

InfoSight Highlight

Advertising: Telephone Consumer Protection Act

A new summary and FAQs were added to the Advertising Channel. The Telephone Consumer Protection Act of 1991 places certain restrictions on the way credit unions are allowed to communicate with their members. The regulation protects consumers from unwanted telemarketing calls which means that the consumer must authorize express written consent prior to credit union contact. In 2015, the FCC approved additional TCPA rules which pose challenges to credit union's using automatic telephone dialing technology. The new rules translate to consumers having an easier time revoking their consent to be contacted, creating limitations on the amount of informational, non-telemarketing calls made to members, and TCPA protections applying to text messages. As such, consumers have more protections and credit unions face a higher risk of being non-compliant. Since communication is a vital part of day-to-day business; whether it be calling a member to discuss about a promotional CD rate, making a collection call or even calling to inform a member about fraud on an account; understanding the key factors of TCPA helps credit unions acknowledge expectations associated with the Act, some they may have not considered before. There are a few exemptions for some of the calls made by credit unions, but in an environment where member contact is a day-to-day occurrence it is best to fully assess this rule in order to remain compliant.

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

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

Compliance News

CUNA Files Suit Against Equifax

CUNA has made good on its promise to go after Equifax over the credit-rating bureau's recent data breach.

Last week, the credit union industry trade association filed a class-action lawsuit in a Georgia District Court against Equifax, alleging that financial institutions have suffered and will continue to suffer financial losses and increased data security risks as a result of the breach. According to the complaint, Army Aviation Center Federal Credit Union and Greater Cincinnati Credit Union joined CUNA as plaintiffs in the suit.

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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**

Army Aviation Center Federal Credit Union, headquartered in Daleville, Alabama, has \$1.2 billion in assets and about 98,000 members. Greater Cincinnati Credit Union is a state-chartered credit union headquartered in Cincinnati, Ohio.

“We filed this lawsuit because our member credit unions are very concerned with the effects of this breach, everything from reissuing compromised cards to adding uncertainty to the loan underwriting process,” CUNA President/CEO Jim Nussle said in an announcement after the filing. “Credit unions will bear substantial costs dealing with the fallout from this breach, and this lawsuit is a step toward recouping costs and requiring stronger

The Equifax breach, announced September 7, was first thought to affect 143 million U.S. consumers. Compromised information primarily includes names, Social Security numbers, birth dates, addresses and in some cases driver’s license numbers. The breach also jeopardized credit card numbers for about 209,000 people, as well as dispute documents for about 182,000 consumers. A subsequent forensic investigation announced on October 2 found that an additional 2.5 million U.S. consumers were affected, bringing to the total to 145.5 million people.

In an announcement before the filing, CUNA said credit unions and other financial institutions will likely have to shoulder these costs over the long term. They will also suffer reputational harm and have to bear the burden of notifying consumers of potential fraudulent activity, it added.

The complaint gave more detail about the expenses CUNA thought credit unions will have to bear.

“These costs include, but are not limited to, canceling and reissuing an untold number of compromised credit and debit cards, reimbursing customers for fraudulent charges, increasing fraudulent activity monitoring, taking appropriate action to mitigate the risk of identity theft and fraudulent loans and other banking activity, sustaining reputational harm and notifying customers of potential fraudulent activity,” it claimed.

“Equifax’s data security deficiencies were so significant that, even after hackers entered its systems, their activities went undetected for at least two months, despite red flags that should have caused Equifax to discover their presence and thwart, or at least minimize, the damage,” it alleged.

At least three credit unions have brought their own suits against Equifax so far. Madison, Wis.-based Summit Credit Union filed a class-action lawsuit against Equifax on September 11; Colorado Springs, Colo.-based

Servicing Rules, effective 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 Calendar

October, 2017

- 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](#)
- 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

Aventa Credit Union and New Castle, Pa.-based First Choice Federal Credit Union, along with the New Orleans-based Bank of Louisiana, filed their own class-action complaint against Equifax on September 22.

