

## InfoSight Highlight

### Americans with Disabilities Act (ADA) Audits and Website Accessibility

The subject of ADA and website accessibility has become a hot topic in recent months. As excerpted from this channel on InfoSight:

“ADA website accessibility presents litigation risk. By not taking the steps within the regulation to address auxiliary aids and services, a credit union is likely not to meet the guidelines that require a method to effectively communicate with individuals with disabilities. ADA allows the DOJ to assess civil penalties with amounts currently ranging from \$75,000 for the first violation to \$150,000 for additional violations. ADA regulations does not authorize statutory penalties for plaintiffs, however a court has the authority to force a credit union to meet accessibility standards as part of a private lawsuit.”

There are several resources available on this channel. [Click here to view the topic.](#)

## Compliance News

### PMI and Mortgage Debt Forgiveness Tax Relief Extended Thru 2017 – Breaking News!

Last week, the Congress passed a short term "continuing resolution" to fund the government through March 23, 2018. Included in the bill was the Bipartisan Budget Act of 2018, laying the groundwork for a larger budget deal to fund the government for the remainder of fiscal year 2018. As part of this new law, the National Flood Insurance Program (NFIP) is reauthorized on the same track as government spending until March 23.

In addition, the new law includes two tax extender provisions of importance to credit unions. **The discharge of mortgage debt forgiveness not treated as income is extended through the end of 2017 so people with forgiven mortgage debt won't have to pay federal taxes on the forgiven debt from 2017. This provision eliminates the requirement for most financial institutions (including credit unions) to file an IRS Form 1099-C ("Discharge of Indebtedness") on a mortgage default involving an individual's primary residence.** Should the provision not have been extended, credit unions would have been required to file IRS Form 1099-Cs on certain serviced mortgages, adding to the already high compliance burden on credit unions.

## InfoSight Compliance eNEWSLETTER February 16, 2018 Vol. 12, Issue 7

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](#) which became 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](#)

The second tax provision in the law deals with mortgage insurance premiums. Insurance premiums paid in 2017 will be deductible as homeowners file their 2017 tax returns.

So, what is this going to mean for all of those 1098s that have already been filed in compliance with the pre-February 9th law that did not allow for PMI tax relief? Standard procedure would be to issue amended 1098s. CUNA hopes the IRS will offer some guidance quickly.

As of this newsletter, the IRS website says:

The IRS is reviewing the legislation signed Feb. 9 that retroactively extended and modified numerous tax provisions covering 2017. We are assessing these significant changes in the tax law and beginning to determine next steps. The IRS will provide additional information as quickly as possible for affected taxpayers and the tax community.

*Source: CUNA Compliance Blog*

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### **Indirect Lending Under the Military Lending Act**

The Department of Defense's December guidance on the Military Lending Act (MLA) has impacted several credit union services, and a recent [CUNA CompBlog post examines](#) its effect on indirect dealer lending programs. The post discusses what loans must be in compliance with the MLA rule, and steps credit unions involved in indirect lending should take.

Depending on what is financed, a creditor may find a portion of its loans are exempt from the MLA, while the remainder will require compliance.

Loans that don't finance GAP or credit insurance and that don't provide additional cash-out financing that is unrelated to the vehicle's purchase, are still exempt from the MLA rule.

However, a loan that finances GAP or credit insurance, or provides additional cash out financing that is unrelated to the vehicle's purchase, will lose its exemption and the creditor must comply with the MLA rule requirements.

Credit unions involved in indirect dealer programs should:

- Make sure the automobile dealer can check the active duty status of the servicemember through either of the two safe harbor methods—

[\(NACHA\) – 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

checking the DoD's database directly through the Defense Manpower Data Center or through a nationwide credit reporting agency;

- Make sure the dealer has MLA compliant loan documents, policies, and procedures;
- Make sure the dealer can calculate the military APR for the loan prior to consummation;
- Once a specific dealer is fully able to comply, audit that auto dealer's compliance efforts on a routine basis to insure continued compliance;
- If the automobile dealer is currently unable to fully comply with the MLA Rule's requirements, a credit union should consider closing covered loans in-house, that sell GAP or credit insurance, until the dealer is capable of fully complying with the MLA rule; and
- Consider asking your legal counsel to review your indirect lending agreement and revising it in light of these new issues.

The blog post also addresses confusion stemming from one question in the DOD's guidance, a question CUNA has requested the DOD remove due to confusion it is causing for credit unions and other lenders.

*Source: CUNA News*

### **Department of Justice Goes After Massive Cyberfraud Ring**

The Department of Justice has charged 36 people and arrested 13 in a takedown of a brazen global cyberfraud ring that bought and sold debit and credit card information, banking and financial data, stolen identities, personal information, malware and other illegal items. The action marks one of the largest cyberfraud enterprise prosecutions the DOJ has ever undertaken. [Read the recent article from CU Times here.](#)

*Source: CU Times*

### **Advocacy Highlight**

### **CUNA Joins Trades in Letter to CFPB on TILA/RESPA Mortgage Servicing Rule**

Yesterday afternoon CUNA joined a number of financial trades in sending a letter to Acting Director Mulvaney to advise the CFPB on the significant unaddressed issues in the CFPB's 2016 amendments to the 2013 TILA/RESPA Mortgage Servicer Rule that is scheduled to go into effect in April 2018. The rule requires mortgage servicers to send monthly billing

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.](#)

statements to consumers in active bankruptcy cases and certain other bankruptcy cases.

The signers of the letter point out, “The CFPB's final rule is contrary to this strong public policy of protecting bankruptcy debtors, will cause conflict within the administration of the bankruptcy case, and will unnecessarily subject mortgage servicers to serious liability under the Bankruptcy Code” and attempts to address a mistakenly perceived issue.

“The CFPB’s rule, in its current form, presents significant risk of diluting the Judiciary's efforts in effectively administering its bankruptcy cases and usurps the Judiciary’s rule-making power in deciding what information should and should not be provided to a debtor during a bankruptcy proceeding. Our concerns focus on a series of forced communications and potential violations of the Bankruptcy Code that will lead to significant consumer confusion.”

Should the CFPB not repeal its proposed rules, the organizations ask the Bureau to address several concerns, including:

- Update the rules to allow the mortgage servicer up to 90 days before sending its first statement;
- Clarify whether it is permissible to continue to send the Chapter 11 bankruptcy statement during the period where the case has been administratively closed but no final decree has been entered or no discharge order has been entered;
- Update the rule’s commentary to allow the servicer to include in pre-confirmation cases either the amount of the post-petition payment and corresponding due date, or a statement that information is “to be determined” or otherwise unavailable; and
- Provide additional commentary that allows a servicer to add disclaimers and/or adjust language in the final charge-off statement so the servicer can avoid an unintended violation of the automatic stay or discharge injunction.

CUNA will continue to advocate on the repeal of this rule or at the very least a delay in the effective date to leave time for the serious issues to be addressed. [Read the letter here.](#)

*Source: CUNA Removing Barriers Blog*

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**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](#).

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### **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.

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### **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.

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### **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](mailto: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.](#)

