



Compliance eNewsletter
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InfoSight News

State by State Compliance Information and Resources

Credit unions continue to grow and many are opening branches and/or have members in different states. Remember, once a member, always a member! State laws have unique characteristics that may be based on geography and natural resources, location, demographics of the population, historical operations of business, commerce, and industry and public policies and community standards in the state.

Did you know that InfoSight provides state law information for over 25 topics in all 50 states? Make sure your credit union is staying compliant with both federal and state laws by leveraging the content within the InfoSight platform. You can access the different state specific content on the *InfoSight Listing by State* page found under *Resources*.

Compliance and Advocacy News & Highlights

Joint Statement on BSA/AML Enforcement

The federal banking agencies have issued a [Joint Statement on Enforcement of Banks Secrecy Act/Anti-Money Laundering Requirements](#) updating their existing enforcement guidance to enhance transparency regarding how they evaluate enforcement actions that are required by statute when financial institutions fail to meet Bank Secrecy Act/anti-money laundering (BSA/AML) obligations.

The statement clarifies that isolated or technical violations or deficiencies are generally not considered the kinds of problems that would result in an enforcement action. It also addresses how the agencies evaluate violations of individual components (known as pillars) of the BSA/AML compliance program. It also describes how the agencies incorporate the customer due diligence regulations and recordkeeping requirements issued

by the U.S. Department of the Treasury as part of the internal controls pillar of the financial institution's BSA/AML compliance program.

Simultaneously, the Financial Crimes Enforcement Network issued a “[Statement on Enforcement of the Bank Secrecy Act](#)” that sets forth its approach to enforcement in circumstances of non-compliance with the BSA.

Source: NCUA/FinCEN

Consumer Financial Protection Bureau Proposes New Category of Qualified Mortgages to Encourage Innovation and Access to Affordable Mortgage Credit

The Consumer Financial Protection Bureau (Bureau) issued today a notice of proposed rulemaking (NPRM) to [create a new category of seasoned qualified mortgages \(Seasoned QMs\)](#) in order to encourage innovation and help ensure access to responsible, affordable in the mortgage credit market.

To be considered a Seasoned QM under the proposal, loans would have to be first-lien, fixed-rate covered transactions that have met certain performance requirements over a 36-month seasoning period. Covered transactions would also have to be held on the creditor’s portfolio during the seasoning period, comply with general restrictions on product features and points and fees and meet certain underwriting requirements. For a loan to be eligible to become a Seasoned QM, the proposal would also require that the creditor consider and verify the consumer’s debt-to-income ratio (DTI) or residual income at origination.

Seasoned QMs would only be available for covered transactions that have no more than two 30-day delinquencies and no delinquencies of 60 or more days at the end of the seasoning period. Also, should there be a disaster or pandemic-related national emergency and as long as certain conditions are met, the proposal would not disqualify a loan from becoming a Seasoned QM for the failure to make full contractual payments if the consumer receives a temporary payment accommodation.

Instructions for submitting comments are included in the document.

Source: CFPB

OFAC Sanctions Ugandan Adoption Scammers

The Treasury Department reports that [OFAC has sanctioned four Ugandans](#) -- Ugandan judges Moses Mukiibi and Wilson Musalu Musene, Ugandan lawyer Dorah Mirembe, and Mirembe's husband, Patrick Ecobu -- under authority of Executive Order 13818, which builds upon and implements the Global Magnitsky Human Rights Accountability Act, for their involvement in an adoption scam that saw many Uganda-born children and their parents victimized by the participants in the scheme.

As a result of OFAC's action, all property and interests in property of the individuals named above, and of any entities that are owned, directly or indirectly, 50 percent or more by them, individually, or with other blocked persons, that are in the United States or in the possession or control of U.S. persons, are blocked and must be reported to OFAC.

Source: OFAC

Register Now for Back to School Financial Education Webinar on Aug. 27

Educators, parents, financial institutions, and other stakeholders can learn more about the financial literacy and consumer financial protection resources available during a webinar hosted by the National Credit Union Administration, Federal Deposit Insurance Corporation, and the Consumer Financial Protection Bureau on August 27.

[Registration is now open](#) for the webinar, "Back to School: Financial Education and Consumer Financial Protection Information Resources for Educators and Parents." The webinar is scheduled to begin at 2 p.m. Eastern and will run approximately 45 minutes. Participants will be able to log into the webinar and view it on their computers or mobile devices using the registration link. They should allow pop-ups from this website.

Staff from the NCUA's Office of Consumer Financial Protection, FDIC's Division of Depositor and Consumer Protection and CFPB's Office of Financial Education will detail the NCUA's financial literacy and consumer financial protection resources, provide an overview of the FDIC's Money Smart for Young People education program, and highlight CFPB resources to aid parents with managing finances. The agencies will also discuss approaches to financial literacy education during COVID-19.

Participants can submit questions anytime during the presentation or in advance by emailing WebinarQuestions@ncua.gov. The email's subject line should read, "Back to School: Financial Education Resources for Educators and Parents."

Please email technical questions about accessing the webinar to audience.support@on24.com. This webinar will be closed captioned and archived online approximately three weeks following the live event.

Source: NCUA

Fed Reports on Opportunities and Risks of Central Bank Digital Currencies

The Federal Reserve [recently highlighted the research and experimentation](#) undertaken to enhance its understanding of the opportunities and risks associated with central bank digital currencies. The initiatives complement a broad set of payments-related innovation projects currently underway within the Federal Reserve System.

In remarks at Federal Reserve Board/Federal Reserve Bank of San Francisco's Innovation Office Hours, Board Governor Lael Brainard said, "Given the dollar's important role, it is essential that the Federal Reserve remain on the frontier of research and policy development regarding central bank digital currencies. Like other central banks, we are continuing to assess the opportunities and challenges of, as well as the use cases for, a digital currency, as a complement to cash and other payments options."

Technological innovations inspire new ways to think about money. Consistent with its role in promoting a safe, accessible, and efficient U.S. payment system, the Federal Reserve is engaged in ongoing research and experimentation with the latest payment technologies.

The Federal Reserve Board's Technology Lab (TechLab) is expanding experimentation with technologies relevant to digital currencies and other payment innovations. The TechLab conducts hands-on research to further the Federal Reserve's understanding of payment technologies and support development of policy views. The TechLab is a multidisciplinary team composed of Board and Federal Reserve Bank staff with expertise in payments, economics, law, information technology, and computer science.

Source: Federal Reserve

Articles of Interest:

- [CU Industry Leaders Reflect on COVID-Related Challenges, Silver Linings](#)
- [Southeastern Credit Unions Provide More Than \\$2.2 Billion in COVID Relief](#)

CUNA's Advocacy Resources:

- [This week in Washington](#)
- [CUNA Advocacy Issues - COVID-19](#)

WOCCU Advocacy Resources:

- [Telegraph](#)
- [Advocate Blog](#)

Compliance Calendar

- September 7th, 2020: Labor Day - Federal Holiday
- October 12th, 2020: Columbus Day - Federal Holiday
- October 25th, 2020: 5300 Call Report Due to NCUA
- November 11th, 2020: Veterans Day - Federal Holiday
- November 19th, 2020: Payday Lending, Vehicle Title, and Certain High-Cost Installment Loans (CFPB)