

Advertising Loans

An advertisement subject to the Truth-in-Lending Act and Regulation Z is any commercial message that promotes consumer credit or a consumer lease. Advertisements may appear:

1. In newspapers, magazines, leaflets, flyers, catalogs, direct mail literature, or other printed material;
2. On radio, television, or a public address system;
3. On an inside or outside sign or display, or a window display; or
4. In point-of-sale literature, price tags, signs and billboards.

A commercial message is any message that promotes a sale or lease. Thus, materials that are educational and do not solicit business or that are required by law are not advertisements. For example, a brochure issued by a credit union explaining FHA mortgages is not a commercial message, nor is a rate sheet prepared and used solely for internal business purposes. A state-required sign explaining credit terms is also not an advertisement. On the other hand, a brochure or sign that combines a sales message with educational or state-required information is an advertisement.

Just like deposit advertisements, the credit union's loan advertisements must disclose the terms of the credit clearly and conspicuously. This means that the advertisement must be legible and reasonably understandable. There are no required type or font guidelines under the Act or Regulation Z outside of credit card requirements. However, the credit union will apply a reasonableness standard to insure that all advertising is legible and can be easily understood by the average member. Also keep in mind the 8-point type limitations at the lower end of the Schumer Box requirements as some guidance. (NOTE: Clear and Conspicuous Standard for All Advertisements -- Effective October 1, 2009, subsection 1026.24(b) was added to Regulation Z that simply states that the disclosures that are required in connection with advertisements for closed-end credit must be made clearly and conspicuously. This rule applies to all closed-end loan advertisements.)

The advertisement for a credit product must state the specific terms being offered by the credit union to its members. The credit union should never advertise credit terms that are not actually available. If the credit union imposes a condition on a credit product, this must also be stated in the advertisement. This does not mean the credit union cannot offer a special

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Credit Union National Association

Compliance Videos

(NEW!) Quarterly Update for Q2 and Q3 2017

This [video](#) reviews a few important laws and regulations that will impact our credit unions in the 2nd and 3rd quarters of 2017. League InfoSight CEO Glory LeDu covers the **DOL – Fiduciary Rule** effective 6/9/17, Phase II of the **NACHA Same Day ACH**, the changes to the **DOD - Military Lending Act** related to credit cards, and an overview to the 1st set of changes made to **Mortgage Servicing**.

(NEW!) Mortgage Servicing Rule

This [video](#) provides more detailed information from Glory LeDu, CEO of League InfoSight, regarding the upcoming **Mortgage Servicing Rules, effective**

rate that is available for only a limited time period, nor does it prohibit the credit union from advertising terms that will become available at a future date.

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

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

10/19/2017. Be sure to review this video to ensure you are in compliance with these upcoming changes.

Member Business Lending

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

Compliance News

Chase fined \$4.6M for FCRA reporting violations

The CFPB has taken action against JPMorgan Chase Bank, N.A. for failures related to information it provides for checking account screening reports. The Bureau said that Chase broke the law by failing to comply with its obligations outlined in the Fair Credit Reporting Act by not having adequate policies in place regarding the accuracy of information it reported about consumers' checking account behavior. The Bureau also said that Chase failed to provide consumers who disputed their information with the results of its investigation, and failed to tell certain consumers which consumer reporting company supplied the information that resulted in Chase's denial of their checking account application. Under the Consent Order issued by the Bureau, Chase will pay a \$4.6 million civil money penalty.

CFPB Unveils Prototypes of "Know Before You Owe" Overdraft Disclosures

The Consumer Financial Protection Bureau (CFPB) recently unveiled new Know Before You Owe overdraft disclosure prototypes designed to improve the model form that banks and credit unions already provide to consumers weighing overdraft coverage. The Bureau is currently testing four prototypes that each have a simple, one-page design aimed at making the costs and risks of opting in to overdraft coverage easier to understand and evaluate. People who frequently attempt to overdraw their checking accounts typically pay almost \$450 more in fees if they opted in to debit card and ATM overdraft coverage, according to a new CFPB study published today. The study found that most of these frequent overdrafters are financially vulnerable, with lower daily balances and lower credit scores than people who do not overdraft as often.

