



Compliance eNewsletter

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InfoSight News

Updates to the Compliance Calendar

Many important dates have been added to the Compliance Calendar this week. Be sure to get them on your calendar so you don't miss an important date!

- 11/24/2019 – SAFE Act. – MLO Registration
- 2/1/2020 – Updated URLA required for Fannie and Freddie
- 7/1/2020 – Regulation CC – Monetary Limit Threshold Changes
- 11/19/2020 – Underwriting Provisions Effective for Payday Alternative Loans

Compliance News

Additional Information on CFPB's Elder Exploitation Guidance

As mentioned in a prior newsletter, the CFPB has issued an updated report addressing [Elder Financial Exploitation](#). You may recall that in 2016, the [Bureau issued a report](#) that included 6 recommendations to encourage financial institutions to prevent elder financial abuse:

1. Develop and implement internal protocols and procedures for protecting account holders from elder financial exploitation;
2. Train management and staff to prevent, detect, and respond to suspicious events
3. Detect elder financial exploitation by harnessing technology;
4. Report all cases of suspected exploitation to relevant federal, state and local authorities;
5. Protect older account holders by complying with the Electronic Fund Transfer Act (EFTA) and Regulation E and by offering age-friendly services that can enhance protections against financial exploitation;
6. Collaborate with other stakeholders such as law enforcement, adult protective services, and service organizations.

This updated report focuses on recommendation number 4 – reporting suspected financial abuse to the appropriate authorities. According to the CFPB, as of April of 2019, 26 states and the District of Columbia “mandate reporting of suspected Elder Financial Exploitation by financial institutions or specified financial professionals.”

Additionally, state policymakers in several states are exploring changes to enable depository institutions to delay disbursements if they suspect that an older member’s account has been or will be defrauded. The CFPB reports that Delaware, Kentucky, Tennessee, Texas, Virginia and Washington have already passed such legislation.

The updated report also includes several tables (listed as Appendix A, B and C) that list the states and other the relevant information of legislation that has been passed to promote the prevention of elder financial abuse.

Source: CFPB

What Are the Changes to NCUA's Appraisal Rule?

Last week the NCUA Board approved its final rule amending [12 CFR 722](#), the NCUA regulation requiring real estate appraisals for certain transactions.

The NCUA had issued a notice of proposed rulemaking seeking comments on amendments to the real estate appraisal rule on October 3, 2018, with comments due by December 3, 2018. While the final rule was adopted essentially as proposed, it did not adopt the proposed modification to the exemption for existing extensions of credit. Therefore, the final rule maintains the current exemption for existing extensions of credit. CUNA had strongly opposed the proposed modification in its comment letter on the proposal.

The four objectives of the final rule:

- Increase the threshold for required appraisals in non-residential real estate transactions from the current \$250,000.00 to \$1 million;
- Implement a provision from S2155, (Economic Growth, Regulatory Relief, and Consumer Protection Act), regarding appraisals in rural areas. This provision exempts from the appraisal regulation certain federally related transactions involving real estate where the property is located in a rural area, valued below \$400,000.00, and no state certified or licensed appraiser is available within five business days beyond customary and reasonable fee and timeliness standards for comparable appraisal assignments;
- Restructure the regulation to clarify requirements for the reader. For example, it reorders section 722.3 to help the reader determine (a) whether the real-estate related financial transaction does not require an appraisal or written estimate of market value, (b) when an appraisal required under Part 722 must be prepared by a state-certified appraiser, (c) when an appraisal required under Part 722 may be prepared by either a state-certified or state-licensed appraiser, and (d) when only a written estimate of market value is required.

- Make certain amendments to the definitions section. For example, the final rule replaces the term “complex 1- to 4-family residential property appraisal” with the shorter term “complex”. Section 722.2 now defines complex, when used in regard to a real estate-related financial transaction, to mean a transaction in which the property to be appraised, the form of ownership, or market conditions are atypical.

The final rule will become effective 90 days after publication in the Federal Register.

For more information, refer to the [Letter to Credit Unions 10-CU-23](#) dated December 2010, which includes a link to the Interagency Appraisal and Evaluation Guidelines. The Guidelines, including their appendices, address supervisory matters relating to real estate appraisals and evaluations used to support real estate-related financial transactions.

Source: CUNA Compliance Blog

FTC interactive Do-Not-Call webpage

The Federal Trade Commission has [introduced a new public webpage](#) with interactive Do Not Call (DNC) and Robocall data. The page allows consumers to search the data interactively, for example, by clicking on a specific state or county. The information will be updated quarterly.

Source: FTC

Other Articles of Interest:

- [Houses passes H.R. 3375, the Stopping Bad Robocalls Act](#)
- [Credit card telemarketing scheme shut down](#)

Advocacy Highlight

Articles of Interest

- [This Week in Washington – July 29, 2019](#)
- [Pross Testifies Before the Senate Banking Committee on the Safe Banking Act](#)

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

- September 2nd, 2019: Labor Day - Federal Holiday
- September 20th, 2019: Providing Faster Funds Availability (Effective Date)
- October 14th, 2019: Columbus Day - Federal Holiday
- October 22nd, 2019: Appraisals (NCUA)
- October 22nd, 2019: Fidelity Bonds (NCUA)

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