

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 be specific with your responses!**

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

Compliance News

Joint Memo on Combating Elder Financial Exploitation

FinCEN and the CFPB have issued a [joint memorandum](#) on financial institution and law enforcement efforts to combat elder financial exploitation. It contains helpful information regarding the response of financial institutions and their role in detecting, responding to, and preventing elder financial exploitation.

Source: CFPB, Dept. of Treasury and FinCEN

Bureau issues TIL annual threshold adjustments

The CFPB has published [\[82 FR 41158\]](#) in today's Federal Register a final rule amending the official interpretations for Regulation Z, which implements the Truth in Lending Act (TILA). The rule revises, as applicable, the dollar amounts for provisions implementing TILA and amendments to TILA. Specifically—

- For open-end consumer credit plans under TILA, the threshold that triggers requirements to disclose minimum interest charges will remain unchanged at \$1.00 in 2018.
- For open-end consumer credit plans under the CARD Act amendments to TILA, the adjusted dollar amount for the safe harbor for a first violation penalty fee will remain unchanged at

InfoSight Compliance eNEWSLETTER September 8, 2017 Vol. 11, Issue 35

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 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**.

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

\$27 in 2018 and the adjusted dollar amount for the safe harbor for a subsequent violation penalty fee will remain unchanged at \$38 in 2018.

- For HOEPA loans, the adjusted total loan amount threshold for high-cost mortgages in 2018 will be \$21,032. The adjusted points and fees dollar trigger for high-cost mortgages in 2018 will be \$1,052.
- For the general rule to determine consumers' ability to repay mortgage loans, the maximum thresholds for total points and fees for qualified mortgages in 2018 will be
 - 3 percent of the total loan amount for a loan greater than or equal to \$105,158;
 - \$3,155 for a loan amount greater than or equal to \$63,095 but less than \$105,158;
 - 5 percent of the total loan amount for a loan greater than or equal to \$21,032 but less than \$63,095;
 - \$1,052 for a loan amount greater than or equal to \$13,145 but less than \$21,032; and
 - 8 percent of the total loan amount for a loan amount less than \$13,145.

The rule will be effective January 1, 2018.

Source: CFPB

Early bond redemption authority expanded

Federal Reserve Bank Services has [updated its earlier announcement](#) to savings bond agents serving Texas counties affected by Hurricane Harvey authorizing the early redemption of Series EE and I savings bonds less than one-year-old presented during the months of August, September, and October 2017. This authorization pertains not only to bond owners still residing in affected areas, but also to those who evacuated from those areas. The list of counties affected has been expanded to include Aransas, Bee, Brazoria, Calhoun, Chambers, Colorado, Fayette, Fort Bend, Galveston, Goliad, Hardin, Harris, Jackson, Jasper, Jefferson, Kleberg, Liberty, Matagorda, Montgomery, Newton, Nueces, Orange, Refugio, Sabine, San Jacinto, San Patricio, Victoria, Waller, and Wharton. Agents should not require evidence of hardship but must continue to abide by guidelines in the Guide to Cashing Savings Bonds and savings bond processing instructions

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 Calendar

September, 2017

- 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](#)

provided through FRBservices.org. This authorization will remain in effect through the end of October 2017.

In addition, TreasuryDirect account holders in or evacuated from the affected areas can request a waiver of the one-year holding period for savings bonds by sending an email from within the account explaining their circumstances. Bond redemption agents who are asked for help from TreasuryDirect account holders because they are unable to access their accounts have been asked to obtain the account holders' names and contact information, including daytime telephone numbers, and relay the information via email to retailfrbhelpdesk@fiscal.treasury.gov.

Source: FRB Services

OFAC Sanctions ISIS Finance Emir

In late August, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) targeted Salim Mustafa Muhammad al-Mansur (Mansur), an Islamic State of Iraq and Syria (ISIS) finance emir. Mansur was designated as a Specially Designated Global Terrorist pursuant to Executive Order 13224 for acting for or on behalf of ISIS. As a result of the designation, all property and interests in property of Mansur subject to U.S. jurisdiction are blocked, and U.S. persons are generally prohibited from engaging in transactions with him.

