

InfoSight Highlight

[New Topic in Loans and Leasing – Chattel Lien Non-Filing Insurance](#)

A new topic, [Chattel Lien Non-Filing Insurance](#) has been added to the [Loans and Leasing channel](#). This policy insures the credit union against monetary loss caused by the credit union's legal inability to repossess mortgaged chattel property solely because of the failure to file or record the Security Agreement or lien instrument. The non-filing insurance usually can be used when the borrower is a legal resident of another state.

Compliance News

[CFPB: 2020 HMDA Filing Instructions Guide & Supplemental Guide for Quarterly Filers](#)

The Bureau announced that the Filing Instructions Guide (FIG) for data collected in 2020 is now available. The FIG is a technical resource to help financial institutions file HMDA data collected in 2020 and reported in 2021. Another new resource is the Supplemental Guide for Quarterly Filers. This guide will help financial institutions required to file HMDA data quarterly beginning in 2020. The FIG and the Supplemental Guide for Quarterly Filers can be accessed at <https://ffiec.cfpb.gov> under Help for Filers. The Bureau encourages financial institutions to direct any questions to HMDAHelp@cfpb.gov.

[CFPB FAQs on EGRRCPA Amendments to the SAFE Act](#)

The Bureau published four frequently asked questions (FAQs) on the SAFE Act and the impact of the amendments to the SAFE Act made by §106 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. [Click here](#) to access the SAFE Act FAQs.

[CFPB Enhances Consumer Complaint Database](#)

The Bureau announced that it will continue the publication of consumer complaints, data fields, and narrative descriptions through the Bureau's Consumer Complaint Database while making several enhancements to the information available to users of the database.

[NCUA, SBA Hosting Webinar on Loan Programs](#)

Credit unions interested in learning more about Small Business Administration loan programs can get valuable information from an October 16 webinar hosted by the NCUA and the SBA. Registration for the webinar, "The Big Picture of SBA Lending for Credit Unions, Part 1," [is now open](#). The webinar is scheduled to begin at 2 p.m. Eastern (8 a.m. HST) and run approximately one hour. Participants will be able to log into the webinar and view it on their computers or mobile devices using the registration link.

[NCUA Board Meeting Results](#)

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

1. A final rule allowing federal credit unions to offer an additional payday alternative loan option to members.
2. A final rule to clarify the agency's regulation covering required credit union supervisory committee audits and providing credit unions with additional flexibility in the audit process.
3. A final rule updating, clarifying, and simplifying federal credit union bylaws.

[DOL Issues Final Rule Raising Salary Threshold](#)

The U.S. Department of Labor (DOL) issued a [new rule](#) that raised the salary threshold to \$684 a week (\$35,568 annualized) from \$455 a week (\$23,660 annualized). The new rate will take effect January 1, 2020.

To be exempt from overtime under the federal Fair Labor Standards Act (FLSA), employees must be paid a salary of at least the threshold amount and meet certain duties tests. If they are

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Compliance Calendar

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 24

[SAFE Act. – MLO Registration](#)

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

October 2

[New BSA Officer Training Part 1: Compliance, Risk Assessment, CTRs, Exemptions, Forms & Regulator Expectations \(Webinar\)](#)

October 8

[Head Teller Training: Maximizing Teller Performance \(Webinar\)](#)

paid less or do not meet the tests, they must be paid 1 1/2 times their regular hourly rate for hours worked in excess of 40 in a work week.

Under the new rule, nondiscretionary bonuses and incentive payments (including commissions) paid on an annual or more frequent basis may be used to satisfy up to 10 percent of the standard salary level.

In addition to raising the salary cut-off for exempt workers, the new rule raises the threshold for highly compensated employees from \$100,000 a year to \$107,432 (of which \$684 must be paid weekly on a salary or fee basis).

For the FLSA's executive, administrative, and professional exemptions, the so-called white-collar exemptions, employees must perform certain duties and earn at least the salary threshold. But under a special rule, highly compensated employees are eligible for exempt status if they meet a reduced duties test as follows:

- The employee's primary duty must be office or non-manual work.
- The employee must "customarily and regularly" perform at least one of the bona fide exempt duties of an executive, administrative or professional employee.

Employers should note that the rule doesn't make any changes to the duties test. Meeting the salary cut-off is just one requirement for classifying workers as exempt. Employers should also take the time to [review workers' job duties](#) to ensure that they satisfy the applicable exemption's criteria.

