

## InfoSight Highlight

### League InfoSight Survey!

#### Your Feedback is Needed!

It's "strategic planning" time of year and we are once again asking for your assistance by [completing a short survey](#) on our League InfoSight products. All survey results are reviewed and incorporated into the planning process, so your participation is very important to help us prioritize and determine future system enhancements and development!

Please spend a few minutes helping us learn how we can better help you! Thank you!

## Compliance News

### Issuance of Venezuela-related Executive Order and Associated General Licenses

The President issued Executive Order (E.O.) of August 24, 2017, "[Imposing Additional Sanctions with Respect to the Situation in Venezuela](#)." Today, the Department of the Treasury's Office of Foreign Assets Control (OFAC) published four Venezuela-related general licenses:

- General License 1, "[Authorizing Certain Activities Necessary to Wind Down Existing Contracts](#),"
- General License 2, "[Authorizing Certain Transactions Involving CITGO Holding Inc.](#),"
- General License 3, "[Authorizing Transactions Related to, Provision of Financing for, and Other Dealings in Certain Bonds](#)," and
- General License 4, "[Authorizing New Debt Transactions Related to the Exportation or Reexportation of Agricultural Commodities, Medicine, Medical Devices, or Replacement Parts and Components](#)."

These general licenses authorize certain transactions that would otherwise be prohibited under the new E.O. OFAC is also publishing a number of related [Frequently Asked Questions](#).

*Source: OFAC*

## InfoSight Compliance eNEWSLETTER September 1, 2017 Vol. 11, Issue 34

Created in partnership with the



Credit Union National Association

## Compliance Videos

### Quarterly Update for Q2 and Q3 2017

This [video](#) reviews a few important laws and regulations that will impact our credit unions in the 2<sup>nd</sup> and 3<sup>rd</sup> 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 1<sup>st</sup> set of changes made to **Mortgage Servicing**.

### Mortgage Servicing Rule

This [video](#) provides more detailed information from Glory LeDu, CEO of League InfoSight, regarding the upcoming **Mortgage Servicing Rules, effective 10/19/2017**. Be sure to review this video to ensure

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## American Express paying \$96M in consumer redress

The CFPB [announced last week](#) it has taken action against two American Express banking subsidiaries for discriminating against consumers in Puerto Rico, the U.S. Virgin Islands, and other U.S. territories by providing them with credit and charge card terms that were inferior to those available in the 50 states and for discriminating against certain consumers with Spanish-language preferences. American Express has paid about \$95 million in redress to approximately 222,000 consumers during the reviews undertaken by the Bureau and American Express, and the Bureau is now ordering the company to pay at least another \$1 million to complete the compensation of harmed consumers.

American Express self-reported differences between its cards issued to consumers in Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa and Northern Mariana Islands, and its cards offered in the 50 U.S. states, as well as differences with respect to certain consumers with a Spanish language preference. The Bureau did not find that American Express intentionally discriminated against its customers, but rather found that the differences resulted from the company's card management structure, which involved different business units overseeing the U.S. cards and cards issued in Puerto Rico and the Virgin Islands.

No civil money penalties were imposed in the Bureau's order because American Express self-reported the violations, self-initiated remediation for harmed consumers, and fully cooperated with the Bureau's review and investigation.

- [Consent order](#) in the Matter of American Express Centurion Bank and American Express Bank, FSB.

*Source: CFPB*

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## FinCEN Publishes Advisory Regarding Risky Real Estate Transactions

On 8/22/17, FinCEN published [Advisory FIN-2017-A003](#) to provide financial institutions and the real estate industry with information on the money laundering risks associated with real estate transactions, including those involving luxury property purchased through shell companies, particularly when conducted without traditional financing. Such transactions are vulnerable to abuse by criminals seeking to launder

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 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 Truth in Lending Act - Regulation Z](#)

illegal proceeds and mask their identities. The Advisory provides information on how to detect and report these transactions to FinCEN.

From information obtained during earlier impositions of similar GTOs, FinCEN learned that about 30 percent of reported transactions involved a beneficial owner or purchaser representative (for the purchasing entity) that was also the subject of a previous suspicious activity report. An [FAQ](#) on the GTOs was also released.

*Source: FinCEN*

### Advocacy Highlight

#### Pennsylvania Creates Unit Like CFPB within AG Office

Recently, Pennsylvania Attorney General Josh Shapiro announced the launch of a Consumer Financial Protection Unit designed to “better protect Pennsylvania consumers from financial scams.”

