



Compliance eNewsletter

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InfoSight News

FACT Act Checklist

Fair and Accurate Credit Transactions Act (FACT Act) amends the Fair Credit Reporting Act in several important ways. It gives consumers the right to one free credit report every year from the credit reporting agencies, added new identity theft protections that allow consumers to place fraud alerts on their credit reports, and requirement of provisions to provide risk based pricing notices and credit scores to consumers in connection with denials or less favorable offers of credit. The Act also established a financial literacy commission and mandated a national financial literacy campaign to educate consumers on personal financial matters, including creating household budgets, managing spending more effectively, investment and wealth building, buying a home, and preparing for retirement. To assist credit unions with compliance, the **FACT Act Checklist** may provide helpful information.

Compliance News

Online lender pays \$3.85M to settle FTC charges

The Federal Trade Commission has [announced](#) that Avant, LLC, an online lending company, has agreed to settle Commission charges that it engaged in deceptive and unfair loan servicing practices, such as imposing unauthorized charges on consumers' accounts and unlawfully requiring consumers to consent to automatic payments from their bank accounts. The FTC charged that, in many cases, the company falsely advertised that it would accept payments by credit or debit cards, when in fact it rejected these forms of payments. The FTC also alleged that the company withdrew money from consumers' accounts or charged their credit cards without authorization. In some instances, Avant charged consumers duplicate payments without authorization, improperly taking consumers' monthly payments twice or more in one month. In one egregious example, one consumer's monthly payment was debited from his account 11 times in a single day. [FTC Complaint](#)

Source: FTC

Q&A Regarding Returned Mail

Q: When sending out member correspondence and statements we have “return service requested” on envelopes so we get notified by the post office of any address changes. When we receive these items back and a change of address label is attached with a new address we currently make the change and send an email to the member indicating a change has been made. An employee went to a conference and heard that this practice should not be used when it comes to issuing credit and debit cards. Why is this?

A: The NCUA’s guidance states the following:

III. Duties of Card Issuers Regarding Changes of Address (Card Issuers’ Rules) 8 A.
IV. Duties of Users Regarding Address Discrepancies (Address Discrepancy Rules)

Address validation requirements

1. Can a card issuer rely upon the US Postal Service’s change of address procedures to validate a change of address for purposes of the Card Issuers’ Rules?

The fact that a card issuer received a change of address notice from the US Postal Service is not sufficient to satisfy the validation requirements of the Card Issuers’ Rules. A card issuer that receives a notice of a change of address from the postal system regarding a cardholder’s address, and, within at least 30 days, a request for an additional or replacement card, may not issue the card unless it has validated the cardholder’s address using one of the procedures set forth in the Card Issuers’ Rules.

Additionally, credit and debit card issuers must develop policies and procedures to verify a request for a change of address that is followed closely (within 30 days or a longer period established in a creditor's or a financial institution's procedures) by a request for an additional or replacement card. A card issuer cannot issue the additional or replacement card until it has verified the validity of the change of address request in accordance with the financial institution's policies and procedures. If a change of address request has been verified before a request for an additional or replacement card is received, it is not necessary to verify the address a second time before issuing the card.

Source: NCUA

[Other Articles of Interest](#)

- [Italian banking company pays \\$1.3 Billion for OFAC deficiencies](#)
- [Treasury targets ISIS financing network](#)

Advocacy Highlight

CUNA Removing Barriers Blog Information for this week

- Support of SAFE Banking Act of 2019
- HFSC Hearing on Megabanks
- Veterans Member Business Lending Legislation
- [And more!](#)

CUNA's Advocacy Resources

- [CUNA's 2019 Advocacy Agenda](#)
- [Input to lawmakers and regulators](#)
- [CUNA Advocacy page](#)
- [CUNA's Removing Barriers blog](#)
- [CUNA's Priorities](#)
- [Actions You Can Take](#)

Compliance Calendar

- May 27th, 2019: Memorial Day - Federal Holiday
- June 21st, 2019: Return for Questionable Transaction (Effective Date)
- July 1st, 2019: Loans in Areas Having Special Flood Hazards (Effective Date)
- July 4th, 2019: Independence Day - Federal Holiday
- August 19th, 2019: Payday Lending, Vehicle Title, and Certain High-Cost Installment Loans (CFPB)

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