The white-collar exemptions each have slightly different duties tests:

- Executive exemption. The employee's primary duty must be [managing the enterprise or a department or subdivision of the enterprise](#). The employee must customarily and regularly direct the work of at least two employees and have the authority to hire or fire workers (or the employee's suggestions and recommendations as to hiring, firing, or changing the status of other employees must be given particular weight).
- Administrative exemption. The employee's primary duty must be office or non-manual work that is directly related to the management or general business operations of the employer or the employer's customers. The employee's primary duty also must [include the exercise of discretion and independent judgment](#) with respect to matters of significance.
- Professional exemption. The employee's primary duty must be [work requiring advanced knowledge](#) in a field of science or learning that is customarily acquired by prolonged, specialized, intellectual instruction, and study.

Although the changes to the overtime rule are all about salary, the upcoming adjustments provide a good opportunity for employers to look at the job duties for its lowest exempt pay bands and make sure employees qualify. For more information on the rule, [click here](#).

[OFAC Reminder of Annual Blocked Property Report](#)

OFAC posted a reminder of the requirement to provide OFAC with an Annual Report of Blocked Property (ARBP). Persons subject to this reporting requirement must submit a comprehensive report of all blocked property held as of June 30 of the current year by September 30. For more information see the [OFAC Guidance on Filing the Annual Report of Blocked Property](#).

[IC3: Perpetrators Use Various Methods to Deceive & Defraud Elderly Victims for Financial Gain](#)

Each year, millions of elderly Americans fall victim to some type of financial fraud, racking up more than \$3 billion in losses annually. Criminals use a variety of methods to deceive these victims, including romance, sweepstakes, charity, technology support, grandparent, lottery, and government impersonation schemes, to name a few. In each case, perpetrators try to gain their targets' trust and may communicate with victims via computer, through the mail, in person, and by phone, TV, and radio. With the elderly population growing in the United States, it is likely perpetrators will find more and more victims. Click the link above to learn what you can do to help your members.

October 9

[When a Depositor Dies: Legal Requirements, Practical Issues & FAQs \(Webinar\)](#)

October 15

[Mortgage Lending Hot Spots Series: Demystifying Rules for TRID Tolerances \(Webinar\)](#)

October 16

[Regulation E Series: Reg E Requirements for Debit Card Error Resolution: Processing, Disclosure & Investigation \(Webinar\)](#)

October 17

[POD Account Documentation, Compliance, Beneficiaries & Closing \(Webinar\)](#)

October 22

[Commercial Loan Annual Credit Review \(Webinar\)](#)

October 23

[Medallion & Signature Guarantee Risks, Rules & Best Practices \(Webinar\)](#)

October 24

[12 Key Elements of an Effective Digital Marketing Strategy \(Webinar\)](#)

October 26

[*Crime & Your Credit Union Workshop, Baldwin High School, Maui](#)
[*Stay Engaged & Strengthen Teams Workshop, Gather FCU, Kauai](#)

October 29

[Personal Accounts: Ownership, Authorization, Titling & Documentation \(Webinar\)](#)

October 30

[1099 Reporting: Foreclosures, Repossessions & Debt Settlements \(Webinar\)](#)

October 31

[New BSA Officer Training Part 2: Reviews, SARs, CDD, Technical Aspects & Real-Life Scenarios \(Webinar\)](#)

Compliance Video

[Compliance Outlook - 2nd and 3rd Quarters of 2019](#)

This presentation provides an overview of regulatory changes that may be impacting the credit union,

CMG RISK Alert: Settlement Sends Message Regarding Collection Notices

A settlement in a United States District Court, District of Massachusetts ruling against American Honda Finance, Corp. resulted in approximately \$1.9 million for class members and attorney fees along with \$20 million of eliminated deficiency loan balances. The settlement serves as a strong reminder that credit unions in Massachusetts and other states should work with attorneys to ensure Notices of Intent to Sell Collateral language, and calculations/disclosure within Deficiency Notices are accurate.

