



## Compliance eNewsletter

July 12, 2019 Vol. 13, Issue 26

### InfoSight News

#### Channel Update – Flood Insurance

Effective July 1, 2019 the credit union must accept private flood insurance that meets the requirements established with the flood rules (meeting the definition under 760.2). A credit union can determine that the policy meets the requirements under the rule, without further review of the policy if a required statement is included within the policy or as an endorsement to the policy. The Loans > Flood Insurance channel has been updated to reflect this change.

### Compliance News

#### OFAC reminder of blocked property reporting

OFAC has [posted a reminder](#) about the Annual Report of Blocked Property that banks hold as of June 30 each year. The report is due by September 30. Starting with this year, the annual reports must be filed using the new spreadsheet form **TD-F 90-22.50**. OFAC provides [Guidance on Filing the Annual Report of Blocked Property](#).

*Source: OFAC*

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#### Currency with Stamped Image of Harriet Tubman Appearing in Circulation

As a political protest to the delay of the new Harriet Tubman \$20 bill until 2028, people are using a 3-D stamp to superimpose a portrait of Tubman over Andrew Jackson's portrait. These bills are appearing in circulation and are even being presented to credit unions. The 3-D stamps are available for purchase online at ETSY, or plans can be downloaded for printing out the stamp using a 3-D printer.

In 2016, then U.S. Treasury Secretary Jack Lew had announced plans to add Tubman to the front of the \$20 bill and move Jackson to the back and had instructed the Bureau of

Engraving and Printing to expedite the redesign. The new bill was expected to enter circulation sometime after 2020.

### **Is it illegal for someone to put a stamp on currency?**

According to the U.S. Department of the Treasury's Bureau of Engraving and Printing there are a couple of considerations.

Under section 475 of the U.S. Criminal Code, "whoever designs, engraves, prints, makes, or executes, or utters, issues, distributes, circulates, or uses any business or professional card, notice, placard, circular, handbill, or advertisement in the likeness or similitude of any obligation or security of the United States issued under or authorized by any Act of Congress or writes, prints, or otherwise impresses upon or attaches to any such instrument, obligation, or security, or any coin of the United States, any business or professional card, notice, or advertisement, or any notice or advertisement whatever, shall be fined under this title."

Defacement of currency is a violation of Title 18, Section 333 of the United States Code. Under this provision, currency defacement is generally defined as follows: Whoever mutilates, cuts, disfigures, perforates, unites or cements together, or does any other thing to any bank bill, draft, note, or other evidence of debt issued by any national banking association, Federal Reserve Bank, or Federal Reserve System, with intent to render such item(s) unfit to be reissued, shall be fined under this title or imprisoned not more than six months, or both.

The individuals who are stamping the \$20 bills are not advertising any business, and their intent is for the bills to remain in circulation. This means it would not fall under the intent to render such item(s) unfit to be reissued and would not be considered defacement of currency. Stamping campaigns as a political statement have been around for years as a way to send messages about issues that are important to those behind the campaigns.

### **What has the Federal Reserve Board and Secret Service said about these stamped bills?**

Both the local offices Federal Reserve and Secret Service have agreed that the bills are not counterfeit, mutilated, or defaced.

### **What should we do if we receive one of these stamped bills?**

Credit unions may continue accepting these bills from their members. The Federal Reserve suggests including the bills in your regular deposit and placing them at the top of the strap instead of reissuing them back to other members, as it isn't clear whether merchants would accept them. Credit unions will want to train staff about the campaign and potentially having a \$20 with the stamped image of Harriet Tubman being presented to the credit union.

*Source: Compliance Bulletin 19-13 NWCUA*

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[Overdraft Rule Is Helping Consumers, State AGs Tell CFPB](#)

The CFPB's overdraft rule is benefitting consumers and should not be changed, 25 state attorneys general said this week.

"As currently structured, the Overdraft Rule ensures that consumers have an opportunity to make an informed decision about whether to opt in overdraft services for ATM and signature debit transactions," the 25 state officials—all Democrats—said, in a letter to CFPB Director Kathy Kraninger. The group also includes the office of the attorney general for the District of Columbia.

The CFPB has been soliciting comments on whether to change its rule governing ATM and debit card transactions. The rule was issued by the Federal Reserve Board in 2009 and the CFPB took over the rule when the agency was created.

The rule prohibits financial institutions from assessing a fee or charge on a consumer's account for an ATM withdrawal or one-time debit card transaction unless they have given their consent to be charged.

Credit union trade groups have praised the rule, while some consumer advocates have criticized it as another way to lock low-income families into a cycle of debt.

The rule has saved consumers billions of dollars in fees, the state officials said, while also providing consumers with the peace of mind that they will not unexpectedly be charged a substantial fee.

They said that there is no basis to believe that the rule has been a hardship for small financial institutions. "Given the billions of dollars in revenues overdraft fees have generated for many banks, this is hardly a costly regulatory burden for financial institutions," they said.

The attorneys general added that they would favor expanding the rule to include checks and to require that all overdraft fees be proportional to the amount paid by the bank to cover the overdrawn transaction.

*Source: CU Times*

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## IRS to allow SSN truncation on W-2 forms

The IRS has issued final regulations [[84 FR 31717](#)] amending applicable sections of the Internal Revenue Code to permit employers to voluntarily truncate employees' social security numbers (SSNs) on copies of Forms W-2, Wage and Tax Statement, that are furnished to employees so that the truncated SSNs appear in the form of IRS truncated taxpayer identification numbers (TTINs). The amendments are effective upon publication, but will apply to returns, statements, and other documents required to be filed or furnished after December 31, 2020.

*Source: IRS*

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Reg CC Final Rule Explained – CUNA Compliance Community Blog

For a clear explanation of the final rule including notification requirements, check out the [CUNA Compliance Community Blog](#).

Source: CUNA

## Advocacy Highlight

### CUNA's Advocacy Resources

- [This Week in Washington – July 1, 2019](#)
- [NCUA's Proposed, Pending and Recently Final Regulations](#)
- [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

- September 2nd, 2019: Labor Day - Federal Holiday
- September 20th, 2019: Providing Faster Funds Availability (Effective Date)
- October 14th, 2019: Columbus Day - Federal Holiday
- November 11th, 2019: Veterans Day - Federal Holiday
- November 28th, 2019: Thanksgiving Day - Federal Holiday

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