coverage -- so do a quick check to see who signed the renewal last time and don't use the same person.

serve you.



ANNUAL SURVEY – Reminder!

It's that time of year again! We are moving into strategic planning and budget time! Every year, we use the feedback that you provide in our annual survey to determine our next steps in product development. We want to hear what you think are the critical elements for InfoSight and CU PolicyPro! [Please fill out the survey](#) and let us know so that we can make our products even better!

Should any questions arise as you're taking the survey and you'd like more assistance, please contact us at: info@leagueinfosight.com.

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



Same great program, same great people! Julie Kappenman has been promoted to VP of Compliance Operations and will begin directly supporting all of the Mountain West efforts related to AffirmX. After helping to launch AffirmX and bring it into the Mountain West region over seven years ago, Melia Heimback will now be joining the CU Solutions Group team to lead the national rollout of AffirmXCU.

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, project remediation, and vendor management. 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 Julie Kappenman at:

jkappenman@mwcu.com

(720) 479-3324 or 1 (800) 477-1697 ext. 3324

Compliance Videos

Compliance Connection

Our [Compliance Connection channel](#) help keep you up to date on trends and topics happening in the Compliance Space! It's

What about the basic bond forms found on NCUA's website?

Credit unions can use these forms without further NCUA approval. However, if a credit union wishes to use a form that is not on the list it will need to obtain NCUA's approval prior to using the form. The NCUA Board will also need to approve any bond form that has been amended or changed.

This blog post focuses on the rule's requirements for natural person credit unions. The changes for coverage of the fidelity bond apply to corporate credit unions as well and are generally the same as those for natural person federally insured credit unions, but please review the final rule analysis or the rule itself. For more information, see [final rule from the Federal Register](#).

Source: CUNA Compliance Blog

Advocacy Highlight

Hike the Hill

Hike the Hill is a grassroots program sponsored by CUNA and the state leagues to provide credit unions with the opportunity to visit Washington to educate decision makers on credit union issues. When credit unions participate in Hike the Hill, they demonstrate that credit union support has a real face, real concerns, and real stories of how credit unions affect the lives of working Americans. If you are interested in participating in Hike the Hill, please contact your state league for more information.

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.



MOUNTAIN WEST
Credit Union Association

[Training & Events Calendar](#)

[2019 Webinars](#)

also a great resource to provide training on compliance issues to your non-compliance staff, executive management and Board of Directors.

CUNA Comment Calls – Due Dates on Proposed Rules

September 16, 2019~CFPB

[QM Definition Under TILA \(Reg Z\)](#)

September 16, 2019~FASB

[FASB Proposal: Delay of Effective Date of CECL, Derivatives and Hedging, and Leases](#)

September 18, 2019~CFPB

[Debt Collection NPRM](#)

September 27, 2019~NCUA

[Second Change IRPS](#)

October 10, 2019~HUD

[HUD's Implementation for the Fair Housing Act's Disparate Impact Standard](#)

October 15, 2019~CFPB

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

November 7, 2019~Federal Reserve

[Federal Reserve Actions to Support Interbank Settlement of Faster Payments](#)

Effective Dates New and Revised Rules

January 1, 2020

- [Risk-Based Capital](#)

January 1, 2020

- [HMDA Threshold/Reg C](#)

July 1, 2020

- [Regulation CC \(FRB, CFPB\)](#)

October 22, 2019

- [Appraisals \(NCUA\)](#)

October 22, 2019

- [Fidelity Bonds \(NCUA\)](#)

November 19, 2020

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

January 1, 2022

- [Current Expected Credit Losses](#)

January 1, 2022

- [Amendments to Equal Credit Opportunity Act \(Reg B\) Ethnicity and Race Information Collection](#)

September 10

Webinar: [Managing Minor Accounts: Withdrawals, Transfers, CDD, Closing & Best Practices](#)

September 11

Webinar: [Conducting the 2019 ACH Audit](#)

September 16

Webinar: [New Compliance Officer Boot Camp](#)

September 18

Webinar: [Auditing for Reg E Compliance](#)

September 19

Webinar: [New ACH Return Reason Codes R11 & R17: Proper Use, Impact & Deadlines](#)

September 24

Webinar: [Mitigating a Data Breach: Forensics & Incident Response](#)

September 26

Webinar: [What Directors Should Know About CECL, ALLL & the New Credit Impairment Standards](#)

October 2

Webinar: [New BSA Officer Training Part 1: Compliance, Risk Assessment, CTRs, Exemptions, Forms & Regulator Expectations](#)

October 3

Webinar: [SAR Hot Spots & New Guidance: Email Compromise, Hemp, Elder Abuse & More](#)

October 9

Webinar: [When a Depositor Dies: Legal Requirements, Practical Issues & FAQs](#)

October 15

Webinar: [Mortgage Lending Hot Spots Series: Demystifying Rules for TRID Tolerances](#)

October 16

Webinar: [Reg E Requirements for Debit Card Error Resolution: Processing, Disclosure & Investigation](#)

October 31

Webinar: [New BSA Officer Training Part 2: Reviews, SARs, CDD, Technical Aspects & Real-Life Scenarios](#)

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

**For detailed information on rules and effective dates, click [here](#)*

Arizona IRA School

If you or someone at your credit union is in need of IRA training, this is the class for you. The Denver IRA School taking place in October has already sold out. The IRA School taking place in Phoenix still has availability for those needing beginner and/or advanced IRA training. We offer in-person IRA Training just once a year. So join us on **November 5-6, 2019** in Phoenix where you can register for one day or for both days.

IRA Essentials:

IRA Essentials course will give attendees a solid foundation of IRA knowledge. This is a beginner's session; no previous IRA knowledge is assumed. Attendees should bring a calculator to class.

Advanced IRAs:

This is an advanced session; previous IRA knowledge is assumed. You'll walk away with an overview of hot topics, regulatory updates and proposed regulations and the knowledge of how to address these regulatory compliance changes in your credit union.

Pricing: \$229 per day or \$418 for both days (includes instruction, materials and lunch)

Presenter: Chad Neumann, Senior Training Consultant, Ascensus, Inc.

If you need help defraying registration fees and travel/ lodging costs, please remember you can always apply for a Professional Development Scholarship through the Foundation. Click [here](#) for more information.

Click below for program information and to register:

[Nov. 5-6 IRA School - Phoenix, AZ](#)

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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