

InfoSight Highlight

InfoSight – Advertising!

Did you see the recent changes to the advertising requirements for use of the official NCUA sign/slogan? If you didn't, these changes become effective on May 25, 2018 and provide regulatory relief to federally insured credit unions, allowing an additional option for the official advertising statement. Credit unions advertising their accounts, now have the option of using "Insured by NCUA."

In addition to that new alternative, there was also an amendment to the exemption on the use of the official statement for radio and television advertisements, which is now not necessary for those advertisements less than 30 seconds as opposed to the previous 15 seconds.

Additionally, there is no longer a requirement to have the NCUA logo or official statement on the first page of your annual report, or statements of condition required to be published by law.

Check out these changes and helpful FAQs on the [Advertising channel!](#)

Compliance News

Major CUNA, CU victory complete as Trump signs S. 2155

President Donald Trump signed the Economic Growth, Regulatory Relief and Consumer Protection Act (S. 2155) into law today, enacting a major piece of CUNA-supported bipartisan regulatory relief legislation. CUNA strongly supported the bill from the earliest negotiations in the Senate, and remained engaged with leagues and credit unions through [House passage](#) of the bill May 22.

"President Trump's signature on S. 2155 brings a successful end to one of the most comprehensive, historic advocacy efforts the credit union system has seen in quite some time. From the moment the text of the bill was released by a group of bipartisan Senators, credit unions made their voices heard wherever possible, resulting in significant regulatory relief for credit unions and 110 million Americans," said CUNA President/CEO Jim Nussle. "This could not have been accomplished without fierce advocacy directly to members of Congress, in addition to social media posts, letters to the editor, the e-mails, the op-eds, all of which showed the majority of Congress that the time of one-size-fits-all regulations is over, and that

InfoSight Compliance eNEWSLETTER June 1, 2018 Vol. 12, Issue 22

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

July, 2018

- July 1st, 2018: [Regulation CC Amendments – Availability of Funds](#)

American consumers need access to safe mortgages and other financial services products.”

S. 2155:

- Establishes a safe harbor from certain requirements for a loan to be considered a Qualified Mortgage;
- Rescinds the additional data points required under the Home Mortgage Disclosure Act for insured credit unions that originate fewer than 500 closed-end and/or 500 open-end lines of credit;
- Reclassifies one-to-four unit, non-owner occupied residential loans as real estate loans, so the loan would not count against the member business lending cap;
- Clarifies that the same consumer protections in place with respect to mortgage lending are nonexistent for Property Assessed Clean Energy loans;
- Removes the three-day wait period required for the combined TRID mortgage disclosure if a creditor extends to a consumer a second offer of credit with a lower annual percentage rate;
- Requires NCUA to make publicly available a draft of their proposed budget, hold a hearing with public notice during which this draft would be discussed and solicit and consider public comment about the draft budget;
- Provides a safe harbor for properly trained financial employees who report alleged elder financial abuse; and
- Requires the U.S. Department of Treasury to conduct a study on the risks that cyber threats may pose to financial institutions.

CUNA is already working toward the next phase of its [Campaign for Common-Sense Regulation, outlining changes](#) it would like to see at the Bureau of Consumer Financial Protection in a letter sent to House leadership shortly after S. 2155 passed.

Source: CUNA

[NCUA Wants to Expand Payday Lending Alternative for Credit Unions, Consumers](#)

ALEXANDRIA, Va. (May 24, 2018) – Federal credit union members could have more options for short-term, small-dollar borrowing under a rule proposed today by the National Credit Union Administration Board.

[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](#)

November, 2018

- November 12th, 2018: Veterans Day (observed) - Federal Holiday
- November 22nd, 2018: Thanksgiving Day - Federal Holiday

December, 2018

- December 25th, 2018: Christmas Day - Federal Holiday

April, 2019

- April 1st, 2019: [Prepaid Accounts under the](#)

The [proposed rule](#) would create one new product in addition to [the current payday loan alternative](#) that has been available to federally chartered credit unions since 2010. The Board also is requesting credit union stakeholders to comment on a possible third option.

“The Board’s goal is to help people of modest means by expanding access to safe and affordable short-term, small-dollar loans,” NCUA Board Chairman J. Mark McWatters said. “Federal credit unions have had a payday alternative loan option since 2010, which has been extremely effective. Now, we want to create additional opportunities.”

“Providing affordable credit and helping members build financial security is the very foundation of the credit union system,” NCUA Board Member Rick Metsger said. “Federal credit unions have, for eight years now, been able to offer an alternative to the kind of predatory lending that can entrap a borrower with astronomical interest rates and fees. The NCUA Board wants to give federal credit unions more tools to help their members, and we will keep members’ needs as well as safety and soundness uppermost in our minds as we proceed.”

Noting the recent statement from the Office of the Comptroller of the Currency encouraging federally insured financial institutions to offer “responsible short-term, small-dollar installment loans,” Chairman McWatters stressed the need for a regulatory structure giving those institutions a way to provide a loan product that is both fair to consumers and viable for lenders without sacrificing safety and soundness.

The Consumer Financial Protection Bureau in 2016 granted the existing payday alternative loan product a full exemption—known as a “safe harbor”—from its payday lending rules. Chairman McWatters and Board Member Metsger plan to ask the CFPB to extend that safe harbor exemption to the proposed new loan option.

