

InfoSight Highlight

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 a credit union name they state that they are from, the domain name 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.

Compliance News

CFPB: First TRID Rule FAQs Posted

The Bureau has posted four Frequently Asked Questions related to the TRID Rule. The questions and answers pertain to compliance with the TILA-RESPA Integrated Disclosure Rule (TRID or TRID Rule). Reviewing these questions and answers is not a substitute for reviewing TILA, RESPA, Regulation Z, or its official interpretations (also known as the commentary). The statutes, Regulation Z, and its official interpretations are the definitive sources of information regarding the requirements.

CFPB Publishes 2019 HMDA Data Reference Chart

This [chart](#) is intended to be used as a reference tool for data points required to be collected, recorded, and reported under Regulation C.

CFPB Advice on Fixing Common Credit Report Errors

The Bureau posted the results of a Federal Trade Commission study reporting one in five people has an error on his or her credit report and suggesting ways to discover and correct them, including how to dispute errors.

NCUA Board Approves Flood Insurance Rule

The NCUA Board unanimously approved a [final rule](#) allowing federally insured credit unions, under certain conditions, to accept private flood insurance policies in addition to National Flood Insurance Program policies. The Board approved the rule by notation vote on January 31. It will take effect July 1. The NCUA is one of five federal regulatory agencies issuing the rule.

NCUA Technical Amendments to Regulations

The NCUA published a final rule at [84 FR 1601](#) in the 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.

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Compliance Calendar

February 11

[Forms 940, 941, & 945 - Employer's Quarterly Federal Tax Returns](#)

February 15

[Form W-4 Claiming Exemption from Withholding Expire](#)

February 28

*[HW-3, Employer's Annual Return & Reconciliation of HI Income Tax Withheld](#)
*[Form N-196 Annual Summary & Transmittal of HI Information Returns](#)

April 1

*[IRS Electronic Forms Due to IRS](#)
*[Prepaid Accounts under the EFT Act/Regulation E & Truth-in-Lending Act/Regulation Z](#)

April 30

*[Form UC-B6, "Quarterly Wage Contribution & Employment & Training Assessment Report"](#)
*[Form 941, Employer's Quarterly Federal Tax Return](#)

May 10

[Form 941, Employer's Quarterly Federal Tax Return](#)

June 21

[ACH-Return for Questionable Transaction](#)

Compliance Training

February 12

[Teller Training Series: Risks & Precautions for Endorsements & Other Negotiable Instruments \(Webinar\)](#)

NCUA Adjusts CMP Caps for Inflation

The NCUA Board published a final rule at [84 FR 2052](#) amending its regulations at 12 CFR part 747 to adjust the maximum amount of each civil monetary penalty (CMP) within its jurisdiction to account for inflation. The rule is effective February 6.

U.S. Secret Service Issues Tax Season Phishing Alert

It's that time of year again. Across the country, Americans are frantically gathering financial documents from the last calendar year in order to file income taxes. Citizens are looking for W-2s, 1099's, and various other financial documents in the hope of minimizing what they owe, or better yet, the possibility of increasing the amount the government owes them. While searching through kitchen drawers and filing cabinets, the Secret Service wants to add one more thing to the list of items to be on the lookout for...Income Tax Scams. From harassing phone calls threatening immediate arrest to sophisticated email phishing scams targeting those who let their guard down, tax season becomes open season for fraudsters looking to take advantage of law-abiding citizens.

U.S. Secret Service: Online Auction Fraud, Tips to Avoid Becoming a Victim

Online auction fraud is a sophisticated scheme that relies on the increasing popularity of e-commerce marketplaces, such as Craigslist and eBay. Using these sites, fraudsters post false advertisements for merchandise that does not exist. Then, using a multitude of convincing methods, these cyber-criminals persuade victims to send money for the non-existent goods. Click on the link above to view some of the tips to keep in mind while shopping online.

CMG RISK Alert: Remain Vigilant During Tax Season

The Internal Revenue Service (IRS) lists refund fraud on the 2018 Dirty Dozen list of tax scams. Credit unions should not let their guard down – particularly in light of large-scale data breaches which provided fraudsters with the personally identifiable information needed to file fraudulent tax returns.

WesPay Warning: Counterfeit Cashier's Checks

Potlatch No.1 Federal Credit Union, also known as P1FCU, Lewiston, Idaho, contacted the NCUA to report that counterfeit cashier's checks bearing the institution's name are in circulation. This description is for a new counterfeit item occurrence, in addition to the two recent alerts sent on January 18. Counterfeit Checks are identified by the following:

- Routing Number 323173313, assigned to P1FCU
- Check Numbers are located in the upper right corner starting with 2100
- Heat Sensitive Shield in center of check
 - Words "HEAT SENSITIVE SHIELD FADES WITH HEAT OR TOUCH"
- Issue date and amount are on the same line.
- Address displayed in upper middle
 - P1FCU, P.O. BOX 897, 1025 WARNER AVE, LEWISTON, ID 83501
- Logo displayed at upper left corner above address P.O. BOX 897, 1025 WARNER AVE, Lewiston, ID 83501
- Security: the top of the check reads "TO VERIFY AUTHENTICITY, SEE REVERSE SIDE FOR DESCRIPTION OF THE 13 SECURITY FEATURES."
- Signature Line: One signature line in lower right corner
- Checks are signed by Chris Loeth
- Amounts may vary
- "THIS CHECK VOID 90 DAYS AFTER ISSUE" in the upper right corner of check.
- Matte blue paper with straight thick dark blue on upper border.

