



InfoSight Highlight

Bank Secrecy Act: Virtual Currency

As mentioned in the article in this week's newsletter, FinCEN has issued guidance and advisory documents related to "convertible virtual currency" such as Bitcoin. These resources have been linked to the Regulations area of the [Bank Secrecy Act-Virtual Currency](#) page for your review to ensure you are following the FinCEN guidance.

Compliance News

NCUA Free CDRLF Webinar on May 22

Credit unions that want to join the NCUA's May 22, WebEx session explaining the 2019 [Community Development Revolving Loan Fund grant round](#) should create an account on the agency's [Learning Management Service \(LMS\)](#). [A new video](#) explains how to create an LMS account. The WebEx session will begin at 2 p.m. EST (8 a.m. HST) and will be limited to 200 participants. There is no pre-registration. Participants may log in through the LMS 15 minutes before the session begins.

Interagency Private Flood Insurance Update Rescheduled

Staff of the Federal Reserve, Farm Credit Administration, FDIC, NCUA, and the OCC will conduct a one-hour Outlook Live webinar at 2 p.m. EDT (8 a.m. HST) on Tuesday, June 18, to discuss the private flood insurance rule published on February 20, 2019. [Advance registration](#) is recommended. Topics will include:

- Mandatory acceptance of private flood insurance;
- Mandatory acceptance Compliance Aid;
- Discretionary acceptance of private flood insurance;
- Flood Coverage provided by Mutual Aid Societies; and
- Preparations to comply with the Rule

FinCEN Guidance and Advisory on Virtual Currencies

FinCEN issued guidance document [FIN-2019-G001: Application of FinCEN's Regulation to Certain Business Models Involving Convertible Virtual Currencies \(CVCs\)](#). The guidance is in response to questions raised by financial institutions, law enforcement, and regulators concerning the regulatory treatment of multiple variations of businesses dealing in CVCs.

FinCEN also issued an [Advisory on Illicit Activity Involving Convertible Virtual Currency \(FIN-2019-A003\)](#), to assist financial institutions in identifying and reporting suspicious activity related to criminal exploitation of CVCs for money laundering, sanctions evasion, and other illicit financing purposes. The advisory highlights prominent typologies associated "red flags," and identifies information that would be most valuable to law enforcement if contained in suspicious activity reports.

CFPB Announces plans for RFA Regulatory Reviews

This week, the Consumer Financial Protection Bureau (CFPB) published a notice on how it plans to periodically review regulations under the Regulatory Flexibility Act (RFA) and to request public input.

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Compliance Calendar

May 10

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

June 21

[ACH-Return for Questionable Transaction](#)

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"](#)

Section 610 of the RFA requires that agencies review certain rules within 10 years of their publication and consider the rules' effect on small businesses. The purpose of the review is to minimize any significant economic impact of the rules upon a substantial number of small entities, consistent with the stated objectives of applicable statutes. At the conclusion of each review, the Bureau will determine whether the rule should be continued without change or should be amended or rescinded. The RFA requires each agency to consider specific factors, including:

- The continued need for the rule;
- The nature of public complaints or comments on the rule;
- The complexity of the rule;
- The extent to which the rule overlaps, duplicates, or conflicts with federal, state, or other rules; and
- The time since the rule was evaluated or the degree to which technology, economic conditions, or other factors have changed the relevant market.

The public will have 60 days to comment on the [CFPB's plan](#) after publication in the *Federal Register*.

CFPB Announces First Review for Comment: Overdraft Rule

The CFPB is requesting input on its first rule review, which is of the [Overdraft Rule](#), was issued by the Federal Reserve Board in 2009 to limit the ability of financial institutions to assess overdraft fees for paying automated teller machine (ATM) and one-time debit card transactions that overdraw consumers' accounts. The rule amended Regulation E. The CFPB's notice seeks comment on the economic impact of the Overdraft Rule on small entities. The public will have 45 days to comment after publication of the notice in the *Federal Register*. Source: CFPB

CMG RISK Alert: Phishing Scam Targets Payroll Deposits

Phishing scams are targeting credit union human resources or payroll departments using a form of the C-suite business email compromise. The scam uses a phishing email to request changes to an employee's payroll direct deposit which reroutes it to the fraudster's account.

CUNA CompBlog: CECL Readiness Checklist

As you may know, assessing a credit union's CECL preparedness is a supervisory priority for NCUA in 2019. There is an AIREX examination questionnaire on CECL preparedness that is available as an excel file download here: [FINAL of CECL Questionnaire 2019.xlsx](#). In recent discussions with NCUA, the agency said the questionnaire is being used by examiners to assess credit union management's understanding of CECL and its preparedness for implementation. Any information obtained through the questionnaire will not result in administrative actions, findings or DORs, but only through 2020.

As an alternative to the excel spreadsheet, there are nine questions currently being used to assess a credit union's readiness. Click on the link above to see the questions.

