

InfoSight Highlight

Recent Channel Updates

To keep you up to date, we want to remind you of a few channel updates over the last quarter:

- Loans and Leasing: [Payday Alternative Loans](#)
- Accounts: [Prepaid Accounts](#)
- ACH/Electronic Payments: [Same Day ACH Payments](#)

Be sure you're in compliance with these changes today!

Compliance News

Regulatory Agencies & FinCEN Improve Transparency of Risk-Focused BSA/AML Supervision

As a result of a working group established by the U.S. Department of the Treasury's Office of Terrorism and Financial Intelligence, the federal bank regulatory agencies and the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued a [joint statement](#) as part of continuing efforts to improve transparency into their risk-focused approach to Bank Secrecy Act (BSA)/anti-money laundering (AML) supervision. The risk-focused approach enables federal agencies to better tailor examination plans and procedures based on the unique risk profile of each bank.

The statement outlines common practices for assessing a bank's money laundering/terrorist financing risk profile, assisting examiners in scoping and planning the examination and initially evaluating the adequacy of the BSA/AML compliance program. Using this approach, the agencies generally are able to allocate more resources to higher-risk areas and fewer resources to lower-risk areas when conducting BSA/AML examinations. The statement does not establish new requirements, and also notes that having a risk-based compliance program enables a bank to allocate compliance resources commensurate with its risk.

NCUA: Appraisal Rule Will Help Boost Economic Activity, Job Creation in Communities

The National Credit Union Administration Board held its seventh open meeting of 2019 at the agency's headquarters and approved three items:

1. A [final rule](#) amending the agency's regulation requiring real estate appraisals for certain transactions to provide greater clarity and a measure of regulatory relief.
2. A [proposed interpretive rule and policy statement](#) that would expand career opportunities for individuals convicted of certain minor offenses.
3. A [final rule](#) updating the agency's fidelity bond requirements for corporate and natural-person credit unions.

CFPB Releases Report on Third-Party Debt Collections

The Consumer Financial Protection Bureau (Bureau) released a [report](#) that found that more than one-in-four consumers with a credit report have at least one debt in collection by third-party debt collectors.

CFPB, FTC and States Announce Settlement with Equifax Over 2017 Data Breach

The Bureau, the Federal Trade Commission, 48 states, the District of Columbia, and Puerto Rico announced a global settlement with Equifax that would provide up to \$700 million in monetary relief and penalties.

DMDC Updates Schedule for MLA Site Enhancements

InfoSight
Compliance eNewsletter
July 24, 2019
Vol. 12, Issue 30

Created in partnership with
the Credit Union National
Association

Compliance Calendar

July 28

NCUA Call Report for June 30, 2019
Cycle Due

July 31

*[Form 941, Employer's Quarterly Federal Tax Return](#)
*[IRS Form 5500 or 5500-EZ](#)
*[Form UC-B6, "Quarterly Wage Contribution & Employment & Training Assessment Report"](#)

August 12

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

September 20

[ACH Providing Faster Funds Availability](#)

September 30

*[Claim for Exemption: Real Property Assessment City & County of Honolulu](#)
*[Claim for Exemption: Real Property Assessment - County of Kauai](#)

October 27

NCUA Call Report for September 30,
2019 Cycle Due

October 31

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

November 30

[New Employee Forms W-4 & HW-4](#)

December 31

*[Claim for Exemption: Real Property Assessment - County of Hawaii](#)

The Defense Manpower Data Center (DMDC) has posted a revised notice about its plan to make significant changes to the Military Lending Act (MLA) website (<https://mla.dmdc.osd.mil>) to enhance security of the site and better protect the personal information of Service members. A user account will be required to access both the Single Record Request and the Multiple Record Request capabilities of the MLA website. No search for active service on the MLA website will be possible without a user account.

In addition to the username, password, company name, and challenge questions currently required to create a user account, beginning July 25, new MLA website users will be required to supply the user's first name, last name, address, and e-mail address in order to create their user account.

CUNA Compliance: CECL FAQ Document, Training Sessions Planned

The Financial Accounting Standards Board, which issued the current expected credit loss (CECL) standard, has issued a second CECL [question-and-answer document](#) about the standard. FASB staff also announced that it is planning a series of training sessions around the country to discuss issues addressed in the document to help smaller institutions with CECL implementation, with more information to follow.

CUNA Provides Second-Quarter 2019 Update to Credit Card MLA Fee Comparison Spreadsheet

The second-quarter 2019 update to the credit card Military Lending Act ([MLA](#)) [Fee Comparison Spreadsheet](#) is now available. You will also find the:

- First quarter spreadsheet from 2019;
- Fourth-quarter spreadsheet from December 2018;
- Third-quarter spreadsheet from September 2018;
- Second-quarter spreadsheet from June 2018;
- First quarter spreadsheet from March 2018; and
- The initial spreadsheet from September 2017, in case you need to refer to historical data.

Under a Safe Harbor in the MLA rule, a credit union may exclude a Bona Fide credit card fee from the MAPR if the fee is considered "reasonable." Which means that the fee must be less than or equal to the average fee for the same or similar product charged by 5 separate card issuers, that each have at least \$3 billion in outstanding credit card balances at any time during the three-year period preceding the time the average is determined.