Summit Credit Union has \$2.8 billion in assets and about 167,000 members. Aventa Credit Union has \$175 million in assets and about 23,700 members; First Choice Federal Credit Union has \$44 million in assets and about 6,700 members.

Source: CU Times

State Department Revoking Sudan Sanctions

The State Department [issued a statement](#) on Friday announcing the decision to revoke economic sanctions with respect to Sudan and its government, in recognition of the Government of Sudan's sustained positive actions to maintain a cessation of hostilities in conflict areas in Sudan, improve humanitarian access throughout Sudan, and maintain cooperation with the United States on addressing regional conflicts and the threat of terrorism. The revocation will be effective October 12, 2017.

The Treasury Department's Office of Foreign Assets Control has [posted a notice](#) that it has published new [Frequently Asked Questions](#) regarding action by the State Department to revoke the sanctions, as well as a [new general license](#) authorizing certain transactions pursuant to the Trade Sanctions Reform and Export Enhancement Act of 2000.

Source: U.S. Department of State

CFPB issues last-minute tweak and proposal for servicing rule

With less than two weeks to go before implementation (if taking advantage of the Bureau's guidance suggesting that implementation three days early is a good idea), the CFPB has [announced](#) an interim final rule tweaking one of the early intervention (§ 1024.39 of Regulation X) changes effective October 19. The change only affects servicers who are subject to the Fair Debt Collection Practices Act with respect to mortgage loans on which consumers have invoked their cease communication rights, and it provides a 10-day window for delivery of a modified written early intervention notice under certain specific situations. The interim rule, which has been posted to BOL's Regulations pages for Regulation X, is

- 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 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

effective October 19. Comments on the interim rule are due within 30 days of *Federal Register* publication.

The Bureau also announced a proposed rule that would amend new § 1026.41(e)(5) to adjust the timing requirement for the transition to and from modified periodic statements or coupon books in connection with a consumer's bankruptcy case, in order to alleviate unintended challenges in implementation. Comments on the proposal will be accepted for 30 days following publication in the *Federal Register*. Any final rule will be effective April 19, 2018.

- [Interim final rule](#) amending § 1024.39(d)(3)(iii) of Regulation X
- [Proposed rule](#) to amend § 1026.41(e)(5) if Regulation Z

Source: CFPB

Institutions affected by hurricanes encouraged to contact FinCEN

FinCEN has [posted a notice](#) that financial institutions affected by Hurricanes Harvey, Irma, and Maria should contact FinCEN and their functional regulators as soon as practicable to discuss any delays in their ability to file required Bank Secrecy Act reports. Institutions seeking to contact FinCEN should call the FinCEN Resource Center at 1-800-949-2732 and select option 8 or e-mail the Resource Center at FRC@fincen.gov.

Source: FinCEN

NCUA proposes advertising rule change

The NCUA has published [[82 FR 46173](#)] a proposed rule that would amend its rules at 12 CFR part 740 (Accuracy of Advertising and Notice of Insured Status) to add a fourth version of its official advertising statement -- Insured by NCUA -- to those allowed for use by federally-insured credit unions, to expand a current exemption from the advertising statement requirement for radio and television advertisements to those under 30 seconds in duration (currently, only those under 15 seconds are exempted), and to remove a requirement that the advertising statement appear on statements of condition. Comments are due by December 4, 2017.

Regulatory Compliance Training

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!

MLA Part Two: New Credit Card Rules Webinar

Will you be ready for the changes, effective October 3, 2017? CUNA is making [this webinar](#) available on July 13, 2017 to help!

Source: NCUA

Advocacy Highlight

SBA Office of Advocacy Reiterates Credit Union Concerns about Small Business Loan Data Collection

In a [letter](#) in response to the CFPB's Request for Information concerning small business loan data collection, the Small Business Administration Office of Advocacy raised several concerns about a rulemaking in this area's potential impact on small businesses and small financial institutions.

