

## InfoSight Highlight

### Business Continuity Planning: Board Responsibilities

A credit union's board and senior management are responsible for overseeing the business continuity planning process, which includes:

1. Establishing policy by determining how the credit union will manage and control identified risks;
2. Allocating knowledgeable personnel and sufficient financial resources to implement the BCP;
3. Ensuring that the Business Contingency Plan (BCP) is independently reviewed and approved at least annually;
4. Ensuring employees are trained and aware of their roles in the implementation of the BCP;
5. Ensuring the BCP is regularly tested on an enterprise-wide basis;
6. Reviewing the BCP testing program and test results on a regular basis; and
7. Ensuring the BCP is continually updated to reflect the current operating environment.

It is the responsibility of the credit union's board and management to ensure that risks are identified, assessed, prioritized, managed, and controlled as an integral part of the business continuity planning process. The board and management should establish policies that define how the credit union will manage and control the identified risks. Once policy is established, it is also important for the board and management to understand the consequences of these identified risks and support continuity planning on a continuous basis.

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

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

## Compliance News

### Payday Loan Rule Published

The Consumer Financial Protection Bureau published its final rule, "Payday, Vehicle Title, and Certain High-Cost Installment Loans," at [82 FR 54472](#) in the 11/17/17 Federal Register. The rule is to become effective January 16, 2018, with most sections carrying a compliance date of August 19, 2019. This will start the 60-legislative-day period under the

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## Compliance Videos

### Quarterly Update for Q4 and Review of Q3 –

This newly released Compliance Connection [video](#) reviews those laws and regulations effective in the 3rd Quarter of 2017 and tells credit unions what to prepare for in the 4th Quarter of 2017 as well as what's coming up in the first half of 2018. You won't want to miss it!

## Compliance Calendar

December, 2017

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

January, 2018

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

Congressional Review Act during which Congress can nullify the rule with a joint resolution approved by the president.

### CFPB proposes testing overdraft disclosures

The Bureau is seeking approval from the Office of Management and Budget for, and comments on, its plans to conduct online testing of ATM/debit card overdraft disclosures with 8,000 individuals. The testing will explore consumer comprehension and decision-making in response to overdraft disclosure forms. It will also explore financial product usage, behavioral traits, and other consumer characteristics that may interact with a consumer's experiences with overdraft programs and related disclosure forms. Comments on the CFPB's [notice and request for comment](#) will be accepted through January 16, 2018.

*Source: CFPB*

### Bureau sets FCRA charge limit for 2018

The CFPB has published a Federal Register notice [[82 FR 53481](#)] announcing that the ceiling on allowable charges assessed by credit reporting agencies for making a disclosure to a consumer under the Fair Credit Reporting Act (FCRA) will remain unchanged at \$12.00, effective for 2018.

### Are Credit Report Fees Considered Finance Charges Under Regulation Z?

**John, the new lending officer at ABC Federal Credit Union, is not sure whether credit report fees should be considered finance charges under Regulation Z so he has asked Sarah, the credit union's compliance officer, for help. What should Sarah tell John concerning credit report fees?**

1. Credit report fees are always considered finance charges under Regulation Z.
2. Credit report fees are never considered finance charges under Regulation Z.

### [provisions – Effective date](#)

- January 1st, 2018: New Year's Day - Federal Holiday
- January 15th, 2018: Martin Luther King, Jr. Birthday - Federal Holiday

February, 2018

- February 19th, 2018: President's Day - Federal Holiday

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

3. Credit report fees are considered finance charges on transactions secured by real property and are not considered as finance charges for all other loans.
4. Credit report fees are not considered finance charges on transactions secured by real property but are considered finance charges for all other loans.

**Answer:** The correct answer is “D”. Credit report fees are not considered finance charges on transactions secured by real property but are considered finance charges for all other loans.

Regulation Z Section 226.4(b)(4) indicates that credit report fees are considered finance charges unless specifically excluded. Paragraph (c) states that credit report fees are excluded from the finance charge for transactions secured by real property or in a residential mortgage transaction if the fees are bona fide and reasonable in amount.

