

InfoSight Highlight

InfoSight – Investments

If you're wondering where to look for information on broker-dealers, safekeeping, permissible/prohibited investments, derivatives, investment policies and powers, charitable donation accounts or monitoring and reporting requirements and more – look no further than the Investment channel in InfoSight!

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

Compliance News

NCUA to Host Bank Secrecy Act Webinar

Credit unions with questions about complying with customer due diligence requirements in the Bank Secrecy Act can get valuable information on a National Credit Union Administration webinar scheduled for April 25.

The Financial Crimes Enforcement Network in 2016 issued a [final rule updating the Bank Secrecy Act's requirements for effective BSA and anti-money-laundering programs](#). The webinar, "BSA Compliance – Customer Due Diligence," will address these requirements for credit unions.

This 60-minute webinar is scheduled to begin at 2 p.m. Eastern. [Online registration is available here](#).

The webinar panel—Sandra Sojka, a regulatory policy officer with FinCEN's Policy Division; Janet Carruthers, a fraud and risk analysis specialist with NCUA's Office of Examination and Insurance; and Andre Lucas, the director of compliance, Maryland/District of Columbia Credit Union Association—will review the basic requirements of the 2016 rule, including:

- Reducing compliance and reputation risk with ongoing member due diligence;
- Enhancing risk-based procedures by including timely and accurate SAR reporting; and
- Improving the overall BSA/AML program with specific procedures.

You can submit questions in advance at WebinarQuestions@ncua.gov. The email's subject line should read, "BSA Compliance – Customer Due

InfoSight Compliance eNEWSLETTER

April 13, 2018

Vol. 12, Issue 15

Created in partnership with the



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](#)

Diligence.” This webinar will be closed captioned and then [archived online](#) approximately three weeks following the live event.

The Bank Secrecy Act webinar is the first of five webinars NCUA’s [Office of Credit Union Resources and Expansion](#) will host in the coming months. Topics include: the agency’s streamlined community development financial institutions certification program, 2018 grant initiatives, and Share Insurance calculations. Details about each webinar will be available in the near future.

[FFIEC Issues Joint Statement on Cyber Insurance and its Potential Role in Risk Management Programs](#)

The Federal Financial Institutions Examination Council (FFIEC) members today issued a joint statement to describe matters that financial institutions should consider if they are determining whether to use cyber insurance as a component of their risk management programs.

The FFIEC members do not require financial institutions to maintain cyber insurance. The evolving cyber insurance market and the shifting cyber threat landscape may, however, prompt financial institutions to consider whether cyber insurance would be an effective part of their overall risk management programs.

The joint statement notes that cyber attacks are increasing in volume and sophistication and that traditional general liability insurance policies may not provide effective coverage for all potential exposures caused by cyber events. Cyber insurance could offset financial losses from a variety of exposures—including data breaches resulting in the loss of confidential information—that may not be covered by more traditional insurance policies. Financial institution management should assess the scope of coverage of current insurance and consider how cyber insurance may fit into the institution’s overall risk management framework.

As with any insurance coverage, cyber insurance does not diminish the importance of a sound control environment. Rather, cyber insurance may be a component of a broader risk management strategy that includes identifying, measuring, mitigating, and monitoring cyber risk exposure.

Financial institutions may find additional information on risk management and cybersecurity risk management on the FFIEC’s website at <http://www.ffiec.gov>.

- 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](#)

Statement: [Joint Statement on Cyber Insurance and Its Potential Role in Risk Management Programs](#)

Source: NCUA

HMDA Preapprovals FAQ

Q: Do we have to report all preapproval requests now? What about prequalification requests?

A: The collection, recording, and reporting of preapproval requests that are approved but not accepted used to be optional under Regulation C. As of January 1, 2018, covered institutions are now required to collect, record, and report information for approved but not accepted preapproval requests for home purchase loans. Preapproval requests for open-end lines of credit, reverse mortgages, and home purchase loans to be secured by multifamily dwellings are not covered transactions under the new rule. The Appendix to the rule states that incomplete preapprovals should not be reported.

However, prequalification requests are treated differently under the rule. Regulation C does not require an institution to report prequalification requests on the HMDA loan application register (LAR), even though these requests may constitute applications under Regulation B for purposes of adverse action notices. But be careful that your credit union is using the terminology correctly and the prequalification is not actually a preapproval under the rule. The important factors are whether a full credit underwriting with a commitment to lend takes place or if the approval is an informal estimate of an amount for which an applicant "might" qualify. What the credit unions calls the approval is not the controlling factor.

Source: *CUNA Compliance Blog*

Advocacy Highlight

CFPB Issues 11th Request for Information

The Consumer Financial Protection Bureau (Bureau) recently issued a Request for Information (RFI) on consumer financial education. The Bureau is seeking comments and information from interested parties to assist the Bureau in assessing the overall efficiency and effectiveness of its consumer financial education programs. This includes the Bureau's delivery of financial education through online tools, print publications, and community collaborations. This the 11th in a series of RFIs announced as part of Acting Director Mick Mulvaney's call for evidence to ensure the

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.](#)

Bureau is fulfilling its proper and appropriate functions. This RFI will provide an opportunity for the public to submit feedback and suggest ways to improve outcomes for both consumers and covered entities. The next RFI in the series will address consumer inquiries, and will be issued next week.

[Click here for the RFI on consumer financial education.](#)

The CFPB will begin accepting comments once the RFI is printed in the Federal Register, which is expected to occur on approximately April 9. The RFI will be open for comment for 90 days.

[Click for more information about the call for evidence](#)

Source: CFPB

[Texas ADA Lawsuit Dismissed Just Days After CUNA and Cornerstone File Brief](#)

A lawsuit against a Texas credit union was voluntarily dismissed by the plaintiff, only days after CUNA and the Cornerstone Credit Union League [filed an amicus brief in defense of Local 20 IBEW FCU](#) of Grand Prairie, Texas.

The lawsuit alleges violations of the Americans with Disabilities Act (ADA) from the credit union's website, part of a nationwide trend affecting credit unions due to uncertainty with the ADA.

"This case has resulted in another voluntary dismissal of a frivolous lawsuit in Texas, a very positive development coming only a few days after CUNA and the Cornerstone Credit Union League supported the credit union," said CUNA President/CEO Jim Nussle. "As we continue our advocacy efforts to find a solution for credit unions and their members, results like this send a message that abusing the Americans with Disabilities Act to exploit community financial institutions is not a winning strategy." [\[Read more here\]](#)

[CUNA Webinar on USAA Remote Capture Patent Issues](#)

Last month, 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.

Nearly 500 credit union professionals heard from CUNA’s Senior Director of Advocacy – Lance Noggle, Gina Carter – Partner at Husch Blackwell, and Mike Rounds – Shareholder at Brownstein Hyatt Farber Schreck. During the webinar, CUNA and Counsel discussed:

- What the letters do and do not say;
- A bit about patent law;
- The purpose of a warning letter like this one; and
- Indemnification clauses.

CUNA is in the process of developing a strategy for how to handle these requests and need your help. If your credit union has received a letter from Epicenter Law Group, USAA, or others claiming to hold RDC patents, please contact us at USAA.Patent@cuna.coop. Your information will not be shared.

Did you miss the webinar?

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

Source: CUNA Removing Barriers Blog

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.](#)