

InfoSight Highlight

Why InfoSight?

No matter what the compliance issue, [InfoSight](#) provides pertinent resources and insight in terms that credit union staff can understand; terms that can be used to easily explain regulations to the board of directors.

Each compliance topic explains:

- What the compliance issue is
- How it affects credit unions
- What credit unions need to do about it, the action steps needed

Many topics also include checklists and/or frequently asked questions to further clarify what the credit union needs to do to comply. If it's been awhile since you visited InfoSight, take a few minutes to login today! You'll be glad you did.

Compliance News

CFPB: New Protections for Servicemembers and Veterans Alert

The CFPB posted an article discussing free credit monitoring, medical debt credit reporting restrictions, and mortgage protections for servicemembers. A provision of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) that went into effect on September 21, 2018 requires free security freezes and one-year fraud alerts at the three nationwide credit reporting agencies. In addition, other EGRRCPA provisions address a number of key financial issues for the military, including:

- Holding lenders to more stringent requirements when they participate in VA's refinance programs
- Ensuring continued foreclosure protections for servicemembers up to one year after they leave active duty
- Prohibiting medical debt that should have been paid by the VA to be reported as part of a veteran's credit history
- Providing free credit monitoring for active duty military, including the National Guard

CFPB Publishes 2019 Lists of Rural or Underserved Counties

The Bureau published on its website the 2019 list of rural and underserved counties and a separate 2019 list that includes only rural counties. The Bureau also updated the rural and underserved areas website tool for 2019. The lists and the tool help creditors determine whether a property is located in a rural or underserved area for purposes of applying certain regulatory provisions related to mortgage loans. A creditor that makes a first-lien mortgage loan secured by a property located in a rural or underserved area during 2019 meets the requirements to be a creditor that operates in rural or underserved areas during 2020 and for loan applications received before April 1, 2021. The 2019 lists can be found [here](#). The rural and underserved areas tool can be found [here](#).

Agencies Issue Final Rule on Private Flood Insurance

A joint agency press release announced that five federal regulatory agencies (the Fed, Farm Credit Administration, FDIC, NCUA, and OCC) have issued a [joint final rule](#) to implement provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 requiring regulated

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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 19

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

institutions to accept certain private flood insurance policies in addition to National Flood Insurance Program policies. The rule, which takes effect July 1, 2019:

- Implements the Biggert-Waters Act requirement that regulated lending institutions accept private flood insurance policies that satisfy criteria specified in the Act;
- Allows institutions to rely on an insurer's written assurances in a private flood insurance policy stating the criteria are met;
- Clarifies that institutions may, under certain conditions, accept private flood insurance policies that do not meet the Biggert-Waters Act criteria; and
- Allows institutions to accept certain flood coverage plans provided by mutual aid societies, subject to agency approval.

NCUA Review Finds No Bank Secrecy Act Data Breach

The NCUA makes protection of sensitive data a top priority, and the agency uses a defense-in-depth approach to monitoring and shielding its systems and information.

Upon learning of the recent spear phishing campaign targeting Bank Secrecy Act officers at credit unions, the NCUA conducted a comprehensive review of its security logs and alerts. This review is completed, and it did not find any indication that information was compromised.

New FTC Data Spotlight Details Big Jump in Losses, Complaints About Romance Scams

Scammers who use love to target consumers not only take an emotional toll on their victims but can also take a financial one as well. New complaint data released by the Federal Trade Commission shows romance scams generated more reported losses than any other consumer fraud type [*reported to the agency in 2018*](#).

CMG RISK Alert: Phishing Emails Target BSA Officers

An email addressed to BSA Officers notifying them of a suspicious transfer from a credit union member has been reported by credit unions across the country. This targeted phishing email also contains an attachment which claims to have details of the case.

CMG RISK Alert: Fraud Rings Use Phantom Auto Loans to Get Money

Phantom automobile loans have been used in multiple states to facilitate fraud at credit unions with the loan proceeds going to the fraudster without a real automobile in exchange. Because of the fraudulent applications, the Department of Justice reports fraudsters obtained millions of dollars.

HPD: Beware of Loan Scams

Today, the Honolulu Police Department posted a notice on its [*Facebook page*](#) that it has received several reports of victims who have applied for online loans through Facebook or internet ads. The victims gave their account user name and password to the suspects, who deposited checks into the victims' bank accounts. The victims were then told to withdraw money from their accounts and send it to the suspects in the form of gift cards or bank transfers. The victims later found out that the deposited checks were forged or stolen.

Safety Tips:

- Always use established banks and lenders.
- Never give out your log-in user name, password, or other private financial information.
- Legitimate lenders don't ask for payment in gift cards or bank transfers.
- If a business is using or depositing checks printed with a different name, contact your bank immediately.

