

InfoSight Highlight

Customer Due Diligence and Beneficial Ownership

Although compliance with the final rule isn't required until May 11, 2018, credit unions have had since May 11, 2016 to begin their compliance with the amendments to the Bank Secrecy Act that relate to these four core elements:

1. Identification and verification of customers;
2. Identification and verification of beneficial owners of legal entity customers, subject to certain exceptions;
3. Development of a customer risk profile through an understanding of the nature and purpose of the customer relationship, and
4. Ongoing monitoring for reporting suspicious activity, and on a risk basis, maintaining and updating customer information.

Several of these elements are part of the existing customer identification program (CIP) rules, with others implied through suspicious activity reporting (SAR) requirements. The beneficial ownership identification requirement is new and not part of any existing rule.

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

Compliance News

Bills on Mobile Banking, Thrift Lending Passed by House

A bill passed by the U.S. House of Representatives this week would, if enacted, streamline the process for consumers wishing to open bank accounts online or via a mobile device. The Making Online Banking Initiation Legal and Easy Act of 2017 (MOBILE Act) will allow financial institutions to record personal information from a scanned copy of a driver's license or other personal identification card. It would also allow the institution to store the information electronically when an individual initiates an online request to open an account or obtain a financial product.

[Read the bill here for additional information.](#)

Source: Congress.gov

[Fed slows Wells Fargo growth for controls failures](#)

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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

February, 2018

- February 19th, 2018: President's Day - Federal Holiday

March, 2018

- March 16th, 2018: [Same-day ACH](#)

Responding to recent and widespread consumer abuses and other compliance breakdowns by Wells Fargo & Company (WFC), the [Federal Reserve Board on Friday announced](#) that it has restricted the growth of the firm until it sufficiently improves its governance and controls.

Concurrently with the Board's action, WFC will replace three current board members by April and a fourth board member by the end of the year. Until the firm makes sufficient improvements, it will be restricted from growing any larger than its total asset size as of the end of 2017.

Source: Federal Reserve

Bureau adds HMDA LAR tool and updates resources

The CFPB has updated its [Resources for HMDA filers](#) page, adding a [2018 LAR Formatting Tool](#), and making minor updates to the [2018 Filing Instructions](#). The 2018 LAR Formatting Tool is designed to assist financial institutions create an electronic file that can be submitted to the HMDA platform. It can be used for data collected in 2018 and reported next year.

The Bureau also updated its [Reportable HMDA Data: A regulatory and reporting overview reference chart](#). If you previously downloaded the 2018 Filing Instructions and/or the reference chart, we recommend you replace them with the newer versions.

Source: CFPB

Advocacy Highlight

Credit Unions Continue to Fulfill Mission Even as Financial Services Evolve

Last week, Senate Finance Chairman Orrin Hatch (R-UT) wrote to the NCUA asking a number of questions about credit unions and whether they are evolving beyond their original purpose.

While CUNA respects the oversight role of the Senate Finance Committee, we disagree with the Senator's position and will continue to promote the credit union difference on Capitol Hill. CUNA and the Utah Credit Union League have been in contact with Hatch's Committee and personal office staff reinforcing these messages and to get a better understanding of the Senator's interest and concerns.

Additionally, CUNA is in the process of developing a response to the Chairman's letter. CUNA will continue to advocate on behalf of America's

[\(NACHA\) – 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 \(Date Extended\)](#)
- 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 4th, 2018: Independence Day - Federal Holiday
- July 29th, 2018: [5300 Call Report Due to NCUA](#)

September, 2018

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

credit unions and their 110 million members to ensure Congress commits to preserving the credit union tax status. [[Read more here](#)]

CUNA, Ohio League and Credit Unions Reiterate Website Accessibility Concerns at the DOJ

Credit union advocates from CUNA, the Ohio Credit Union League, and credit unions met with Department of Justice Assistant Attorney General John Gore and DOJ staff to discuss the drastic increase in litigation being brought and threatened against credit unions.

During the meeting, credit union advocates outlined how both members and credit unions are being harmed by predatory litigation that is primarily benefiting the Pacific Trial Attorneys and other plaintiffs' firms. Ohio League staff noted that more than 25 percent of their credit unions had received demand letters. [[Read more here](#)]

Source: CUNA Removing Barriers Blog

This week's CUNA Advocacy Update

For a look into what's happening in Washington and other areas, [here is a link to this week's Advocacy Update from Ryan Donovan](#). See the information below to get your own copy via email.

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.

October, 2018

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

Compliance Training

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.](#)

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

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.](#)