



## InfoSight Highlight

### InfoSight Content Updates!

Updates to the following channels/topics have been made:

- [Accounts/Regulation D, Reserve Requirements](#): annual threshold changes
- [Accounts/Expedited Funds Availability, Regulation CC](#): Presumption of Alteration paragraph added under the Liabilities and Defenses header
- [Loans and Leasing/Ability to Repay](#): annual threshold changes under the What Are the Different Types of QMs header
- [Loan/Home Ownership and Equity Protection Act \(HOEPA\)](#): annual threshold changes under additional resources, detailed analysis topic

Please be sure any affected policies/procedures have been updated to reflect these changes.

## Compliance News

### [NCUA Letter to CUs 19-CU-01: Supervisory Priorities for 2019](#)

This letter outlines the National Credit Union Administration's (NCUA's) primary areas of supervisory focus for 2019; and is intended to assist you in preparing for your next NCUA examination. The following are the NCUA's primary areas of supervisory focus for 2019:

1. Bank Secrecy Act Compliance
2. Concentrations of Credit
3. Consumer Compliance
4. Current Expected Credit Losses (CECL)
5. Information Systems and Assurance
6. Liquidity and Interest Rate Risks

Regarding the examination cycle and procedures to be employed, the extended exam cycle introduced in 2017 will be fully implemented in 2019. Consistent with 2018, agency examiners will continue using the streamlined small credit union exam program procedures for most credit unions that have assets under \$50 million. For all other credit unions, examiners will conduct risk-focused examinations, concentrating on the areas of highest risk, new products and services, and compliance with federal regulations.

### [NCUA's Redesigned Websites Offer Users Easier Access, More Information](#)

According to the NCUA, you will now be able to find the information you need more easily with the launch of redesigned versions of [NCUA.gov](#) and [MyCreditUnion.gov](#). The launch of its redesigned websites are part of the NCUA's on-going efforts to streamline operations and communication efforts. Both of these websites are more intuitive and accessible, and they will improve our ability to communicate with the broader credit union community and the public.

### [NCUA: New Year, New Look for NCUA Regions](#)

The NCUA begins 2019 with a [new regional structure](#), part of an [agency-wide reorganization](#) that began in 2017. The agency completed the headquarters reorganization in 2018, while the consolidation from five to three regional offices is effective January 7, 2019.

## InfoSight Compliance eNewsletter January 9, 2019 Vol. 12, Issue 02

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## Compliance Calendar

### January 1

- \*[Liability Provisions of Reg CC \(FRB\)](#)
- \*[Risk-Based Capital \(NCUA\)](#)
- \*[HMDA Thresholds/Regulation C \(BCFP\)](#)

### January 28

[NCUA Call Reports for December 31, 2018, cycle is due](#)

### February 1

[CUSOs have from February 1 to March 31 to complete their annual required reaffirmation with the NCUA's CUSO Registry](#)

### April 1, 2019

[Prepaid Accounts under the EFT Act/Regulation E & Truth-in-Lending Act/Regulation Z](#)

## Compliance Training

### January 14

[IRA & HSA 2019 Update, Including Tax Reform Considerations \(Webinar\)](#)

### January 15

[FFIEC Exam Procedures for Business Continuity \(Webinar\)](#)

### January 16

[2018 HMDA Submission Due March 1, 2019, Part 1: Identifying Reportable Loans, Data Integrity & FIG Analysis \(Webinar\)](#)

### January 22

[Successful Skip Tracing Techniques for Locating Borrowers & Recovering Collateral \(Webinar\)](#)

### **NCUA: Intake Period to Qualify for Streamlined CDFI**

Federally insured, low-income credit unions that want to become certified Community Development Financial Institutions (CDFI) can apply to use the National Credit Union Administration's qualification process for streamlined CDFI certification from January 13 through February 9. The agency's Office of Credit Union Resources and Expansion hosts a [resource page](#) with details about CDFI certification and the streamlined process. The agency's [application guide](#) has the necessary instructions for the qualification process. The [Community Development Financial Institutions Fund's webpage](#) offers information about the benefits of CDFI certification.

### **2018 HMDA Filing Period Open**

The Bureau announced that the filing period for HMDA data collected in 2018 opened on January 1, 2019. Financial institutions can access the HMDA Platform used to begin the filing process for data collected in 2018 at <https://ffiec.cfpb.gov/filing/2018/>. All user accounts created during the 2018 beta testing period and during the filing period for data collected in 2017 will be maintained for the 2018 filing period, and users can login to the 2018 HMDA Platform using their existing credentials. We encourage financial institutions to continue providing feedback on their experience using the HMDA Platform and to direct any questions regarding the HMDA Platform to [HMDAHelp@cfpb.gov](mailto:HMDAHelp@cfpb.gov).

### **IRS Confirms Tax Filing Season to Begin January 28**

Despite the government shutdown, the Internal Revenue Service confirmed that it will process tax returns beginning January 28, 2019 and provide refunds to taxpayers as scheduled.

### **ICYMI: CUNA Comp Blog: Federally Non-Compliant State IDs and Your MIP**

As a result of the REAL ID Act, some states are issuing identification cards that note across the top, for example, "not effective for federal purposes" or "not acceptable for identification purposes". Credit unions have asked us whether these state-issued identification cards are acceptable for purposes of their Member Identification Programs (MIP)

According to FinCEN, that is going to depend on whether the credit union has included the acceptance of these IDs in its written MIP program. As you know, credit unions may determine, by written policy, the type of IDs it will, or will not, accept based upon the credit union's risk.