Compliance Calendar

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 3rd, 2017: [Military Lending Act for Credit Cards](#)
- 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](#)

"Our study shows that financially vulnerable consumers who opt in to overdraft risk incurring a rash of fees when using their debit card or an ATM," said CFPB Director Richard Cordray. "Our new Know Before You Owe overdraft disclosure prototypes are designed to help consumers better understand the consequences of the opt-in decision."

See [this article](#) for additional information; [click here for prototypes](#) of the "Know Before You Owe" overdraft disclosure.

Source: CFPB

CUNA Final Rule Analysis 2.0

CUNA Compliance is pleased to announce publication of its Final Rule Analysis ("FRA") which discusses the Consumer Financial Protection Bureau's ("CFPB") recently issued rule amending the Integrated Disclosure Rule ("TRID").

The CFPB issued its final rule on July 7, 2017. It contains several clarifying amendments and technical corrections, including:

- All loans secured by a cooperative unit are subject to TRID regardless of whether the cooperative unit is classified as real or personal property under applicable state law;
- Certain housing assistance loans are exempt from TRID provided they meet a handful of conditions;
- Numerous clarifications to the process of issuing and delivering both the Loan Estimate and Closing Disclosure;
- Further explanation regarding proper delivery of the Escrow Closing Notice; and
- Additional interpretations of how TRID impacts construction loans.

The final rule carries a mandatory compliance date of October 1, 2018. The FRA is available on www.cuna.org under Compliance / Resources / CompNotes: Final Rule Analyses.

Does Your State Offer These Accounts?

Q: My credit union is discussing ideas for "age-friendly" accounts for our older members, particularly to combat elder financial abuse. I seem to

[Truth in Lending Act -Regulation Z](#)

- October 29th, 2017: [5300 Call Report Due to NCUA](#)

November, 2017

- November 10th, 2017: Veterans' Day (Observed) - FRB will be open
- November 23rd, 2017: Thanksgiving Day - Federal Holiday

December, 2017

- December 25th, 2017: Christmas Day - Federal Holiday

January, 2018

- January 1st, 2018: [Home Mortgage Disclosure Act – Regulation C \(CFPB\), most provisions – Effective date](#)

March, 2018

- March 16th, 2018: [Same-day ACH \(NACHA\) – Phase 3 of the implementation period for the rule.](#)

April, 2018

recall a discussion at CUNA's 2016 Regulatory Compliance School (RCS) about an alternative joint account that would help decrease elder fraud. Do you have any additional information on these accounts?

A: Multiple-party accounts (also known as "convenience accounts", "agency accounts", "joint fiduciary accounts" and "multi-party accounts") are governed by state law – the Uniform Multiple-Person Accounts Act.

Generally, these accounts vary from traditional joint accounts in the following ways:

- Parties own funds in the account in proportion to net contributions;
- The funds in the account are legally required to be used solely for the benefit of the owner of the funds;
- Upon death of the party who owns the funds in the account, the funds pass to the party's estate – there is no right of survivorship.

Although no one monitors day-to-day usage of these accounts, establishing this type of account makes the older member's intentions clear, particularly upon their death. It also makes it illegal for another party to use the funds in the account in any manner that does not directly benefit the older member.

Credit unions should check with their state credit union associations to determine what type of multiple-party accounts are permitted in your state.

Also, for information on how your front line staff can help combat elder financial exploitation – see CUNA's new Front Line Webinar: "[Shine a Spotlight on Elder Financial Abuse](#)".

