

InfoSight Highlight

Loan Workouts and Non-accrual Policy, and Regulatory Reporting of Troubled Debt Restructured Loans

NCUA has amended its regulations to require federally insured credit unions (FICUs) to maintain written policies that address the management of loan workout arrangements and non-accrual policies for loans, consistent with industry practice or Federal Financial Institutions Examination Council (FFIEC) requirements. The final rule includes guidelines, set forth as an interpretive ruling and policy statement (IRPS) and incorporated as an appendix to the rule, that will assist FICUs in complying with the rule, including the regulatory reporting of troubled debt restructured loans (TDR loans or TDRs) in FICU Call Reports.

Final Rule and IRPS

Lending Policies

The final rule requires FICUs to adopt policies that govern loan workout arrangements and non-accrual practices. A FICU's written non-accrual standards must include the discontinuance of interest accrual on loans that are past due by 90 days or more and requirements for returning such loans, including MBLs workouts, to accrual status.

To set NCUA's supervisory expectations and assist FICUs in compliance, the final rule includes an appendix to Part 741, which thoroughly addresses the loan workout account management and reporting standards FICUs must implement in order to comply with the rule. It also explains how FICUs report their data collections related to TDRs on Call Reports.

- [Appendix C to Part 741, Interpretive Ruling and Policy Statement on Loan Workouts, Non-accrual Policy, and Regulatory Reporting of Troubled Debt Restructured Loans](#)

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Credit Union National Association

Compliance Videos

NEW! Q4 2016 Overview and Q1 2017 Changes Coming

In this [recent video](#), Glory LeDu reminds us of the regulatory changes that became effective in the 4th quarter of 2016 (which includes the DELAY of the DOL Overtime rules). Glory also provides a review of the changes effective in the 1st Quarter of 2017 including the updates to Member Business Lending and the new requirements for HMDA reporting for 2017. This also includes the updated threshold changes effective on 1/1/2017.

Member Business Lending

[This video](#) provides the details you will need to know to comply with the NCUA's

For additional information, [click here for the topic](#).

Review the information today to help your credit union remain in compliance.

Member Business Lending rules.

Compliance News

Updated Resources for HMDA Data Collection

The [Resources for HMDA Filers](#) webpage has been updated with additional resources. These materials are also accessible from the [FFIEC website](#).

In addition, we remind HMDA filers of changes to financial institution coverage in effect from January 1, 2017 to December 31, 2017. On October 15, 2015, the Consumer Financial Protection Bureau (CFPB) issued a final rule amending Regulation C, which implements HMDA. The final rule narrows the scope of depository institutions subject to Regulation C in 2017. A depository institution will not be subject to Regulation C in 2017 unless it: (1) meets the current Regulation C asset-size, location, federally related, and loan activity tests, and (2) originated at least 25 home purchase loans, including refinancings of home purchase loans, (as those terms are defined in current Regulation C) in each of the two preceding calendar years (i.e., at least 25 in 2015 and at least 25 in 2016). A [2017 HMDA institutional coverage chart](#) illustrates how to determine whether an institution is covered by Regulation C in 2017.

CFPB Announces 2017 HMDA Thresholds (No Change)

The CFPB announced the exemption threshold for the Consumer Financial Protection Bureau's (CFPB) Regulation C (Home Mortgage Disclosure) (HMDA) will remain at \$44 million. A link to the final rule amending the official commentary can be found [here](#). Further, the CFPB's 2017 Informational [Guide Letter](#) is also now available containing geographic changes in the 2017 FFIEC Census Files and information on submitting 2017 HMDA data.

Compliance Calendar

January, 2017

- January 16th, 2017: Martin Luther King, Jr Birthday - Federal Holiday
- January 29th, 2017: [5300 Call Report Due to NCUA](#)

February, 2017

- February 20th, 2017: President's Day - Federal Holiday

April, 2017

- April 10th, 2017: [Fiduciary Rule \(Department of Labor\) – Compliance date](#)
- April 30th, 2017: [5300 Call Report Due to NCUA](#)

May, 2017

- May 29th, 2017: Memorial Day - Federal Holiday

July, 2017

- July 4th, 2017: Independence Day - Federal Holiday

Finally, the [FFIEC HMDA website](#) was recently updated to reflect the recent adjustments.