US-CERT:

- [North Korean Malicious Cyber Activity](#): The Department of Homeland Security and the Federal Bureau of Investigation have identified a malware variant, referred to as ELECTRICFISH, used by the North Korean government. The U.S. Government refers to malicious cyber activity by the North Korean government as HIDDEN COBRA.
- [Drupal Releases Security Update](#): Drupal released a security update to address a vulnerability in Drupal Core. The Cybersecurity and Infrastructure Security Agency (CISA) encourages users and administrators to review Drupal's security advisory [SA-CORE-2019-007](#) and apply the necessary updates.

Advocacy Highlight

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

Compliance Training

May 13
[Accurately Completing the SAR Line-by-Line \(Webinar\)](#)

May 14
[Fair Lending Examinations: Increased Scrutiny, New Methodologies & False Positives \(Webinar\)](#)

May 15
[Teller Training Series: Managing Dual Control & Cash Limits \(Webinar\)](#)

May 16
[Hot Issues in Cyber Compliance \(Webinar\)](#)

May 20
[ACH Specialist Series: Top 10 Ways to Mitigate ACH Payment Risk \(Webinar\)](#)

May 21
[*Solid Business Writing Workshop – Oahu](#)
[*Evaluating Collateral & Personal Guarantees for Loan Repayment \(Webinar\)](#)

May 22
[Consumer Collection Series: Repossession Practices, Compliance & Limitations \(Webinar\)](#)

May 23
[Supervisory Committee: Understanding Expectations & Avoiding Landmines \(Webinar\)](#)

May 29
[ACH Specialist Series: ACH Stop Payments vs. Unauthorized Extended Returns: Know the Difference \(Webinar\)](#)

May 30
[*ACH Basics for Frontline Staff Workshop - Oahu](#)
[*Military Lending Act & SCRA: Compliance & Lessons Learned](#)

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:

- [Letter: Continuing to address data security and privacy](#)
- [Modernizing TCPA to fit consumer needs](#)
- [Support grows for SAFE Banking Act](#)
- [Letter: Keeping USPS close to its mission](#)
- [Donovan responds to bankers' request to CFPB](#)
- [Letter: Expanding protections on PACE loans](#)
- [Letter: Protecting seniors against scams](#)
- [Letter: Finding a long-term solution on flood insurance](#)
- [Letter: Reducing barriers that restrict minority homeownership](#)
- [Easing compliance costs of anti-money laundering regulations](#)
- [CUNA and Leagues meet with CFPB](#)
- [CUNA joins AARP and ICBA on program to protect seniors](#)
- [Annual YP advocacy training coming in September](#)

CUNA Advocacy Update

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

- [The latest banker outrages advance the credit union difference](#)
- [Credit unions are committed to ensuring the housing finance market is accessible and affordable to minority borrowers](#)
- [Letter sent in support of S. 149 – the Stop Senior Scams Act](#)
- [CUNA writes to Sanders & Ocasio-Cortez in response to their proposal to allow USPS to provide financial services](#)
- [Credit union supported BSA/AML legislation passes Committee](#)
- [Comments submits to CFPB on PACE Financing Rule](#)
- [CUNA & Leagues Attend CFPB Debt Collection Town Hall](#)
- [Credit union issues highlighted before numerous Committee Hearings](#)
- [Registration is now open: CUNA YP Advocacy workshops on September 9th and September 23rd](#)

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:

- [Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees Due to DOL by May 21.](#)
- [Privacy of Consumer Financial Information Rule Under the GrammLeach-Bliley Act due to the FTC by June 3.](#)
- [Compensation in connection with loans and lines of credit to members due to NCUA by June 24](#)
- [Potential Regulatory Changes to the Remittance Rule due to the CFPB by June 28](#)
- [Home Mortgage Disclosure \(Reg C\) Data Points and Coverage due to the CFPB by July 8](#)

(Webinar)

June 3

[Untangling Complex RDFI Challenges](#)
(Webinar)

June 4

*[Frontline Essentials Workshop, Hilo](#)
*[Mortgage Lending Hot Spots Series: Construction-Only & Construction-to-Permanent Lending](#) (Webinar)

June 5

[BSA Series: Job-Specific BSA Training for Operations](#) (Webinar)

June 6

[Handling Dormant Accounts, Unclaimed Property & Escheatment](#) (Webinar)

June 10

[Financial Literacy Fundamentals for New Directors: Financial Statements, Key Ratios & How to Monitor Your Credit Union](#) (Webinar)

June 11

[Essential HR Recordkeeping from Hiring to Firing](#) (Webinar)

June 13

[Call Report Series: Financial Accounting & Reporting](#) (Webinar)

Compliance Video

Compliance Outlook S. 2155, Part 1

When Senate Bill 2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, passed in 2018 there was a lot to understand! Glory LeDu, League InfoSight CEO, provides a short breakdown for you. [Click here](#) for the slide presentation. 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.

