

InfoSight Highlight

Reserve Requirements

The Federal Reserve Board's (FRB) Regulation D was established in 1980. It contains four primary provisions that affect depository institutions, including natural person credit unions.

1. Credit unions may be required to maintain reserves.
2. Credit unions may have to place limits on certain deposit accounts in order to avoid having to reserve against those accounts.
3. Credit unions are required to impose certain penalties for early withdrawal from time deposit accounts in order to avoid having to reserve against the time deposit.
4. Credit unions may be required to report account information to the Federal Reserve.

Regulation D controls how credit unions define certain terms and conditions of deposit accounts, since the characteristics of the accounts determine whether the credit union must reserve against the accounts. The following accounts are subject to Regulation D reserve requirements: transaction accounts, time deposits, savings accounts, and Euro-currency deposits.

The Regulation D thresholds are annually adjusted to account generally for 80% of transaction accounts and overall deposit growth or decline. The percentage of actual reserving can be changed by the Federal Reserve Board in order to execute monetary policy that is to make currency more or less plentiful and to influence interest rates.

[Click here to view the topic](#), and to ensure your credit union is in compliance and to view the 2018 reserve requirements.

Compliance News

Direct Deposit Tax Refunds Limited to Three

As tax season approaches (begins January 29th) credit unions should keep an eye out for tax scammers. In an effort to combat fraud and identity theft, in 2015 the IRS began limiting the number of refunds electronically deposited into a single financial account or pre-paid debit card to no more than three. The fourth and subsequent refunds automatically convert to a paper refund check and are mailed to the taxpayer.

According to the IRS, the vast majority of taxpayers are not affected by this limitation, however some taxpayers, such as families in which the

InfoSight Compliance eNEWSLETTER January 12, 2018 Vol. 12, Issue 2

Created in partnership with the



Credit Union National
Association

Compliance Videos

Compliance Outlook for Q4 2017

In this video, Glory LeDu provides a [brief summary of the key changes of the new HMDA rules](#) becoming effective in January. You won't want to miss this important overview!

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

January, 2018

- January 15th, 2018: Martin Luther King, Jr. Birthday - Federal Holiday

February, 2018

parent's and children's refunds are deposited into a parent's account may be affected.

The direct deposit limit is in place to prevent criminals from easily obtaining multiple refunds and to protect taxpayers from preparers who obtain payment for their tax preparation services by depositing part or all of their clients' refunds into the preparers' own credit union accounts.

For more information, visit the [IRS website](#).

Reminder: New W-8BEN Rules

For IRS W-8BEN forms obtained on or after January 1, 2017, you must collect a date of birth for the foreign credit union member. However, if you have the foreign member's date of birth in your files, you may use that information for reporting purposes and will not be required to treat a Form W-8BEN as invalid because it did not include a date of birth.

Also, after January 1st, if you have an otherwise valid Form W-8BEN, but it is missing a foreign TIN, you are permitted to obtain the member's foreign TIN on a written statement provided by the member (including a written statement transmitted by email) that indicates that the foreign TIN is to be associated with the member's Form W-8BEN. Similarly, you are permitted to obtain the reasonable explanation for the absence of a foreign TIN in this manner.

For more information see the CUNA January 12, 2017 blog post: [How the New FATCA Rules May Affect Your W-8BEN and 1042-S Reporting](#).

Source: *CUNA Compliance Blog*

Advocacy Highlight

CUNA engaged w/ reg relief, BSA hearings this week

A House Financial Services subcommittee will conduct a hearing on two CUNA-backed regulatory relief bills, and CUNA will also be engaged in several other Congressional hearings this week. The bills will be considered this week as part of a House Financial Services subcommittee on financial institutions and consumer credit [hearing on proposals](#) for a more efficient federal regulatory regime.

One bill, previously supported by CUNA, would exempt financial institutions with under \$50 billion in assets from Consumer Financial Protection Bureau (CFPB) rulemakings. The Community Financial

- 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](#)
- May 28th, 2018: Memorial Day - Federal Holiday

July, 2018

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

September, 2018

Institution Exemption Act (H.R. 1264) was introduced in April by Rep. Roger Williams (R-Texas).

“This legislation would make even more clear the CFPB’s authority to exempt community financial institutions from its regulations,” said CUNA Chief Advocacy Officer Ryan Donovan. “Now, the Dodd-Frank Act couldn’t be any clearer that the CFPB already has this authority, but as we saw during the [former CFPB Director Richard] Cordray tenure, there was a tremendous reluctance on the part of the bureau and the former director to exercise this authority.”

CUNA also supports the Home Mortgage Disclosure Relief Act (H.R. 4648), [introduced by Rep. Tom Emmer](#) (R-Minn.). It would delay Home Mortgage Disclosure Act (HMDA) reporting requirements until Jan. 1, 2019, postponing the first mandatory reporting date until March 2020.

Nussle: CUNA continues push for ADA website clarity

CUNA remains engaged in combating predatory class action threats related to website accessibility requirements surrounding the Americans with Disabilities Act (ADA), CUNA President/CEO Jim Nussle wrote to members earlier this week. Credit unions have been hit with increasing lawsuit threats over uncertainty about ADA website requirements.

“CUNA has been working diligently to combat this predatory litigation,” Nussle wrote. “Since it continues to be a major problem for credit unions, it is a top advocacy priority for us, as we continue engagement with the Department of Justice (DOJ) and Congress.”

Nussle added that CUNA is also working closely with state leagues to identify legal advocacy opportunities, and will be meeting with Congressional counsel next week to discuss ways to stop these threats. Nussle also cited a recent [CUNA Removing Barriers Blog entry that details a recent DOJ decision](#) to rescind two Advance Notices of Proposed Rulemakings regarding ADA.

CUNA staff has met with DOJ officials to discuss potential solutions, and followed up with a [letter outlining the specific concerns](#).

[CUNA has also backed a bill](#) that would address these threats, written to the House and Senate Judiciary Committees, and spearheaded efforts that

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

October, 2018

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

November, 2018

- November 12th, 2018: Veterans Day (observed) - 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-Assessment tool. This 28-question checklist is designed to support credit unions’ diversity efforts. All credit

resulted in 61 members of Congress raising ADA concerns in a letter to DOJ.

There will be a breakout session at this year's CUNA Governmental Affairs Conference, which is scheduled for Feb. 25 to March 1 in Washington, D.C. The ADA breakout session will be Monday, Feb. 26 from 2:45 to 4 p.m. (ET).

Source: CUNA Advocacy

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.

NEW COMPLYSGHT TRAINING VIDEOS ARE NOW AVAILABLE

We are happy to announce that our training webinars have been updated! We have created a video series with shorter segments to help our users get the most out of ComplySight! These video tutorials are available 24/7!

We have created seven new video tutorials ranging in length from 5 to 23 minutes:

- ComplySight Overview and Set Up
- Set Up and Manage Users
- Assigning Compliance Reviews
- Factor Grading
- Automatic Action Items (AAI) and Manual Action Items (MAI)
- Examiner/Audit Findings
- Regulatory Alerts

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!](#)

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.](#)

To access the tutorials, log into ComplySight and click on the “Help” page, then choose “Video Tutorials.” We are also in the process of revising our User Guide, so be sure to keep an eye out for those changes too. If you have any questions, please feel free to contact info@complysight.com.

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.](#)

