

InfoSight Highlight

Compliance Calendar Updated

Updates to the Compliance Calendar have been made. As other global compliance-related changes are made, the calendar will be updated accordingly. Please be sure your credit union is prepared for the 2019 compliance dates.

Compliance News

Regulators Encourage Institutions to Work with Borrowers Affected by Government Shutdown

Five federal financial institutions regulators (including NCUA) and state regulators encourage financial institutions to work with consumers affected by the federal government shutdown.

Furloughed Federal Workers Stationed in Hawaii May Apply for Unemployment Benefits

Civilian employees of the Federal government placed on non-pay status due to the partial government shutdown may apply for benefits online at uiclaims.hawaii.gov from 6:30 a.m. to 11 p.m. Monday through Friday and 9 a.m. to 11 p.m. on weekends and holidays. Individuals applying for benefits must have their personal information available such as social security number, address, and date of birth.

Since the Department may be unable to obtain wage and separation information due to the furlough, the affected Federal employees will need to provide relevant employment information such as the employer's name, location, and address of the payroll office. Additionally, Federal employees will need to provide copies of their SF8 and SF50 (if available), leave and earning statements for the 18-month period prior to December 28, 2018, W-2 for 2017 and 2018, and furlough notice. These documents can be delivered, mailed, faxed, or emailed to your local claims office. Go to <http://labor.hawaii.gov/ui/contact/> for contact information.

CFPB Reports on Ability-to-Repay & Mortgage Servicing Rules

The Bureau released reports assessing the effectiveness of its [Ability to Repay and Qualified Mortgage Rule](#) and of its [Mortgage Servicing Rule](#) issued under the Real Estate Settlement Procedures Act (RESPA). The Dodd-Frank Act requires the Bureau to conduct an assessment of each significant rule or order adopted by the Bureau and to publish a report of its assessment no later than five years after the effective date of the significant rule or order. The assessment must address, among other relevant factors, the effectiveness of the rule in meeting the purposes and objectives of the Dodd-Frank Act and the specific goals stated by the Bureau in issuing the rule in question. The Bureau expects that the findings in these reports will inform stakeholders, policy makers, and the general public about developments in the mortgage market and the effects of the rules on consumers.

CFPB: Credit Score Myths

The Bureau posted an article regarding misleading information concerning ways to improve one's credit score. The myths the Bureau debunked include:

- Checking my credit report will hurt my credit score.
- I only have one credit score.
- Getting loan estimates from multiple lenders will hurt my score.
- Carrying a balance on credit cards will improve my credit score.
- You can pay companies to quickly fix your credit.
- There are only three companies that create credit reports lenders use to decide my loan decisions.

CUNA CompBlog: Is Hemp the New Tupperware?

By Coleen Kelly

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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 Report Due for December 31, 2018 cycle](#)

January 31

- *[Form 945, Annual Return of Withheld Federal Income Tax](#)
- *[Form 941, Employer's Quarterly Federal Tax Return](#)
- *[Form 940, Employer's Annual Federal Unemployment \(FUTA\) Tax Return](#)
- *[Form HW-2, Statement of HI Income Tax Withheld & Wages Paid](#)
- *[Form UC-B6, "Quarterly Wage Contribution & Employment & Training Assessment Report"](#)
- *[IRS Forms 1099 & W-2 Due to Employees](#)
- *[IRS Forms Due to Recipients](#)

February 1

- [CUSO Registry Reaffirmation Period Begins](#)

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](#)

I've been fielding questions from credit unions and state credit union leagues about the impact the "2018 Farm Bill" (H.R. 2 – Agricultural Improvement Act) will have on the production, sale and distribution of Hemp. I'm told that Cannabidiol (CBD) education and accessory parties, sometimes referred to as "Happy Parties" (Host a Pot Party) are becoming as popular as Tupperware and Amway, and Hemp businesses are interested in opening credit union accounts.

So, what exactly is hemp? It's among the oldest industries in the world, dating back 10,000 years. The plant is estimated to be used in more than [25,000 products](#), from rope and shoes to beer and sunscreen. The Declaration of Independence was written on hemp paper. Unfortunately, hemp is a species of the cannabis plant, and as we know, cannabis was declared illegal in 1970 by the Controlled Substances Act. Notably, unlike marijuana (a more commonly known species of the cannabis plant), hemp has a very low THC content (the chemical responsible for marijuana's psychological effects). An average batch of marijuana contains anywhere from 5-20% THC content, while "hemp" is defined to have a maximum THC level of 0.3%.