Source: CFPB

Two CRAs to refund \$17.6M and pay \$5.5M CMP

The CFPB has issued a [press release](#) announcing that TransUnion and Equifax and their subsidiaries have agreed to change practices that the Bureau found misled consumers about the value of the credit scores they marketed and sold. In their advertising, the two credit reporting agencies misrepresented that the credit scores they provided to consumers were the same scores that lenders typically use to make credit decisions. The companies have also agreed to return more than \$17.6 million to consumers and pay penalties totaling \$5.5 million.

Source CFPB

OFAC announces Cuba updates

Treasury's Office of Foreign Assets Control has updated its [FAQs regarding Cuba](#) to add five new FAQs regarding vessel transactions with Cuba. OFAC also updated its Specially Designated Nationals List to remove 28 CUBA-designated listings. For identification information on the individuals and entities removed, see [OFAC's SDN List Update](#).

Source: US Department of the Treasury

Updated resources for HMDA data collection

The FFIEC and HUD have published a [list of updated resources](#) for the collection of 2017 HMDA data. The linked resources include a [technology preview](#), filing instructions for [2017 data](#) and for [2018 and later data](#), a loan/application register (LAR) [formatting tool](#), and [FAQs](#).

Source: CFPB

September, 2017

- September 4th, 2017: Labor Day - Federal Holiday
- September 15th, 2017: [Same-day ACH \(NACHA\) – Phase 2 of the implementation period for the rule.](#)

October, 2017

- October 1st, 2017: [Prepaid Accounts under the Electronic Fund Transfer Act/Regulation E and the Truth In Lending Act/Regulation Z](#)
- October 9th, 2017: Columbus Day - Federal Holiday
- October 19th, 2017: [Amendments to the 2013 Mortgage Rules under the Real Estate Settlement Procedures Act - Regulation X and the Truth in Lending Act - Regulation Z](#)

Compliance Training

Regulatory Compliance Training

[Cybersecurity](#) – Intrusion threats and vulnerabilities (recorded webinar)

NCUA Compliance Resources

To help credit unions of all sizes, the NCUA has developed a number of resources that provide critical regulatory and supervisory information in to a single, one-stop source of information on key topics. It is available [here](#).

Source: NCUA

Advocacy Highlight

State Legislatures Convene with Credit Union Charter Enhancements on Agenda

Legislatures in 17 states convened this week and lawmakers were met with bills that would provide credit unions with the clarity, flexibility and powers to effectively serve their members.

The Montana League successfully introduced a prize-linked savings (PLS) measure, S 25. If enacted, Montana credit unions will be permitted to conduct savings promotions in which a minimum deposit in an amount predetermined by the financial institution qualifies for a chance to win prizes. Carin McClain, Political Advocacy Director at the Montana League, testified in support of the measure on Thursday. PLS programs are expressly permitted in 22 other states.

A bill that would permit credit unions to accept public deposits was introduced in New York this week. State and local governments deposit billions of dollars in financial institutions, primarily in banks and if S 286 is passed and signed, New York credit unions would be permitted to accept those deposits as well.

The New York Legislature is also considering a measure, S 436, that would allow credit unions to participate in the state's Excelsior Linked Deposit Program, which encourages financial institutions to make affordable loans to small companies that have limited access to capital at affordable lending rates. To induce an institution to charge a participating company a lower interest rate, the State "links" a deposit, usually in the form of a certificate of deposit, to a business loan at a participating institution.

CUNA AND CUNA Webinars

CUNA offers hundreds of online training events that make it easy for you to learn right at your desk. Whether you are looking for a beginner course or want a comprehensive understanding on a specific topic, CUNA webinars, audio conferences and eSchools have what you need.

[Click here](#) for updates on compliance, operations, lending topics and more!

Across the country in Washington, lawmakers will return to a bill, H 1053, that would authorize credit unions to create audit committees in lieu of supervisory committees. Supervisory committees are unique to credit unions and have voluntary members that are separate from credit union boards. The key role of supervisory committees is to perform the audit function of credit unions. Because boards have the fiduciary duty to credit unions, many appoint audit committees of the board to perform the audit function as well. This change would reduce the redundancy of having two committees perform the same function. The bill also clarifies the grounds for calling a special membership meeting.

Also this week, a data security measure, A 180, was introduced in New York. The bill would require entities to disclose breaches within five days of discovery. Legislation regulating transportation network companies, H 130 and S 185, was introduced in Missouri as well.

Court Challenge to Overtime Rule to Continue

In [late November](#), a federal district court in Texas in the case Nevada v. U.S. Department of Labor, U.S. District Court for the Eastern District of Texas, granted an emergency preliminary injunction stopping the Department of Labor (DOL) from enforcing its rule for overtime pay, which was set to go into effect on December 1. This month the court ruled that the appeal can continue, which means the court could at any time grant the request to permanently stop the rule from moving forward.