During the fourth quarter of 2017, 503 federal credit unions reported making payday alternative loans under the NCUA’s current rules. At the end of the fourth quarter of 2017, federal credit unions held \$38.6 million in payday alternative loans on their books.

The new payday alternative loan the NCUA Board is proposing has features to help federal credit unions meet specific needs of certain payday loan borrowers that are not met by the current program and provide those borrowers with a safer, less expensive alternative to traditional payday loans.

[Electronic Fund Transfer Act/Regulation E and the Truth In Lending Act/Regulation Z \(Date Extended\)](#)

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.](#)

The proposed loan option includes most of the features of current payday alternative loan program, with four changes:

- Sets the maximum loan amount at \$2,000 and eliminates the minimum loan amount.
- Sets the maximum term of the loan at 12 months.
- Does not require a minimum length of credit union membership.
- Does not include time a restriction on the number of loans a federal credit union may make to the borrower in a six-month period, provided the borrower has only one outstanding loan at a time.

Seeking comment on a possible third option, NCUA Board members are requesting public opinions on areas that include interest rates, maximum loan amounts, loan terms, and application fees.

Source: NCUA

CA Bank Sentenced for Conspiring to Impair, Impede and Obstruct its Primary Regulator

Rabobank NA recently plead guilty in a California court to a felony conspiracy charge to hiding problems with its anti-money laundering program from its primary regulator, the Office of the Comptroller of Currency. On May 18, 2018, the bank was sentenced to a two-year probation term and ordered to pay the maximum statutory fine of \$500,000. This was in addition to its forfeiture of almost \$369 million in penalties to the United States for allowing illicit monies to be processed through the bank. One of the investigating agents stated, "Rabobank's sentencing today is a victory for all Americans and sends a strong message about the need for transparency in banking and ultimately contributes to the fight against money laundering." [Click here for the DOJ press release regarding this bank.](#)

Source: Department of Justice

Cannabis and Banking: What are the implications?

The federal government still classifies marijuana as a prohibited narcotic, but more and more states are beginning to legalize some form of it for various uses. If you are considering providing accounts for marijuana-

related businesses (MRBs), you may want to check out [this recent article from CUNA](#) on the things you should consider.

Source: CUNA

May Meeting of the NCUA Board

During the NCUSIF update there was discussion on the actual timing of the share insurance dividend that is expected in the 3rd quarter. Well, credit unions should anticipate the payment early in the third quarter, likely July but possibly August. Keep in mind the timing is subject to change but it looks like the dividend payment will be paid sooner rather than later!

Involuntary liquidations final rule was on the agenda and the Board adopted the proposed amendments without change. The rule is effective 30 days from publication in the Federal Register. Once effective, permissible severance claims in an involuntary liquidation will include vacation, sick, and severance pay if the payment is supported by an employee handbook or other type written credit union document and such payment is objectively applied (the same formula is applied for all employees).

The last item on the agenda was a proposal on payday alternative loans. The proposal doesn't make changes to NCUA's current PALs program but instead creates an alternative option (PALs II) which would not be subject to the safe harbor in CFPB's payday loan rule. While not subject to the safe harbor, NCUA's PALs II would likely qualify for alternative loans exemption in the CFPB's rule under particular conditions. NCUA's proposal also suggests the possibility of creating a third option (PALs III) which would incorporate different fee structures, loan features, maturities, and loan amounts. The comment period is open for 60 days.

[Click here for more information on NCUA's Board Meeting.](#)

Source: CUNA Compliance Blog

Advocacy Highlight

S. 2155 Passed the House and was Signed into Law!

On Tuesday afternoon, the House voted to pass bipartisan regulatory relief legislation, S. 2155, the Economic Growth, Regulatory Relief and Consumer Protection Act. Having passed the Senate in March, the bill was [signed into law by President Trump](#) on Thursday!

The victory achieved by CUNA, leagues and credit unions with House passage of this important bipartisan regulatory relief legislation was made possible by months of 360-degree advocacy, as the credit union system engaged lawmakers on all levels to express the need for this important legislation.

After the legislation passed the House, [CUNA wrote the House Financial Services Committee Chairman and Ranking Member](#) to highlight areas where credit unions need additional regulatory relief.

"We thank the Senate and the House for passing S. 2155, the Economic Growth, Regulatory Relief and Consumer Protection Act, and look forward to the President signing this bill into law very soon. Congress should be proud to have enacted this commonsense and targeted regulatory relief bill on a bipartisan basis. But, more needs to be done to ensure that consumers and small businesses that rely on credit unions and small banks to for access to credit can continue to receive those services safely and affordably."

Source: CUNA

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.

New ComplySight Complaint System Enhancements!

The Complaint Management System dashboard, which has been under construction, is now live and ready to be viewed! The dashboard view will depend on the user's access level. Log in today to see this new view!

We received immediate feedback when we launched the Complaint Management System that a user access level between CMA and CMU would be helpful. That access level is now here! The CM1 access level is an intermediate level of access which allows the user to create, assign, and manage Complaints as well as manage Member/Non-Members. CM1 users will see all Complaints they have created or been assigned.

CM1 users cannot close or delete Complaints, and cannot manage sub-categories or branch locations. Because a CM1 cannot close a Complaint, once they have completed the review for a Complaint it must be sent to a CMA for a final review and to be closed. The Complaint System User's Guide has full instructions on the CM1 access level rights.

We hope this new access level will make managing your Complaints easier than ever and as always, we welcome your feedback and suggestions.

[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.](#)