Over the years there have been efforts to bring hemp farming back to the United States. The 2014 Farm Bill provided limited relief through Section 7606 of the bill which allowed universities and state departments of agriculture to begin growing and cultivating industrial hemp for limited research purposes, and only in States where such growth and cultivation is legal under State law.

The passage of the 2018 Farm Bill last month went much further by removing hemp from the Controlled Substances Act. But we must keep in mind that, as with most legislation, the devil is in the details, so what else does the 2018 Farm Bill say about hemp?

Interstate Commerce: Nothing in the new law prohibits the interstate commerce of hemp or hemp products. Additionally, no State or Indian Tribe may prohibit the transportation or shipment of hemp or hemp products produced in accordance with the Hemp Production requirements in the new law.

Hemp Production Requirements: A State or Indian Tribe that intends to have primary regulatory authority over the production of hemp in its jurisdiction must submit a plan to the Secretary of Agriculture describing how it will monitor and regulate the production of hemp. The plan must include how the State or Tribe will maintain relevant information about the land used to produce hemp, reliable methods for testing the THC, disposal procedures for plants and its derivatives, law enforcement compliance procedures, annual inspections, how it will report violations, and certify that the State or Indian Tribe has the resources and personnel to carry out the practices and procedures to meet the requirements described in the plan.

Nothing in these new provisions preempts or limits any law of the State or Indian Tribe that regulates hemp production and which is more stringent than the requirements in the new law.

If a State or Indian Tribe plan is not approved by the Secretary of Agriculture, the production of hemp will be subject to the Secretary's plan to monitor and regulate hemp production. The Secretary of Agriculture, in consultation with the Attorney General, will issue regulations and guidelines to implement the production of hemp as "expeditiously as practicable". For more information go to: [HR 2 – The Agriculture Improvement Act of 2018](#).

CUNA CompBlog: Another Year, Another Review!

CUNA provided a new Year in Review for 2018, which can be found [here](#). As a reminder, this document is meant to consolidate the resources and information available on the finalized rules and regulations over the course of the calendar year.

CMG RISK Alert: Credit Privacy Numbers Fraudulently Used to Obtain Loans

Credit Privacy Numbers (CPNs) - a nine-digit number, similar to Social Security Numbers (SSN) - are being used fraudulently in an attempt to obtain new credit cards and loans. The CPN is being used to obscure the connection between an applicant's name and the actual contents of credit reports. Using any number in place of a SSN on a credit application is considered fraud and is a federal crime.

US-CERT:

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](#)

Compliance Training

January 22

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

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](#)

February 12

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

- [Oracle Releases January 2019 Security Bulletin](#): Oracle released its Critical Patch Update for January 2019 to address 284 vulnerabilities across multiple products.
- [DNS Infrastructure Hijacking Campaign](#): The National Cybersecurity and Communications Integration Center (NCCIC), part of the Cybersecurity and Infrastructure Security Agency (CISA), is aware of a global Domain Name System (DNS) infrastructure hijacking campaign. Using compromised credentials, an attacker can modify the location to which an organization's domain name resources resolve. This enables the attacker to redirect user traffic to attacker-controlled infrastructure and obtain valid encryption certificates for an organization's domain names, enabling man-in-the-middle attacks.
- [Juniper Networks Releases Multiple Security Updates](#): Juniper Networks released multiple security updates to address vulnerabilities in various Juniper products.
- [Cisco Releases Security Updates](#): Cisco released security updates to address vulnerabilities in Cisco AsyncOS Software for Cisco Email Security Appliance.

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:

- CULAC fundraising reaches record-breaking \$5.3 million
- [CUNA calls on lawmakers to enact funding provisions](#)
- [Ryan Donovan: 2019 is about translating momentum of 2018 advocacy wins](#)
- [Project Zip Code reaches 97 million members](#)
- [Defending our industry from attacks](#)

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:

- [Credit unions aid federal workers impacted by federal shutdown](#)
- [CUNA calls for credit union-friendly provisions in government funding legislation](#)
- [NCUA outlines supervisory priorities for 2019](#)
- [CFPB issues five-year lookback for 2013 ATR/QM and mortgage servicing rule](#)
- [9th Circuit: Fannie Mae is not a consumer reporting agency under the FCRA](#)

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:

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

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 \(Webinar\)](#)

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.