To learn more about the risks surrounding collection notices and mitigation tips including wording requirements, review the [Collection Letters Risk Overview](#). (User ID and password required)

CMG Webinar: Don't Fall Victim: Loan Fraud & Scams

Fraudsters continuously plot ways to con your credit union, your employees, and your members. Join CUNA Mutual Group on October 16, at 8 a.m. HST to hear expert panelists as they discuss spam, shams, and other scams that could be impacting your lending operations. You'll leave the session with key actionable steps to help your credit union remain vigilant in an effort to reduce loan fraud losses. [Watch this video](#) to get a sneak peak of what will be touched on during the live session.

US-CERT:

- [Apple Releases 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 Apple's [security updates page](#) and apply the necessary updates for the following products: iOS 13.1 and iPadOS 13.1; Safari 13.0.; and tvOS 13.
- [Canadian Centre for Cyber Security Releases Advisory on New Ransomware Campaign](#): The Canadian Centre for Cyber Security (CCCS) released an advisory on a new ransomware campaign. The malware, named TFlower, may infect users via exposed, unpatched Remote Desktop Protocol (RDP) services.
- [Adobe Releases Security Updates for ColdFusion](#): Adobe released security updates to address vulnerabilities in ColdFusion. The CISA encourages users and administrators to review Adobe Security Bulletin [APSB19-47](#) and apply the necessary updates.
- [VMware Releases Security Updates](#): VMware released security updates to address vulnerabilities in Cloud Foundation and Harbor Container Registry for Pivotal Cloud Foundry.
- [Microsoft Releases Out-of-Band Security Updates](#): Microsoft released out-of-band security updates to address vulnerabilities in Microsoft software.
- [VMware Releases Security Updates for Multiple Products](#): VMware released security updates to address vulnerabilities affecting multiple products. The CISA encourages users and administrators to review VMware Security Advisory [VMSA-2019-0014](#) and apply the necessary updates.
- [CISA Releases Four New Insights Products](#): The CISA released four new CISA Insights products informed by U.S. intelligence and real-world events. Each of the products provides a description of the threat, lessons learned, recommendations, and additional relevant resources.
- [Google Releases Security Updates for Chrome](#): Google released Chrome 77.0.3865.90 for Windows, Mac, and Linux. This version addresses a vulnerability that an attacker can exploit to take control of an affected system. The CISA encourages users and administrators to review the [Chrome Release](#) and apply the necessary updates.

effective in the 2nd and 3rd quarter of 2019.

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

Questions & Answers

Question: Our credit union opens joint share accounts for minors with the parent as a joint owner and the parent signs the account card for the minor. We recently heard that this account would not be insured under the joint account category if the minor did not personally sign the account card. Is this true?

Answer: Yes. Per NCUA regulation [§745.8 \(c\) Qualifying joint accounts](#). A joint account is a qualifying joint account if each of the co-owners has personally signed a membership or account signature card and has a right of withdrawal on the same basis as the other co-owners. The signature requirement does not apply to share certificates, or to any accounts maintained by an agent, nominee, guardian, custodian or conservator on behalf of two or more persons if the records of the credit union properly reflect that the account is so maintained.

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:

- Take Action NOW on NDAA
- [Be a part of the biggest advocacy week in our movement!](#)
- [Four more states launch Open Your Eyes to a Credit Union®](#)
- 360-degree advocacy updates
- [NCUA board holds monthly meeting](#)
- [CUNA Economic Update focuses on credit unions' economic value](#)

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](#)
- [CFPB debt collection letter](#)
- SAFE Banking Act to be voted on this week
- [FY 2020 NDAA - take action now](#)
- [September Economic Update: Academics highlight the important role of credit unions in the economy](#)
- [NCUA board meeting](#)
- [Comments on CFPB's proposal to eliminate GSE Patch](#)
- [Learn to defend against a cyber attack](#)
- [Symposium recap](#)

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:

- [Second Chance IRPS due to NCUA by September 27](#)
- [Disparate Impact Rule due to HUD by October 10](#)
- [Home Mortgage Disclosure Act \(Reg C\) Data Points & Coverage due to the CFPB by October 15](#)
- [Home Mortgage Disclosure \(Reg C\) reporting thresholds due to CFPB by October 15](#)
- [Federal Reserve actions to support Interbank settlement of faster payments due to FED by November 7](#)
- [Tech Sprints due to CFPB by November 8](#)
- [Truth in Lending \(Reg Z\) Annual Threshold Adjustments due to CFPB by January 1, 2020](#)

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.