According to Shapiro’s office, the state’s Consumer Financial Protection Unit has the following duties:

- Investigate commercial and trade practices in the distribution, financing and furnishing of goods and services for the use of consumers;
- Conduct studies, investigations and research into matters affecting consumer interests and make such information available to the public;
- Advise the Legislature on matters affecting consumer interests, including the development of policies and the proposal of programs to protect consumers;
- Investigate fraud and deception in the sale, servicing and furnishing of goods and products, and strive to eliminate such illegal actions;
- Promote consumer education and publicize matters relating to consumer fraud, deception and misrepresentation.

The Unit will be led by Nicholas Smyth, who was an early CFPB employee and served as assistant director of the Office of Attorney General’s Bureau of Consumer Protection (the precursor to the CFPB). Smyth also helped draft the Consumer Financial Protection Act of 2010 (Title X of the Dodd-Frank Act), which created the CFPB.

- 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

- April 1st, 2018: [Prepaid Accounts under the Electronic](#)

The Attorney General has made it clear to the Pennsylvania Credit Union Association (PCUA) that credit unions will not be the target of the new unit.

### **CUNA responds to FCC's Notice of Inquiry re: Robocalls**

[CUNA submitted comments](#) to the Federal Communications Commission's (FCC) Second Notice of Inquiry on Advanced Methods to Target and Eliminate Unlawful Robocalls.

Compliance concerns under the Telephone Consumer Protection Act (TCPA) for calling reassigned numbers were exacerbated by the FCC's July 2015 Order. The Order makes clear that callers can make only one call under a safe harbor before they are considered to have actual or constructive knowledge that the number was reassigned. The one-call safe harbor does not account for the dozens of reasons it may not be possible to connect with the new holder of the number in one attempt.

The letter gives background on why it's important for credit unions and their members-owners to communicate. As anyone who has worked in a credit union would know, communication with members is vitally important to both the member and the credit union as a whole. The ambiguous requirements for calling reassigned numbers has the possibility of chilling these important communications.

In its letter CUNA points out that credit union communications are mostly informational and the target audience consists of credit union member-owners. Despite the limited, informational nature of their communications, credit unions nonetheless find themselves the target of TCPA litigation.

The letter outlines why a recurring concern is reassigned numbers. Like telephone consumers generally, credit union members frequently change their contact numbers that were provided to the credit union, and do not necessarily think to immediately inform the credit union of the change. The credit union may then call the number to provide information without any knowledge that the number has been reassigned, potentially exposing it and its member-owners to liability.

The letter details CUNA's position on reassigned numbers and goes into further detail on the points below.

[Fund Transfer Act/Regulation E and the Truth In Lending Act/Regulation Z \(Date Extended\)](#)

### **Compliance Training**

#### **Regulatory Compliance Training**

#### **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 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

- The Development of a Database is Laudable, But Cannot Substitute for Rectifying the Current Unreasonable Reassigned Numbers Rules
- The Commission Should Establish a National FCC-Supervised Database that is Comprehensive, Readily Accessible, Timely and Affordable
- The Commission Should Create a Workable Safe Harbor

CUNA supports the Commission's initiative to create a reassigned number database and urges the Commission to establish a workable safe harbor for entities that use the database. In the meantime, CUNA urges the Commission promptly to revise the current reassigned numbers rules.

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### **CFPB Temporarily Increases HMDA HELOC Reporting Threshold**

On August 24, 2017, the CFPB issued a [final rule](#) that temporarily increases the threshold for collecting and reporting HELOC data under HMDA. Under the Regulation C rules that are scheduled to take effect in January 2018, credit unions and other financial institutions would have been required to report HELOCs if they made 100 such loans in each of the last two years. The final rule increases that threshold to 500 loans through 2018 and 2019. Over the next two years, the Bureau will reconsider whether to adjust the threshold amount and/or duration of the temporary increase.

CUNA appreciates the Bureau's effort to provide flexibility for credit unions making a relatively low number of HELOCs, and we believe today's final rule is a step in the right direction. However, as detailed in our [comment letter](#) to the CFPB, we believe a complete exemption from the HELOC reporting requirement would be more appropriate for credit unions. Particularly, given there has been no evidence of wrongful conduct and credit union HELOC data would ultimately be inconclusive because of their field of membership requirements.

*Source: CUNA Removing Barriers Blog*

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### **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

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!

### **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!

influence government agencies and federal law. Additional Advocacy efforts may also be found under CUNA's [Removing Barriers](#) blog.

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### **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](mailto: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](#).