

InfoSight Highlight

InfoSight Highlight: **It won't be long!**

We're almost ready to share the exciting news about InfoSight!!



Compliance News

Proposed Amendments to Regulation CC

The Federal Reserve Board and Bureau of Consumer Financial Protection have [jointly announced](#) proposed amendments to Regulation CC (12 CFR part 229) that would implement a statutory requirement to adjust for inflation the amount of funds depository institutions must make available to their customers. The amendments would apply in circumstances ranging from next business day withdrawal of certain check deposits to setting the threshold amount for determining whether an account has been repeatedly withdrawn. The Dodd-Frank Act amendments to the Expedited Funds Availability Act (EFA Act) require that the EFA Act's dollar amounts be inflation adjusted every five years by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The first set of proposed adjustments are detailed the agencies' [Federal Register Notice](#). To help ensure that institutions have sufficient time to implement the adjustments, the agencies propose a compliance date that would be at least 12 months after publication of a final rule in the Federal Register.

The agencies also propose to implement in Regulation CC the EFA Act amendments made by the Economic Growth, Regulatory Relief, and Consumer Protection Act, which include **extending coverage of the EFA Act to American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam.**

Finally, the agencies are providing an additional opportunity for **public comment on certain funds-availability amendments in subpart B of Regulation CC** that the Board published in 2011 regarding funds availability schedule provisions and associated definitions. In taking this step, the agencies have not made a decision on whether to make any aspects of the 2011 proposal final. Reopening the comment period will provide the agencies with up-to-date public views to consider.

The Bureau is proposing to make some **technical updates to Regulation DD** (12 CFR part 1030) that relate to Regulation CC, as well as **correct the typographical errors in the Appendix A formulas** for calculating the APY where terms in the formulas should have been shown as exponents. Comments will be accepted for 60 days after publication.

Source: Federal Reserve

FFIEC Emphasizes Risk-Focused Supervision in Second Update of the

InfoSight Compliance eNEWSLETTER November 30, 2018 Vol. 12, Issue 46

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Credit Union National
Association

Compliance Videos

Compliance Connection Video

Are you sure you're in compliance with the FinCEN requirements that were effective in May? You may want to take another look at the [FinCEN Customer Due Diligence video](#) from League InfoSight's CEO Glory LeDu to be sure!

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

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 \(Date Extended\)](#)

Compliance Training

CUNA Webinars

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

CUNA offers hundreds of online

Examination Modernization Project

The Federal Financial Institutions Examination Council has provided a second update on its Examination Modernization Project.

The project identifies and assesses ways to improve the effectiveness, efficiency, and quality of community financial institutions safety and soundness examination processes, particularly through increased use of technology. The project is a follow-up to the review of regulations under the Economic Growth and Regulatory Paperwork Reduction Act. FFIEC members with safety and soundness examination responsibilities expect these efforts to help reduce unnecessary regulatory burden on community financial institutions.

[View the entire press release](#)

Source: NCUA

Bureau updates Compliance and Guidance webpage

The Bureau has updated its [Compliance and Guidance](#) webpage based on user feedback. There are some additional links on the pages, and some sections of the material have been rearranged.

The Bureau of Consumer Financial Protection has also posted updated (November 2018) versions of its Small Entity Compliance Guides for the [HOEPA](#) and [Loan Originator](#) rules to reflect the broadened and expanded exemption for manufactured home retailers in section 107 of EGRRCPA and certain other updates detailed in the Version Log for each guide document.

Source: BCFP

FinCEN reissues and expands GTOs

FinCEN [announced](#) the issuance of revised Geographic Targeting Orders (GTOs) that require U.S. title insurance companies to identify the natural persons behind shell companies used in all-cash purchases of residential real estate. The purchase amount threshold, which previously varied by city, is now set at \$300,000 for each covered metropolitan area. FinCEN is also requiring that covered purchases using virtual currencies be reported. FinCEN posted a [copy of the GTO](#) and an [FAQ](#) about the orders. The order covers the period from November 17, 2018, through May 15, 2019.

