

InfoSight Highlight

InfoSight – Employment

On the Employment channel in InfoSight are 30 different topics, some of which may apply to YOUR credit union! Are you hiring new employees and need to know the questions you can and can't ask or learn more about the Equal Employment Opportunity requirements? What if one of your employees has questions about the Family and Medical Leave Act? And - do you know what should – or shouldn't – be kept in a personnel file?

Be sure you are kept up-to-date with the information in the [Employment channel](#) today!

Compliance News

IRS reminds taxpayers to report virtual currency transactions

The Internal Revenue Service recently reminded taxpayers that income from virtual currency transactions is reportable on their income tax returns. [Read the complete article here.](#)

Source: IRS.gov

Fed adjusts interest rates in Regulations A and D

The Federal Reserve Board published in the recent Federal Register [amendments to Regulations A and D](#). The [Regulation A amendment](#) changes the interest rates in § 201.51(a) for primary credit and in § 201.51(b) for secondary credit provided to depository institutions by the Federal Reserve Banks to 2.25 percent and 2.75 percent, respectively, effective today, and applicable to credit extended beginning March 22. The [Regulation D amendment](#) increases the interest rates in § 204.10(b)(5) paid by the Federal Reserve Banks on required and excess reserves to 1.75 percent effective today and applicable to reserve balances beginning March 22.

Source: Federal Register

New CDD Rule: Exceptions and Exemptions

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Credit Union National
Association

Compliance Videos

Compliance Outlook for Q1 and Q2 2018

In this video, Glory LeDu provides the [overview of what's ahead in the compliance world for 2018](#). This covers annual threshold updates, HMDA changes, Payday Alternative Loans, Military Lending Act, ACH Same-day ACH processing and more!

Just a reminder that Compliance videos since 2016 can be found on YouTube at [the Compliance Connection channel](#), where they are generally updated quarterly.

Compliance Calendar

April, 2018

- April 19th, 2018: [Amendments to the 2013 Mortgage Servicing Rules](#)

As we all know, beginning May 11, 2018, credit unions will be required to obtain identifying information about the beneficial owners of their legal entity accounts.

We also know that beneficial owners are defined in the rule as:

- **Ownership Criteria:** Each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of a legal entity customer: and
- **Control Criteria:** A single individual with significant responsibility to control, manage, or direct a legal entity customer, including:
 1. An executive officer or senior manager (e.g. a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer); or
 2. Any other individual who regularly performs similar functions.

There are some legal entities and some accounts that are so unlikely to foster money laundering that FinCEN has provided exceptions to the rule. In the final weeks before the compliance date, let's review the exceptions and exemptions of the new requirements.

Quasi-Exception: The following are instances when a credit union will only obtain the information required by the control criteria as described above:

- When there is no individual or entity that owns at least 25% of the legal entity opening the account at the credit union;
- When the legal entity is established as a nonprofit corporation or similar entity and has filed its organizational documents with the appropriate State authority as necessary; and
- When the legal entity is a pooled investment vehicle that is operated or advised by a financial institution not already excluded by one the several exceptions in the rule as described below.

Click [here](#) to read the rest of CUNA's blog post!

Source: CUNA Compliance Community

Advocacy Highlight

- April 29th, 2018: [5300 Call Report Due to NCUA](#)

May, 2018

- May 11th, 2018: [Customer Due Diligence – CDD \(FinCEN\) – Effective date](#)
- May 28th, 2018: Memorial Day - Federal Holiday

July, 2018

- July 1st, 2018: [Regulation CC Amendments – Availability of Funds and Collection of Checks](#)
- July 4th, 2018: Independence Day - Federal Holiday
- July 29th, 2018: [5300 Call Report Due to NCUA](#)

September, 2018

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

October, 2018

- October 8th, 2018: Columbus Day - Federal Holiday
- October 28th, 2018: [5300 Call Report Due to NCUA](#)

CUNA Hosts Webinar on USAA Remote Capture Patent Issues

CUNA and outside Counsel conducted a webinar to discuss the letters credit unions are receiving from a law firm inviting them to negotiate a patent licensing deal with USAA for the continued usage of remote deposit capture (RDC) technology. According to the letter, USAA was the first to develop and patent RDC technology, and the patent licensing campaign is an effort to recover “a small and fair portion” of the value USAA has provided to the financial services industry.

