



Compliance eNewsletter

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InfoSight News

Content Update

In response to a request from an InfoSight user, the *Security Channel* was recently updated with a new topic: *Active Shooter*. Please review this serious topic to ensure the safety of your credit union staff and members.

Compliance News

Bureau releases report on servicemember complaints

The CFPB has posted a [Bureau Blog entry](#) announcing the release of the [sixth Annual Report](#) from the Bureau's Office of Servicemember Affairs (OSA) highlighting issues and emerging trends facing servicemembers, veterans, and military families. The annual review allows the CFPB to highlight and address critical issues and emerging trends facing the military community and informs the Bureau's efforts to protect military consumers.

The OSA provides service to the military community by highlighting issues like abuses of the military allotment system, aggressive marketing of refinance offers to veteran homeowners, and full explanations of servicemembers' rights under the Servicemember Civil Relief Act (SCRA). This year's Annual Report describes emerging servicemember issues in the financial marketplace such as:

- Medical, telecommunications and VA debts on servicemembers' credit reports
- Student loan servicing obstacles
- Automobile add-on products in the car buying process

Source: CFPB

Tax Season Has Begun – Prepare for Direct Deposits of Refunds

The IRS has shared the following reminders to taxpayers in regard to direct deposited tax refunds:

- Refunds can be split into as many as three separate accounts. For example, a checking, a savings, and a retirement account.
- Refunds should only be directly deposited into accounts that are in the taxpayer's own name, their spouse's name, or both if it's a joint account.
- Refunds should not be direct deposited into an account in a return preparer's name.

[Click here for additional information and important filing dates.](#)

Source: IRS/CUNA Compliance Blog

Are your CDD Policies Ready for Your Next Exam?

Last August, NCUA issued [Supervisory Letter \(SL No. 18-01\)](#) to address credit union's compliance with the new BSA Customer Due Diligence and Beneficial Ownership Rules. With this letter, NCUA stated that credit unions could expect that "field staff would not identify non-compliance as a significant BSA violation, as long as credit unions were making a good faith effort to comply with the new rules." Credit unions were to expect this reprieve through the end of 2018.

Well, we are now into 2019, and NCUA has listed "in-depth reviews of BSA/AML policies and procedures and assessing compliance with the customer due diligence regulation" as one of the agency's supervisory priorities for this year.

As you prepare for your next exam, [some items you should consider include:](#)

- Does your written BSA compliance program include Customer Due Diligence and Beneficial Ownership Identification and Verification?
- Have you established an adequate Customer (member) Due Diligence (CDD) Program?

- Does your CU have effective procedures for developing member risk profiles that identify the specific risks of individual members or categories of members?
- Are your risk-based CDD policies, procedures, and processes commensurate with your credit union's BSA/AML risk profile, with increased focus on higher risk members?
- Do your procedures include identifying members that may pose a higher risk for money laundering or terrorist financing and whether and/or when, on the basis of risk, it is appropriate to obtain and review additional member information?

Source: CUNA Compliance Blog

Advocacy Highlight

CUNA Links of interest:

[This Week's Advocacy Update](#)

Source: CUNA Advocacy

CUNA's Advocacy Resources

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

Compliance Calendar

- February 18th, 2019: President's Day - Federal Holiday
- April 1st, 2019: Prepaid Accounts under the Electronic Fund Transfer Act/Regulation E and the Truth In Lending Act/Regulation Z (Date Extended)
- May 27th, 2019: Memorial Day - Federal Holiday
- June 21st, 2019: Return for Questionable Transaction (Effective Date)
- July 4th, 2019: Independence Day - Federal Holiday

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