The GTOs' coverage has been expanded to include 12 metropolitan areas, defined as follows:

- Texas counties of Bexar, Tarrant and Dallas
- Florida counties of Miami-Dade, Broward and Palm Beach, in Florida
- Boroughs of Brooklyn, Queens, Bronx, Staten Island and Manhattan, in New York City
- California counties of San Diego, Los Angeles, San Francisco, San Mateo and Santa Clara
- City and County of Honolulu in Hawaii
- Washington county of King
- Massachusetts counties of Suffolk and Middlesex
- Illinois county of Cook

Note that the orders do not affect banks or credit unions directly, although they should be aware of them in case they detect activity that may signal attempts to avoid the GTO. The orders are addressed to title insurance companies and their subsidiaries or agents.

Source: FinCEN

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!](#)

FFIEC/NCUA webinar regarding LIBOR

The Federal Financial Institutions Examination Council is [hosting a webinar](#) on Dec. 6 at 1 p.m. Eastern to discuss possible future alternatives to the London Interbank Offered Rate, or LIBOR, the benchmark for setting interest rates around the world.

LIBOR may not be available after 2021, and credit unions should be aware of possible alternative rates that will be used as benchmarks in the future and how to prepare for that possibility. To register, please visit the [industry outreach registration website](#).

The 60-minute webinar, which will include NCUA staff, will provide participants with background information on LIBOR and recent developments in the market, including initiatives by the [Alternative Reference Rates Committee](#).

The agencies will also answer questions submitted by participants, which you are also welcome to submit in advance to SR-FRB-FFIEC@frb.gov.

Source: FFIEC/NCUA

Advocacy Highlight

This Week in Washington

Congress is in session this week. The National Flood Insurance Program expires November 30th and government funding expires December 7th. Therefore, it is likely that they will consider legislation in these areas, as well as possible tax legislation reforming the IRS, extending certain tax provisions, and making technical corrections to last year's Tax Cuts and Jobs Act.

In addition, the Senate is expected to consider the nomination of Kathy Kraninger to be the Director of the Bureau of Consumer Financial Protection.

CUNA Focus for Remainder of 2018

As both 2018 and the 115th Congress wind down, CUNA will pursue several credit union priorities in the next few weeks. Congress will also work toward funding the federal government, which expires Dec. 7.

CUNA is also engaged with the upcoming Senate vote on Kathy Kraninger to become the next director of the Bureau of Consumer Financial Protection.

For the rest of 2018, CUNA will:

- Pursue the extension of two expired tax cuts, aka, "tax extenders." One provision would not treat the discharge of mortgage debt forgiveness as income, the second retroactively made deductible mortgage insurance premiums paid in 2017 as homeowners filed 2017 returns;
- Continue its advocacy with lawmakers to fix for an excise tax disparity contained in the Tax Cuts and Jobs Act of 2017 (TCJA). CUNA believes the law creates a major parity problem between existing for-profit and not-for-profit employee contracts;
- Engage with the Internal Revenue Service to push for a delay in new Unrelated Business Income Tax (UBIT) until clear and final rules are issued.

CUNA is also working closely with new and returning members of Congress to set up its advocacy agenda for next year.

Source: CUNA Advocacy

Proposed rule on 401(k) hardship distributions

[The IRS has published 83 FR 56763](#) in a recent Federal Register proposed amendments to the regulations relating to hardship distributions from section 401(k) plans. The amendments reflect statutory changes affecting section 401(k) plans, including recent changes made by the Bipartisan Budget Act of 2018. These regulations would affect participants in, beneficiaries of, employers maintaining, and administrators of plans that contain cash or deferred arrangements or provide for employee or matching contributions. Comments and requests for a public hearing must be received by January 14, 2019.

Source: IRS

Pending Regulatory Comment Calls

[CUNA plans to comment on the following pending regulatory proposals](#) for the rest of this year. For comment letters to have the greatest impact, consider whether and how these proposals would affect your credit union and contact the CUNA staff listed for each proposal with your feedback. Also, feel free to contact the CUNA staff listed if you would like more information on how to send your own letter.

CUNA Advocacy

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.

ComplySight – What IS it??

We recorded a "live" webinar earlier this year that provides information regarding ComplySight, League InfoSight's compliance management system and how it can benefit your credit union. If you've not seen it and have wondered just what it is and what it can do for you, [it's available here](#).

Free Trial Offer!

If you already know about ComplySight and 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](#).