The DOL appealed this ruling and oral arguments are set for January 31. Notably however, they will happen after President-elect Trump takes office on January 20 and appoints a new Secretary of Labor. Andrew Puzder, who President-elect Trump has indicated is his choice for the new Secretary of Labor, has expressed opposition to the overtime rule. Accordingly, it is possible the DOL will withdraw the appeal after the new Administration takes office. It is also possible the DOL will make changes.

As CUNA previously noted, while many credit unions have already made changes to come into compliance with the rule, a court decision or legislation modifying the rule could help relieve the compliance challenge of having to continue to make changes every three years.

CUNA also expects that Congress will once again be introducing legislation that makes changes to the DOL final rule. We will continue to

update credit unions about the progress of the litigation and any potential Congressional actions.

[DOL Fiduciary Delay Legislation Introduced in New Congress](#)

Rep. Joe Wilson (R-S.C.) introduced the Protecting American Families' Retirement Advice Act last week that would delay the Department of Labor's (DOL) fiduciary rule. The [legislation](#) would delay implementation of the rule for two additional years after April 2017, when the first implementation date is currently set.

CUNA supports the intent of the DOL rule to protect investors but sought clarity about the overly broad definition of investment advice in addition to other concerns with the DOL's rule, which was finalized in April 2016. Our [comment letter and a follow-up letter](#) outlined concerns about how the DOL's fiduciary rule could impact credit unions and CUSOs, and their ability to continue to serve investors of all means, including those with low-or-moderate incomes.

CUNA was pleased that the [DOL addressed](#) some of its questions, and provided clarifications about what activities are considered education v. advice in the final rule. However, credit unions recommending specific investment products in individual retirement accounts (IRAs) and CUSOs can still be implicated by the rule, and have faced compliance burdens in navigating the applicability and complexity of it.

We [previously](#) supported Congressional efforts modifying the DOL rule last Congress and believe the new legislation would benefit credit union members, as credit unions continue to determine how their offerings for saving and planning could be impacted.

Source: CUNA Removing Barriers Blog

[CUNA Advocacy Update](#)

The [CUNA Advocacy Update](#) is published at the beginning of every week and 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. Additional Advocacy efforts may also be found under CUNA's [Removing Barriers](#) blog.

ComplySight: 30 Day Free Trial!

League InfoSight is offering a free, 30-day trial of ComplySight so you can see the benefits first hand. It's easy to get started. [Just visit us online.](#)

FREE Webinars on ComplySight, the League's latest compliance resource

Registration is now open for your front row seat to learn about ComplySight, League InfoSight's newest addition to your compliance toolbox. If you're looking for a solution to the compliance tidal wave, this system is for you!

RECORDED WEBINARS – Available ANY Time!

For “recorded” webinars, click on the title of the webinar to listen. Users may be asked to download WebEx, which is a safe download for viewing the webinars. These are also available on the Dashboard in ComplySight and are available 24/7!

New Webinar! New Factor Selection Navigation Screens!

[Factor Selection Navigation Screens](#)

To simplify the ability to access Factor Grading screens and Item information, the Factor Selection screens have been redesigned. Check out this short webinar for details!

[Access Level 2.5 and How to Use It](#)

Introducing the newest access level, allowing the L1 Administrator to set L2.5 access and then assign specific Areas that only that user may review.

[Introduction to ComplySight](#)

Designed to introduce and show the many features and benefits of ComplySight.

[ComplySight Training & Tips – Where to Start?](#)

This webinar will: suggest a starting point as a new ComplySight user, discuss how Factor Grading works, review the Action Item Build/Edit process, and discuss the need for a compliance management tool that regulators - and you - will appreciate.

[ComplySight Training & Tips](#) – *Regulatory Alerts, Assigning Employees, Preview of L2.5, Tools in the Help Area*

What should be done when you get an email about a Regulatory Alert? Where are “old” Regulatory Alerts? How do I assign an employee to an Area, and what will be different with the upcoming Level 2.5? And – what tools are available in the Help area? This webinar will explore all of this – and more!

[ComplySight Training & Tips](#) – *How to Export Data*

When you need to archive or copy data out of ComplySight for a fresh start or to provide information for a Board meeting, this webinar will explain the process.

[ComplySight Training & Tips](#) – *Reports in ComplySight*

What information is contained on the reports in ComplySight and how are they used?