Did you miss the webinar?

It's not too late – you can still watch a recorded version by [registering for free via this link!](#) [[Read more here](#)]

CUNA and LSCU File Amicus Brief in Support of The Infirmity FCU

CUNA and the League of Southeastern Credit Unions and Affiliates (LSCU) [filed a brief in support of a credit union](#) facing a predatory lawsuit alleging noncompliance with the Americans with Disabilities Act (ADA). The brief was filed in Scott v. The Infirmity FCU in the U.S. District Court for the Southern District of Alabama.

“This brief was filed by CUNA and LSCU to continue our aggressive defense of credit unions hit with predatory lawsuits from plaintiffs’ attorneys looking to exploit a law that protects disabled Americans,” said CUNA President/CEO Jim Nussle. “Credit unions unfortunately continue to see a string of meritless lawsuits taking advantage of ambiguities about what is required for website accessibility. In our brief, CUNA once again highlights that credit unions need clarity beyond a private industry standard and deserve due process.”

The primary arguments of the joint brief are:

- The plaintiff lacks standing to file suit against the credit union;
- A website is not a place of public accommodation;
- Applying Title III of the ADA to websites renders the statute impermissibly vague in the absence of any implementing regulations by the Department of Justice; and
- The court should dismiss the complaint pursuant to the Primary Jurisdiction Doctrine. [[Read more here](#)]

Source: CUNA Advocacy

Compliance Training

Regulatory Compliance Training

CUNA and CUNA Webinars

[CUNA has published a list of their free webinars for 2018!](#)

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!](#)

CFPB'S Amendments to the Mortgage Servicing Rules Webinar (Recorded)

Credit unions that service mortgage loans saw an increase in their servicing responsibilities in October 2017 and will see additional requirements take effect in April 2018. [Click here to register for this recorded webinar.](#)

Keeping up with CUNA Advocacy

To stay abreast of the issues on which CUNA has provided input to lawmakers and regulators, [here is a list of those topics](#).

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. To receive this update, click on “Get CUNA Updates” on the [CUNA Advocacy page](#). Additional Advocacy efforts may also be found under [CUNA’s Removing Barriers blog](#). With the recent updates to CUNA’s website, Advocacy information has also changed. To view recent advocacy issues and see ways your credit union can become involved, visit the [Priorities](#) or [Actions](#) pages.

WHAT CAN COMPLY SIGHT DO FOR YOUR CREDIT UNION?

ComplySight serves as a comprehensive compliance management and tracking tool that streamlines the compliance process throughout the credit union. The system provides visibility, tracking, measuring and reporting for compliance activities allowing credit unions to address compliance initiatives through a single application, assisting in the organization’s overall communication, supporting a state of continual readiness for audits, and providing regulatory updates essential to maintaining credit union compliance. ComplySight will match compliance needs with compliance gaps filling the need with additional League InfoSight products like InfoSight and CU PolicyPro.

ComplySight will allow designated users to select specific standard industry compliance items and, with a user-defined risk threshold and sliding scale, rate their level of compliance based on industry defined factors. The user can build “Action Items” to manage the process of documenting their compliance efforts and assigning tasks.

Credit union policies and other compliance documents may be uploaded into ComplySight, making it a single repository for compliance reviews, complaint management, and associated documentation. There are many useful tools to manage the compliance evaluation process along with many resources to answer compliance questions through our unique integration of ComplySight with InfoSight and CU PolicyPro. Additionally, links to

agency regulatory pages associated with the specific areas of compliance have also been included.

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.](#)