Source: CUNA

Advocacy Highlight

CUNA Files Three Comment Letters with the NCUA

This week, CUNA filed three comment letters with the NCUA. The letters were in response to NCUA proposed rules to update the [agency's voluntary merger rule](#), [appeals for material supervisory determinations](#) and [appeals procedures](#).

- April 1st, 2018: [Prepaid Accounts under the Electronic Fund Transfer Act/Regulation E and the Truth In Lending Act/Regulation Z \(Date Extended\)](#)

Compliance Training

Regulatory Compliance Training

NCUA webinar on learning management service

The [NCUA will host a webinar](#) on August 16 to help credit unions learn about the service's training resources on regulatory, operational and strategic subjects. The free webinar, "Small Credit Union Learning Management Service," will begin at 2 p.m. ET.

NCUA Field-of-Membership Rule

Get more information about the NCUA's new field-of-membership rule by watching the [agency's webinar online](#) and review [questions and answers](#) from the event.

The NCUA Board unanimously approved the new field-of-membership

CUNA requested that NCUA make several substantive changes to the voluntary merger rule. Specifically, CUNA does not support additional disclosures when the disclosures do little to help credit union members decide whether to approve a merger or can slow or stop mergers. CUNA also does not support merger notice periods that do not line up with current NCUA requirements or the onerous member to member communication requirement. CUNA stressed in the letter that credit unions do not want updates to the merger rule to increase credit unions' regulatory burden.

CUNA also filed comment letters supporting NCUA proposed Part 746 – appeals for supervisory determinations and appeals process. Both of these proposals would expand and clarify a multitude of NCUA appeals processes and credit union appeals rights to NCUA staff, the Supervisory Review Committee (SRC), and the Board.

The addition of Subpart A to Part 746 amends procedures for appealing material supervisory determinations to the NCUA Supervisory Review Committee (SRC). The rule expands the number of supervisory determinations appealable to the SRC and provides credit unions with the opportunity for additional review by the Director of the Office of Examinations and Insurance.

The addition of Subpart B to Part 746 would adopt procedures to govern appeals to the NCUA Board that apply to agency regulations that currently have their own embedded appeals provisions. The procedures would apply in cases in which a decision rendered by a regional director or other program office director is subject to appeal to the Board.

CUNA will continue to work with the NCUA to communicate credit union concerns with the proposed merger rule, to eliminate or reduce any regulatory burden that could result from an updated rule.

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.

rule at its [October 2016 open meeting](#).

NCUA videos on effective board meetings

The NCUA has [released](#) a new video series, "Effective Board Meetings," designed to help credit union directors make the best use of their meetings. The four-part series features different examples of well-run and poorly run board meetings. It also provides helpful tips on how to run constructive meetings and create an environment that engages a credit union's board members.

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!

CUNA Fair Lending Workshop

New ComplySight Enhancements – File Manager!

ComplySight's newest enhancement, File Manager, is now available and you can learn all about it in [this 35-minute video](#). File Manager allows users to upload files and documents individually or in bulk and associate them to Areas, Items and/or Factors. If you have any questions, please feel free to contact info@complysight.com.

ComplySight Training is Available!

Not sure how to get started, or want a refresher on how to use ComplySight? Or are you interested in seeing more of how ComplySight works? We are excited to make available recorded webinars to help you get the most out of ComplySight! We currently have seven training modules available! The ComplySight training webinars are available at any time, and registration is not required. [Click here to start training today!](#)

ComplySight: 30 Day Free Trial!

If you're interested in a "trial run" of ComplySight, League InfoSight is offering a free, 30-day trial so you can see the benefits first-hand. It's easy to get started. [Just visit us online and click on Free Trial Offer.](#)

August 23-24, 2017//Orlando FL. Information on this great workshop can be found [here](#).

MLA Part Two: New Credit Card Rules Webinar

Will you be ready for the changes, effective October 3, 2017? CUNA has provided a [recorded webinar](#) from July 13, 2017 to help!