WesPay Alerts:

- [*Counterfeit Cashier's Check Warning*](#): Pacific Western Bank, Beverly Hills, CA, reports that counterfeit cashier's checks bearing the institution's name are in circulation.
- [*EPCOR Payments Alert*](#): WesPay has been notified by EPCOR of fraud that is national in scope. We are sharing with our membership as it may impact your organization. Statement of Issue: Banterra Bank, routing number 081222593, is experiencing fraud with Official Checks. The amounts we are seeing are \$1,900,

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 \(Webinar\)*](#)

March 11

[*Teller Training Series: Cross Selling: The Key to Accountholder Satisfaction & Retention \(Webinar\)*](#)

March 12

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

March 13

[*ACH Specialist Series: 2019 ACH Rules Update \(Webinar\)*](#)

March 14

[*Debit Card Chargebacks Part 2: Understanding Mastercard Rule*](#)

\$1,950 and \$2,900. Ralph Durrant has been the Remitter and the signature that has been compromised is Alyssa D Byars. The majority have been dated January 30, 2019. Please be aware and call on any Official Checks you may receive for deposit or cash. We are seeing checks from coast to coast.

- [Counterfeit Cashier's Check Warning](#): SAFE Credit Union, Folsom, CA, reports that counterfeit cashier's checks bearing the institution's name are in circulation.
- [Counterfeit Expense Checks - Pacific Western Bank](#): Pacific Western Bank, Beverly Hills (Headquarters), CA, reports that counterfeit expense checks bearing the institution's name are in circulation.

US-CERT:

- [Mozilla Releases Security Updates for Firefox](#): Mozilla released security updates to address vulnerabilities in Firefox and Firefox ESR.
- [Microsoft Releases February 2019 Security Updates](#): Microsoft released updates to address multiple vulnerabilities in Microsoft software.
- [Cisco Releases Security Update](#): Cisco released a security update to address a vulnerability in Network Assurance Engine.
- [Adobe Releases Security Updates](#): Adobe released security updates to address vulnerabilities affecting Adobe Flash Player, Acrobat and Reader, ColdFusion, and Creative Cloud Desktop Application.
- [Apple Releases Multiple Security Updates](#): Apple released security updates to address vulnerabilities in multiple products, including the recently discovered FaceTime vulnerability.

Advocacy Highlight

CFPB Proposals to Rescind & Delay Portion of Payday Loan Rule

A press release from the Consumer Financial Protection Bureau states that the Bureau is proposing to rescind certain provisions of its 2017 final rule governing "Payday, Vehicle Title, and Certain High-Cost Installment Loans." Specifically, the Bureau is proposing to rescind the rule's requirements that lenders make certain underwriting determinations before issuing payday, single-payment vehicle title, and longer-term balloon payment loans. The CFPB is preliminarily finding that rescinding this requirement would increase consumer access to credit. The Bureau is also proposing to delay the August 19, 2019, compliance date for the mandatory underwriting provisions of the 2017 final rule to November 19, 2020.

Neither of the proposals would reconsider or delay the provisions of the 2017 final rule governing payments, including reconsidering the scope of their coverage. These provisions are intended to increase consumer protections from harm associated with lenders' payment collection practices. Click below for the proposals:

- [Rescission of underwriting requirements](#) (Comments due 90 days following publication)
- [Delay of underwriting requirements](#) (Comments due 30 days following publication)

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:

- [CUNA urges NCUA to increase CECL prep efforts](#)
- [CFPB proposes payday loan rule changes](#)
- [Illinois League and credit unions meet with Kraninger](#)
- [President names nominee for NCUA Board](#)

[Changes \(Webinar\)](#)

March 18-20
[HCUL Lending Compliance School](#),
[Ala Moana Hotel](#)

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.

- [*Ironworkers USA FCU op-ed talks small credit union success*](#)
- [*CUNA welcomes new board members*](#)
- [*ACUC has secured two world-class keynote speakers*](#)
- [*VOTE: 2019 Credit Union Hero of the Year award*](#)

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 Asks NCUA Increase Focus on CECL*](#)
- [*President's Call for Stronger Security a Springboard to Data Security Modernization*](#)
- [*CUNA Calls for Re-Proposed Funds Availability Proposal from CFPB, Federal Reserve*](#)
- [*Oregon Credit Union Executive to Testify at Cannabis Hearing*](#)
- [*CFPB Releases Additional Payday Proposal Materials*](#)
- [*Senate Banking Committee to Hold Nomination Hearings*](#)

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:

- [*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*](mailto:dorie.fitchett@hcul.org), or directly @ 203.6412, or for neighbor islands toll-free @ 1.888.331.5646 ext. 412.