

InfoSight Highlight

Just a reminder that there will be **no InfoSight Newsletter** next week, due to the July 4 holiday. Have a safe and happy 4th everyone!

League InfoSight Survey!

League InfoSight is asking for your input on a brief survey regarding the use of an OFAC Screening Tool. [Please click the link to take this quick survey!](#) Thank you!

Compliance News

CUNA Provides Second Quarter 2018 update to the MLA Fee Comparison Spreadsheet

The recently-updated Second quarter 2018 fee comparison spreadsheet has been downloaded in CUNA's Compliance Community [under the Compliance Resources Tab](#) and will be available under the [Resources tab in the MLA topic in CUNA's e-Guide](#).

In each location you will find the updated second-quarter spreadsheet from June 2018, the first quarter spreadsheet from March 2018 and the initial spreadsheet from September 2017, in case you need to refer to historical data.

The following is provided in case you need to refresh your memory regarding the MLA requirements for Reasonable and Bona fide credit card fees.

MLA Requirements for Reasonable and Bona Fide Credit Card Fees

Under a Safe Harbor in the MLA rule, a credit union may exclude a Bona Fide credit card fee from the MAPR if the fee is considered "reasonable." This means that the fee must be less than or equal to the average fee for the same or similar product charged by 5 separate card issuers, that each have at least \$3 billion in outstanding credit card balances at any time during the three-year period preceding the time the average is determined. Currently, there are approximately 20 large card issuers that meet this requirement and only one of those is a credit union---Navy FCU. Together these card issuers have about 260 card agreements in the CFPB's Card Agreement Database. However, many of the agreements are Private Label cards. Only about 85 of the agreements would appear to be useful for MLA purposes.

The exclusion generally applies to finance charges under Reg. Z such as cash advance fees, foreign transaction fees, balance transfer fees,

InfoSight Compliance eNEWSLETTER

June 29, 2018

Vol. 12, Issue 26

Created in partnership with the



Credit Union National
Association

Compliance Videos

Compliance Connection Video – New!

League InfoSight CEO Glory LeDu has created the following video to remind you of [changes in the 2nd Quarter and to let you know what's ahead in the 3rd Quarter of 2018](#). Additionally, [here is a more detailed review of the requirements for FinCEN Customer Due Diligence that was effective in May, 2018](#). You will want to review this content to be sure you are in compliance!

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

transaction fees for purchases and minimum interest charges. Other charges, which are not finance charges under Reg. Z, such as a late fee or an over-limit fee are not included in the calculation of the MAPR anyway, so the exclusion would not apply to such fees. Also, the exclusion does not apply to fees or premiums for credit insurance, fees for a debt cancellation contract, fees for a debt suspension agreement, or to fees for a credit related ancillary product. Those fees must be included in the calculation of the MAPR.

Reg CC Changes Effective July 1

Less than one week from today, new warranty and indemnity rights, liabilities and obligations to Regulation CC could impose greater risks for credit unions. The final rule creates a new Remote Deposit Capture Indemnity in Section 229.34(f) to address the allocation of liability when a depository institution, such as a credit union accepts deposit of a check through “remote deposit capture.” In other words, when the depositor/member sends the credit union electronic information about a check, such as a photographic image, which the credit union uses to create an electronic check or substitute check for collection. The indemnity would be provided by a credit union that accepted a check by remote deposit capture to a financial institution that accepted the original check for deposit, in the event the financial institution that accepted the original check incurred a loss because the check had already been paid. The final rule also added an exception to the indemnity which would prevent a bank from making an indemnity claim if it accepted the original check containing a restrictive endorsement inconsistent with the means of deposit, such as “for mobile deposit only.”

Some check vendors are now printing checks with a checkbox on the back which states, “check here if Mobile Deposit,” but there has been some question as to whether simply checking that box fulfills the restrictive endorsement requirements.

Further Action If your credit union accepts checks by remote deposit capture, you may want to review the language in your Mobile check deposit agreement or Remote Deposit Capture Agreement (if the language isn’t already there) that requires the credit union’s member to add a specific restrictive endorsement to the check such as “For Mobile Deposit Only, at ABC FCU into account #123456789” and also require the new check box which identifies the check as “For Mobile Deposit” to be checked.

Source: CUNA Compliance Community

- 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](#)

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

Two More States Throw out ADA Lawsuits

District Court judges in Ohio and Alabama have thrown out two lawsuits against a pair of credit unions whose websites allegedly violated the Americans with Disabilities Act, adding to a [recent string of dismissals of similar cases](#) by District Courts in Virginia.

[Here is the complete story.](#)

Source: *Credit Union Times*

Advocacy Highlight

CUNA-supported bill with RBC delay passes House

The House passed a bill Tuesday that contains a CUNA-backed provision to delay the implementation date of NCUA's risk-based capital rule. Specifically, it would push the bill's effective date back to Jan. 1, 2021, from the currently scheduled Jan. 1, 2019 date.

"CUNA and credit unions have well-founded concerns about NCUA's risk-based capital rule, primarily whether or not NCUA even has the legal authority to issue such a rule," said CUNA President/CEO Jim Nussle. "We continue to maintain that the risk-based capital rule is a solution in search of a problem, and support Congressional efforts to delay the rule."

The provision is contained within the Foreign Investment Risk Review Modernization Act of 2018 (H.R. 5841). CUNA wrote in support of the bill while the House Financial Services Committee considered the bill. The committee passed the bill unanimously, by a 53-0 vote in May.

In addition to the regulatory burden posed by the risk-based capital rule and questions about whether the cost is justified, CUNA continues to note that the current Prompt Correction Action system worked for credit unions during the financial crisis.

[CUNA wrote to the Senate Banking Committee Tuesday to urge it to work on legislation](#) delaying the risk-based capital rule.

Source: *CUNA Advocacy*

[Keeping up with 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!](#)

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.

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](#).