OFAC Issuance of Amended Venezuela-related General Licenses & FAQs

The Department of the Treasury's Office of Foreign Assets Control (OFAC) is issuing [two frequently asked questions \(FAQs\)](#), and publishing amended [General License 3B](#) and amended [General License 9A](#) in connection with the January 28, designation of Petróleos de Venezuela, S.A. (PdVSA) pursuant to Executive Order 13850.

OFAC Issuance of Venezuela-related FAQs

The OFAC is amending two frequently asked questions (FAQs), FAQ 595 and FAQ 648, and issuing 11 new FAQs in connection with the January 28, designation of Petróleos de

February 13

[Board Reporting Series: Board Secretary Procedural & Compliance Responsibilities \(Webinar\)](#)

February 14

[Prepaid Cards: Your Credit Union's Responsibilities Under the New Rules, Effective April 1, 2019 \(Webinar\)](#)

February 19

[Determining Cash Flow from Personal Tax Returns After 2018 Tax Reform Part 2: Schedules D, E & F \(Webinar\)](#)

February 20

[Credit Analysis & Underwriting Series: Debt Service Coverage Calculations in Underwriting \(Webinar\)](#)

February 21

[The New NIST Digital Identity Guidelines: Impact on Passwords, Security Questions & Account Lockouts \(Webinar\)](#)

February 25

[Debit Card Chargebacks Part 1: Understanding Visa Rule Changes \(Webinar\)](#)

February 27

[ACH Specialist Series: ACH Dispute Resolution \(Webinar\)](#)

February 28

[Flood Insurance Compliance Update & FAQs \(Webinar\)](#)

March 2

[HCUL Frontline Essentials Workshop - Kauai](#)

March 4

[Banking Marijuana-Related Businesses \(Webinar\)](#)

March 5

[C-Suite Series: Strategic Decisions Regarding CECL Methodologies, Processes & Governance \(Webinar\)](#)

March 6

[Board Reporting Series: Essential Board Reporting: Requirements, Timing, Delivery Options, Risks & Concerns \(Webinar\)](#)

March 7

[Federal Requirements for Tech-Based Marketing: Websites, Social Media, Robo Calls & More \(Webinar\)](#)

Venezuela, S.A. (PdVSA) pursuant to Executive Order 13850.

US-CERT:

- [Microsoft Releases Security Advisory for Exchange Server](#): Microsoft released an advisory to address an elevation of privilege vulnerability in Microsoft Exchange Server.
- [Marvell Avastar Wi-Fi Vulnerability](#): The CERT Coordination Center released information on a vulnerability affecting Marvell Avastar wireless system on chip models.
- [NSA Releases Updated Guidance on Side-Channel Vulnerabilities](#): The National Security Agency (NSA) released updated information on a set of side-channel vulnerabilities affecting modern computer processors.

Advocacy Highlight

The Nussle Report

The Nussle Report delivers CUNA's insights on key events and policy developments affecting credit unions. This report also provides a valuable window into CUNA's actions on behalf of member credit unions and reinforces the value of CUNA membership. Topics for this week include:

- [Open Your Eyes launches in Minnesota!](#)
- [Maurice Smith: Time to consider a new cooperative principle](#)
- [Government shutdown ends, credit unions recognized](#)
- [CULAC announces new board of trustees](#)
- [CUNA Sends comment letter to FHFA](#)
- [FASB roundtable covers CECL standard](#)
- [Court rules on motion to dismiss in Equifax lawsuit](#)
- [Join the MAP campaign for a webinar](#)
- [Celebrating the movement's achievers at the Wegner dinner](#)

CUNA Advocacy Update

The CUNA Advocacy Update keeps you on top of the most important changes in Washington for credit union's and what CUNA is doing to monitor, analyze, and influence government agencies and federal law. Issues this week included:

- [CUNA files comment letter on FHFA's proposed affordable housing goal regulations for FHLBs](#)
- [President nominates Todd Harper to seat on NCUA Board](#)
- [CUNA writes to Representative Barry Loudermilk on BSA Modernization Bill](#)
- [FASB hosts discussion on potential change to CECL](#)
- [CFPB loan-level HMDA data disclosure](#)
- [NCUA approves final rule allowing private flood insurance](#)
- [Texas court dismisses ADA suit](#)

Pending Regulatory Comment Calls

The League encourages credit unions to use [PowerComment](#) to file comment letters with regulators on the items below. For more information regarding these proposals, please follow the links below:

- [Availability of Funds and Collection of Checks \(Reg CC\) due to the CFBP by February 8.](#)
- [Policy on No-Action Letters and the CFPB Product Sandbox due to the CFPB by February 11.](#)

Compliance Video

Compliance Outlook - Q4 2018 and Q1 2019

[In this video](#), League InfoSight CEO Glory LeDu talks about the highlights from the 4th Quarter of 2018 and the 1st Quarter of 2019. [Click here](#) for the presentation slides.

Just a reminder that Compliance videos since 2014 can be found on YouTube at the [Compliance Connection channel](#), where they are generally updated quarterly.

- [*FHFA Validation and Approval of Credit Score Models due to FHFA by March 21.*](#)
- [*Request for information on the Consumer Credit Card Market due to CFPB by May 1.*](#)

If you have any questions or comments concerning this newsletter, please contact Dorie Fitchett, Regulatory Officer at dorie.fitchett@hcul.org, or directly @ 203.6412, or for neighbor islands toll-free @ 1.888.331.5646 ext. 412.