CMG RISK Alert: Negligent Entrustment: A Hidden Credit Union Business Risk

Negligent entrustment occurs when your credit union is found responsible for negligently providing another party (your employee) with a dangerous instrument and the entrusted party then causes property damage, injury, or death to a third party with that instrument. In recent years, this risk has increased significantly mainly due to distracted driving claims. The lawsuits can cost millions of dollars and cause reputational damages.

CMG Emerging Risks Webinar

Join CUNA Mutual Group's Risk & Compliance Consultants to engage in a live question and answer forum on August 14, at 8 a.m. HST. Throughout this session, we'll address questions that many of you have submitted in advance. To kick things off, the panel of experts will cover:

- Tips for changing employee behavior to support an effective risk culture
- Preparedness planning for Active Shooter Incidents
- How to combat Overdraft / NSF Fee lawsuits

Then, we'll devote the remainder of the time to answering your questions that come in live!

What the FTC Facebook Settlement Means for Consumers

The next time users visit Facebook, things might not look different, but big changes are brewing behind the scenes. The [FTC's record-breaking \\$5 billion settlement](#) requires Facebook to conduct a massive overhaul of its consumer privacy practices. The settlement also makes major changes to Facebook's operations and CEO Mark Zuckerberg no longer has sole control

[*Claim for Exemption: Real Property Assessment - County of Maui](#)

Compliance Training

August 1

[IRA Series: IRA Reporting, Common Issues & Error Resolution \(Webinar\)](#)

August 6

[Mortgage Lending Hot Spots Series: Adverse Action in Mortgage Lending: Compliance, Notices & Best Practices \(Webinar\)](#)

August 7

[Official Demands Part 1: Handling Subpoenas, Summonses & Other Legal Process \(Webinar\)](#)

August 8

[New Security Officer Training: Responsibilities, Best Practices & Skill-Building Tools \(Webinar\)](#)

August 13

[Advanced Financial Literacy Update for New & Experienced Directors: ALM Primer & Financial Accounting & Risk Issues \(Webinar\)](#)

August 14

[FFIEC Cyber Security Risk Assessments: Policy, Recent Findings & Recommendations \(Webinar\)](#)

August 15

[E-Compliance Rules, Policies & Best Practices for Email, Web, Mobile & Social Media \(Webinar\)](#)

August 20

[Regulation E Series: How to Handle Unauthorized Electronic Fund Transfers Under Reg E \(Webinar\)](#)

August 21-23

[Operations Compliance School, Ala Moana Hotel](#)

August 21

[Call Report Series: The Financial Statement Audit Process \(Webinar\)](#)

August 22

[Developing the Right Strategic Plan for Your Credit Union \(Webinar\)](#)

August 27

[Opening Donation, Memorial & Other Accounts for Nonprofit Organizations & Corporations \(Webinar\)](#)

August 28

over privacy.

US-CERT:

- [Apple Releases Multiple Security Updates](#): Apple released security updates to address vulnerabilities in multiple products. The Cybersecurity and Infrastructure Security Agency (CISA) encourages users and administrators to review the Apple security pages and apply the necessary updates.

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:

- 50 years since Apollo 11
- [FASB agrees to consider CECL delay](#)
- [NCUA board meets and Chairman Hood steps out on taxi medallions](#)
- 360-degree advocacy
- [Court rules for credit union in ADA case](#)
- [July economic update focused on growth, branch locations](#)
- [3rd annual CUNA CEO Council Conference](#)
- [CAP COM FCU and Washington Area FCU support small credit unions](#)

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:

- [The Week Ahead in Washington](#)
- [Maps CU Chief Risk Officer to testify before Senate Banking Committee on Cannabis Banking](#)
- CUNA & ABA Leadership support SAFE Banking Act
- [NCUA Finalizes Appraisal Rule & Proposes "Second Chances IRPS"](#)
- [House E & C Committee passes robocall legislation with CUNA-supported language](#)
- [FASB moves toward delay of CECL effective date](#)
- [Seventh Circuit sides with credit union in ADA case](#)
- [Comments submitted to the Fed on potential modifications to the National Settlement Service and Fedwire Funds Service](#)
- [Comments sent to CFPB in response to review plan](#)

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:

- [Delay of Effective Date of Risk-Based Capital Rule due to NCUA by July 26.](#)
- [Public Unit and Nonmember Shares due to the NCUA by July 29.](#)
- [Debt collection NPRM due to the CFPB by August 19.](#)
- [Home Mortgage Disclosure Act \(Reg C\) Data Points and Coverage due to the CFPB by October 15.](#)

[IRA Series: Top 10 Most Misunderstood IRA Issues: Turning Confusion into Confidence \(Webinar\)](#)

August 29
[Effective Management of Credit Report Disputes: Completing ACDVs, AUDs & Correcting Joint Credit \(Webinar\)](#)

Compliance Video

Compliance Outlook S. 2155, Part 2

Part Two: S. 2155 Economic Growth, Regulatory Relief, and Consumer Protection Act. This presentation is the second of our two-part update covering the changes resulting from the passage of S.2155 that may impact credit unions. Glory LeDu, League InfoSight CEO, provides a short breakdown for you.

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

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.