In its letter, the SBA Office of Advocacy stated, "Advocacy encourages the CFPB to develop a workable size standard, conduct additional small entity outreach and publish an Advance Notice of Proposed Rulemaking (ANPRM) prior to going forward with a Small Business Regulatory Enforcement Fairness Act panel." It further noted, "At Advocacy's roundtable, the participants stated that the SBA size standards are complex and confusing. Advocacy encourages the CFPB to perform outreach with small entities and to work with Advocacy and SBA's Office of Size Standards to develop a workable solution."

Other notable parts of the letter included the following recommendations:

- Advocacy appreciates the fact that the CFPB published a Notice and Request for Information for section 1071 and that the CFPB extended the comment deadline by sixty days. However, this is a complicated issue that will be costly for small entities.
- At Advocacy's roundtables, the participants stated that it will be costly to develop a computer system to collect the information that is required. According to the participants, it will be far more costly than the Home Mortgage Disclosure Act (HMDA) rulemaking. In HMDA, small entities added to an existing system. To comply with the requirements of section 1071, small entities will need to build an entirely new system.
- The CFPB convened a SBREFA panel for the HMDA rulemaking because of the anticipated economic impact. Advocacy encourages the CFPB to convene a SBREFA panel for the rulemaking on section 1071. Prior to convening the SBREFA panel, Advocacy encourages the CFPB to have several pre-panel meetings/conference calls with the small entity representatives (SERs) in order to obtain information about the possible economic impact. Prior outreach will help make the SERs' input at the

SBREFA panel more meaningful.

- In addition. Advocacy asserts that an Advanced Notice of Proposed Rulemaking (ANPRM) may be helpful. At Advocacy's August 4 roundtable, the small business representatives alluded to the differences between consumer and commercial lending. Moreover, when asked about less costly alternatives, they stated that they were not ready to have a meaningful discussion on alternatives. The consideration of meaningful alternatives is a crucial part of the RFA. An ANPRM could assist the CFPB in learning more about the challenges associated with commercial lending and in ascertaining less costly alternatives

The SBA Office of Advocacy letter highlights a number of the same concerns [raised by CUNA](#) and credit unions. CUNA participated in several SBA Office of Advocacy roundtables on this issue and will continue to engage with them about concerns of how a rule in this area could harm small credit unions and limit access to credit for members.

TCPA Petition: FCC Opens CUNA's Petition for Comment

Big news coming out of the Federal Communications Commission (FCC) this afternoon! The [FCC opened](#) CUNA's Telephone Consumer Protection Act (TCPA) [Petition](#) for comment. This comes only a week after CUNA's Petition was filed -- we are grateful that the FCC has taken our concerns very seriously.

Comments will be due in 30 days on November 6, 2017. CUNA will be working to educate stakeholders about this petition and seeking support for our efforts to be able to better communicate with credit union members. Notably, the FCC's comment submission is different than the financial services agencies credit unions usually contact. Because of the unique comment process and the importance of this petition, CUNA will be holding a webinar on Wednesday – October 11 at 3:00 PM ET. The webinar will highlight the regulatory relief goals of the petition and how the comment process will work – [Register Now!](#)

ICYMI – *It's been a busy 7 days in CUNA's Advocacy Department*

- [Filed the TCPA Petition](#) with the FCC
- [Filed a lawsuit](#) against Equifax
- Held a [member-call](#) on Equifax litigation
- Consumer Protection Subcommittee [met with the NCUA & CFPB](#)

- The finalized [Small Dollar Rule had MAJOR improvements](#) from the proposed rule
- Sent [multiple letters to Capitol Hill](#) prior to hearings with Equifax's former CEO/Chairman

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 – COMPLAINT MANAGEMENT SYSTEM

ComplySight's newest enhancement, Complaint Management System, allows credit unions to enter, track, assign, resolve and report on member and non-member complaints that are submitted to the credit union.

Although part of ComplySight, it is a separate and distinct system, sharing only the Administrative user access. To view an overview of this wonderful enhancement, visit the [ComplySight Training Webinars](#) page on our website! There you will also find additional videos related to the Complaint Management System and its use.

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.](#)