The REAL ID Act, passed by Congress in 2005, enacted the 9/11 Commission's recommendation that the Federal Government "set standards for the issuance of sources of identification, such as driver's licenses." The Act established minimum security standards for license issuance and prohibits Federal agencies from accepting non-compliant state issued identification cards for certain purposes. The purposes covered by the Act are: accessing Federal facilities, entering nuclear power plants, and boarding federally regulated commercial aircraft. *Since the list of purposes does not include the Bank Secrecy Act compliance programs, you are not prohibited from accepting these identification cards.*

### **CMG Webinar on January 16: Employees - A Gateway for Social Engineers**

Fraudsters succeed by catching you off-guard. By targeting one of your weakest links, your employees, they easily gain access to sensitive member, financial, and corporate information. During this session, CUNA Mutual Group Risk Consultants will discuss some of the latest scams surrounding social engineering fraud and provide you with actionable tips. Hear why one of our presenters, Ken Otsuka, thinks social engineering fraud is something credit unions need to prioritize today. [Watch the short clip.](#)

### **CMG Risk Alert: Beware of Biases in Recruiting**

The landscape is shifting from long-term employment to many jobs within different organizations throughout a career. Businesses now spend more time recruiting and hiring for open positions; many relying on recruiting software focused primarily on an applicant's demographic characteristics. These recruiting tools can be inherently biased and have an adverse impact on protected classes under employment law.

### **OFAC Targets Venezuela Currency Exchange Network Scheme Generating Billions of Dollars for Corrupt Regime Insiders**

OFAC sanctioned Venezuelan individuals and companies involved in a significant corruption scheme designed to take advantage of the Government of Venezuela's currency exchange practices, generating more than \$2.4 billion in corrupt proceeds. This designation, pursuant to Executive Order (E.O.) 13850, targets seven individuals, including former Venezuelan National Treasurer Claudia Patricia Diaz Guillen and Raul Antonio Gorrin Belisario, who bribed the

### **January 23**

[Determining Cash Flow from Personal Tax Returns After 2018 Tax Reform Part 1: Schedules A, B & C \(Webinar\)](#)

### **January 24**

[2018 HMDA Submission Due March 1, 2019, Part 2: Requirements, Clearing Edits, Exempt Fields & More \(Webinar\)](#)

### **January 29**

[Real Estate Loan Collection Rules for Lenders & Mortgage Servicers \(Webinar\)](#)

### **January 30**

[Credit Analysis & Underwriting Series: Analyzing Financial Statements for the Credit Analyst \(Webinar\)](#)

### **February 5**

[Right of Setoff on Deposit Accounts & Loans: Legal Issues \(Webinar\)](#)

### **February 6**

[C-Suite Series: CAMELS Rating for Executives \(Webinar\)](#)

### **February 7**

[ACH Specialist Series: ACH Tax Refund Exceptions, Posting & Liabilities \(Webinar\)](#)

### **February 8**

[Current Expected Credit Loss \(CECL\) Boot Camp, HCUL Education Center](#)

## **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.

Venezuelan Office of the National Treasury (ONT, or Oficina Nacional del Tesoro) in order to conduct illicit foreign exchange operations in Venezuela. In addition to Diaz and Gorrin, OFAC designated or blocked five other individuals and 23 entities, pursuant to E.O. 13850, for their roles in the bribery scheme, and identified one private aircraft as blocked property.

#### **US-CERT:**

- [\*Microsoft Releases January 2019 Security Updates\*](#): Microsoft released updates to address multiple vulnerabilities in Microsoft software.
- [\*Adobe Releases Security Updates\*](#): Adobe released security updates to address vulnerabilities in Adobe Connect and Adobe Digital Editions.
- [\*CERT/CC Reports Critical Vulnerabilities in Microsoft Windows, Server\*](#): The CERT Coordination Center (CERT/CC) released information on vulnerabilities affecting versions of Microsoft Windows and Windows Server.

### **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:

- [\*CUNA, Leagues and CUs hit Capitol Hill to welcome 116th Congress\*](#)
- [\*Appeals Court dismisses ADA case against DOL FCU\*](#)
- [\*Credit unions helping members affected by government shutdown\*](#)
- [\*CUNA calls on CFPB to improve data collection policies\*](#)
- [\*Credit Union Advocacy Agenda for 2019\*](#)

#### **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:

- [\*ICYMI: I wrote an Op-Ed on 2019 credit union advocacy\*](#)
- [\*I sent first in a series of letters to the Hill\*](#)
- [\*Partial Federal Government shutdown continues\*](#)
- [\*Credit unions win in 4th Circuit ADA case\*](#)
- [\*CUNA and leagues file ADA amicus in 7th Circuit\*](#)
- [\*CFPB drops "BCFP" name change\*](#)
- [\*Uncertainty at NFIP, FHA as shutdown continues\*](#)
- [\*CUNA writes to the SBA on express loan and affiliation standards\*](#)
- [\*FASB to hold CECL roundtable\*](#)

#### **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:

- [\*Federal Credit Union Bylaws due to the NCUA by January 14.\*](#)
- [\*Fidelity Bonds due to the NCUA by January 22.\*](#)
- [\*FHLB Housing Goals Amendment due to the FHFA by January 31.\*](#)

- [Availability of Funds and Collection of Checks \(Req CC\) due to the CFBP by February 8.](#)
- [Policy on No-Action Letters and the CFPB Product Sandbox due to the CFPB by February 11.](#)
- [FHFA Validation and Approval of Credit Score Models due to FHFA by March 19.](#)

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.