Source: OFAC

Advocacy Highlight

Labor Publishes Proposed Extension Of Transition Period For Fiduciary Rule

The Department of Labor's Employee Benefits Security Administration has published [[82 FR 41365](#)] in this morning's *Federal Register* a proposed extension to July 1, 2019, of the special transition period for several exemptions to its fiduciary conflict of interest regulations, to give the Department the time necessary to consider possible changes and alternatives to sections of the regulations. The proposed amendments to these exemptions would affect participants and beneficiaries of plans, IRA owners and fiduciaries with respect to such plans and IRAs.

- 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](#)

Comments on the proposal will be accepted through September 15, 2017.

Source: Department of Labor

Illinois Credit Union League Champions Sweeping Charter Update

Recently, the Illinois Credit Union League successfully championed the enactment of an amendment to the state's credit union act, HB 1792. The amendment includes parity provisions that would ensure state chartered credit unions remain on par with their federal counterparts. The bill improves credit union operations and services by permitting credit union members to vote electronically, adjusting the limit on loans to members, expanding the ability of credit unions to market their products and services and allowing credit unions to invest in corporate bonds and loan pools.

The electronic voting amendment is beneficial in that it would increase member participation by allowing access to a more convenient option for voting on questions and in elections of the credit union. Federal credit unions are authorized to conduct electronic voting pursuant to Article V of the Federal Credit Union Bylaws.

While the loan limit amendment, Section 48, makes no change regarding a credit union's loan limits, it deletes an outdated reference to loans in excess of \$200. Another amendment, Section 53, removes the reference that credit union to credit union lending limits must be recorded in the bylaws and instead authorizes the board of directors to set such limits by policy.

Further under HB 1792, credit unions may create and use descriptive and brand references to promote and market their identities, services and products to members. Credit unions electing to use branding references for marketing purposes must continue to utilize their formal name in official documentation and for legal purposes, however.

The bill also authorizes Illinois credit unions to invest in investment grade corporate bonds, provided that the credit union has established a written policy addressing investment procedures and risk management. Credit unions can also invest in pool of loans, in whole or in part, from other depository institutions and financial type institutions including

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

May, 2018

- May 11th, 2018:
Customer Due Diligence – CDD (FinCEN) – Effective date

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

mortgage banks, finance companies, insurance companies, and other loan sellers.

The bill passed by wide margins in both the Illinois House and Senate and became effective on August 25.

Small Dollar Loan Rule Expected in September

The CFPB's much anticipated rule on payday and small dollar lending is expected out in the next few weeks. CUNA and the Leagues have [been highly active](#) in seeking changes to the CFPB's rule which was [proposed](#) last summer. The rule, as originally proposed, sweeps in a number of credit union small dollar loan products and even certain products not similar to a payday loan such as auto refinance loans.

[CUNA filed a 61-page comment letter](#) outlining why the CFPB should make significant changes to the proposed rule to ensure that credit unions are not impacted. In addition, CUNA included an attached legal opinion from the Dentons law firm explaining how and why the CFPB should make these changes. Both [NCUA](#) and the [SBA Office of Advocacy](#), with CUNA's support, also sent letters to the CFPB seeking changes to the rule for the protection of credit union members.

Among the dozens of concerns identified by CUNA were:

- CFPB did not take into account the unique way credit unions operate in this market, nor did they consider the existing regulatory oversight that provides significant consumer protection.
- Credit unions typically offer these loans as a member service, often at a loss.
- CFPB only provided a limited conditional exemption for NCUA's PAL program which has been widely recognized as a model for consumer-friendly lending. The proposed rule imposes additional regulatory requirements on and prohibitions to credit unions originating loans under existing NCUA PAL programs.
- While CUNA supports curbing the abuses in the market, the CFPB must do so in manner that maintains credit availability to meet consumer demands. Otherwise only those that choose to engage in predatory behavior and otherwise skirt the law will be the sole source for consumers.

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!

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!

- While the rule was written to target abuses in the payday lending market, the rule could sweep in numerous other products by credit unions where there is no evidence of abuse by credit unions (auto refinances, auto purchases, credit cards, etc.)
- The underwriting requirements for a small \$100 loan are in some instances more onerous than that of a \$500,000 mortgage.

There have been several reports that the CFPB is now considering a bifurcated rule that focuses primarily on loans that are under 45 days and more flexible underwriting requirements for certain providers. These reports appear to be in line with some of CUNA's recommendations and could create a path where credit unions are able to continue to offer many of their consumer friendly small dollar loans.

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.

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.](#)