Therefore, credit report fees are not considered finance charges for mortgage loans as-long-as they are bona fide and the amount is reasonable, however credit report fees are considered finance charges for all other loans

*Source: CUNA Compliance Blog*

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### CTR Reporting Brochure for Members

FinCEN reminds credit unions of the agency's [downloadable CTR brochure](#) that should be handed out to members explaining that "structuring" their currency transactions to avoid CTR filing is illegal.

*Source: FinCEN*

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### The Clearing House Launches its Real Time Payments System

The Clearing House (TCH), the payments and settlement company jointly owned by 25 of the largest US banks, announced the official launch of its real time payments system on November 14, 2017. The new set of rails, which TCH touts as the first new US core payments infrastructure in more than 40 years, has handled precisely one transaction to date- a transfer

- May 28th, 2018:  
Memorial Day -  
Federal Holiday

July, 2018

- July 4th, 2018:  
Independence Day -  
Federal Holiday

September, 2018

- September 3rd, 2018:  
Labor Day - Federal  
Holiday

October, 2018

- October 8th, 2018:  
Columbus Day -  
Federal Holiday

### Compliance Training

#### NCUA webinar on Credit Union Diversity

The NCUA presented a webinar on November 2, titled “What, Why and How: Credit Union Diversity.” An [archived recording of the webinar](#) is available online. The webinar featured credit union board members and staff leaders from Municipal Credit Union, Brooklyn, New York, Self Help Credit Union, Durham, North Carolina, and North Side Community Federal Credit Union, Chicago, Illinois. The webinar also discussed how to use the NCUA’s Voluntary Credit Union Diversity Self-

between accounts at BNY Mellon and US Bank. Other owner banks (Citi, SunTrust, PNC and J.P. Morgan) are slated to soon follow suit.

TCH stresses that its system- being marketed as RTP- is open to all US depository institutions and that its owner banks will not receive preferred pricing. TCH has communicated a goal of achieving ubiquity by 2020. RTP operates on a "credit push" model and includes two-way messaging capabilities and payment request functionality- features that TCH expects will expand the scope of potential use cases.

RTP is built in part on technology from Vocalink (acquired in 2016 by MasterCard), which played a pivotal role in the rollout of real time payments in the UK almost a decade ago. For perspective, while such payments are growing at double digit rates as new use cases continue to be introduced, they still represent only a nominal share of UK payment volume.

Read the full TCH press release [here](#).

#### Advocacy Highlight

#### **Senate Financial Services and General Government Appropriations Act Released**

On November 21, the Senate Appropriations Committee released its draft spending package to fund agencies and government functions under the jurisdiction of the Senate Appropriations Subcommittee on Financial Services and General Government through the end of Fiscal Year 2018. This bill includes many significant wins for credit unions! For details, [click here](#).

#### **CUNA Comment on NCUA Regulatory Reform Agenda**

CUNA submitted a comment letter to NCUA regarding its comprehensive Regulatory Reform Agenda, issued by a Task Force charged with culling all relevant regulations, with recommendations to streamline and eliminate ineffective, outdated, and excessively burdensome regulations. The agenda parses regulatory recommendations into multi-year efforts, and temporarily supersedes the agency's standard one-third annual regulatory review, which is slated to re-commence in 2020.

A number of the recommendations have already been through the regulatory pipeline, as proposals or adopted regulations. Examples of provisions that have been addressed include capital standards, member

Assessment tool. This 28-question checklist is designed to support credit unions' diversity efforts. All credit unions, but especially those with at least 100 employees, are encouraged to complete the checklist and submit it electronically to the NCUA's Office of Minority and Women Inclusion by Dec. 30.

#### **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!

lending, and structural procedures relating to appeals, mergers, and field of membership. CUNA is pleased with the commitment and focus of NCUA in managing the process timeline.

CUNA highlighted the need for reform in Bank Secrecy Act compliance, including higher Currency Transaction and Suspicious Activity reporting thresholds. CUNA also advocated for independent third-party review of examiners. CUNA appreciated the additional opportunity to comment on these proposals.

*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.

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### **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](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.](#)

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