



Compliance eNewsletter

May 31, 2019 Vol. 13, Issue 31

InfoSight News

Elder Financial Abuse Additional Resource Update

Once again, we hear about the elderly and vulnerable among us who are taken advantage of by family members or even by complete strangers. During the month of May, the NCUA has provided various resources to bring attention to this issue, and a state-wide directory has been updated in the **Security>Elder Financial Exploitation channel** in InfoSight.

Compliance News

NCUA Issues Regulatory Alert Regarding Flood Insurance Alternatives

Effective July 1, 2019, credit unions must accept private flood insurance policies for applicable loans. The policies must meet the definition of private flood insurance as included under the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act) and incorporated into [Part 760 of the NCUA's regulations](#). In addition, credit unions may accept private flood insurance policies that do not meet the definition of private flood insurance as explained in this letter, as well as NCUA-approved private flood insurance plans provided by mutual aid societies.

The Biggert-Waters Act was intended to ease the financial strain on the National Flood Insurance Program (NFIP) by expanding the acceptance of private flood insurance. On February 20, 2019, the [NCUA published an interagency rule](#) regarding loans in areas having special flood hazards in order to implement the private flood insurance provisions of the Biggert-Waters Act. As a result, Part 760 of the NCUA regulations has been updated to account for this rule.

[This Regulatory Alert letter](#) explains the alternatives to NFIP policies and the conditions for their acceptance.

[CURE Offering Assistance for Chartering, Low-Income Designation](#)

The NCUA's Office of Credit Union Resources and Expansion (CURE) will offer more resources for credit unions to identify low-income areas they might serve and to assist people organizing credit unions with the chartering process.

The NCUA has a new online [low-income designation area workbook](#) that organizing groups and existing credit unions can use to research low-income areas they can target for possible member recruitment and outreach. A new chartering modernization effort is under way that will automate and streamline the process. The NCUA plans to open a new web portal with information to assist credit union organizers. The agency will offer pre-developed business models that organizing groups can use.

The NCUA also makes training available for all credit unions, including minority depository institutions, through its [Learning Management Service](#) and hosts WebEx online meetings and teleconferences for credit unions to discuss management issues, grants and loans, and other topics. Low-income credit unions interested in [2019 Community Development Revolving Loan Fund grants](#) can submit applications from June 2 through July 20. The NCUA will administer approximately \$2 million in grants to the most qualified applicants, subject to the availability of funds.

NCUA Offers Older Americans Valuable Information on Managing, Protecting Money

During [Older Americans Month](#), the National Credit Union Administration is highlighting its online resources to help older adults manage money and protect against fraud and exploitation.

“During May, we are highlighting NCUA’s educational resources that address the unique financial and consumer protection needs of older Americans,” NCUA Board Chairman Rodney E. Hood said. “The theme of Older Americans Month is, ‘Connect, Create, Contribute,’ and the NCUA strives to connect older credit union members with important information to create greater personal financial security and contribute to their overall well-being. This includes both money management information as well as advice for how to recognize and protect themselves from elder financial abuse.”

The NCUA now has [a video](#) highlighting financial exploitation of older adults, and the agency offers information resources to help prevent [elder financial abuse](#) and avoid [financial scams](#) specifically targeting older people.

The [Aging and Managing Finances](#) section of the [MyCreditUnion.gov](#) consumer website also offers information on planning for [long-term health care](#) expenses and financial considerations of [reverse mortgages](#).

Throughout the month, the NCUA will be posting helpful tips and consumer advice on social media sites. Follow and share [@MyCU.gov](#) on Twitter and the agency’s [Facebook page](#).

Source: NCUA

FTC rescinding several FCRA model forms

The Federal Trade Commission has published at [84 FR 23471](#) in a recent Federal Register a final rule rescinding several Model Forms and Disclosures issued under the Fair Credit Reporting Act (“FCRA”) that it has determined are no longer necessary. Given the CFPB’s 2018 updates to its model forms and disclosures, the Commission determined that rescinding several of its model forms and disclosures would reduce confusion. The Commission also made conforming amendments to address references to the updated model forms and disclosures in related rules.

The amendments, which were effective May 22, remove current appendices A and D through H in 16 CFR part 698, redesignating current appendices B (Model Forms for Risk-Based Pricing and Credit Score Exception Notices) and C (Model Forms for Affiliate Marketing Opt-Out Notices) as appendices A and B. This final rule includes a table of rescinded 16 CFR part 698 appendices and the corresponding CFPB appendices taking their place.

Source: FTC

FinCEN Announces Its Innovation Hours Program

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) announced today the [FinCEN Innovation Hours Program](#) to better shape and inform its ongoing engagement with Anti-Money Laundering (AML)/Countering the Financing of Terrorism (CFT) innovators.

The Innovation Hours Program will provide financial technology (FinTech) and regulatory technology (RegTech) companies and financial institutions the opportunity to present their new and emerging innovative products and services to FinCEN. Technology demonstrations should highlight how these innovations work and how financial institutions might use them. FinCEN expects to hold events in the Washington D.C. metro area, as well as some regional events that focus on financial services-related innovation.

Primary consideration for requests for Innovation Hours will be given to entities that are at the operational stage. Companies interested in meeting with FinCEN should submit a [web request](#) and provide applicable background information about their firm’s business and innovative products. Requests will be accepted on a rolling basis.

The Innovation Hours Program is part of a broader Innovation Initiative at FinCEN that also includes consideration of exemptive relief for pilot programs designed to facilitate innovative solutions to AML/CFT compliance challenges, and ongoing efforts to provide enhanced feedback and information sharing programs.

Source: FinCEN

Advocacy Highlight

[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

- 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)
- September 2nd, 2019: Labor Day - Federal Holiday

Created in partnership with

