

InfoSight Newsletter

November 5, 2021 | Volume 15 | Issue 43

Highlights



Compliance impacts everyone at the credit union, including human resources, accounting, lending, and more! InfoSight is a FREE resource provided by your league/association which provides access to 15 major compliance areas with easy-to-read summaries, links to applicable laws, regulations, resources, checklists, and frequently asked questions. Each compliance topic contains information on what the compliance issue is, how it affects credit unions, and what credit unions need to do about it. Visit InfoSight today!

Compliance and Advocacy News & Highlights

New CFPB Guide for Family Members of Elders

[The CFPB has issued a new guide](#) to help family members and friends of people living in nursing homes and assisted living communities learn how to prevent and report elder financial abuse.

This guide is for family, friends, and other community members. It walks through four steps to fighting elder financial abuse: Prevent, Recognize, Record, and Report. The guide lists red flags to watch for, shares some common scenarios, and includes resources used to help loved ones.

The Bureau also released a [quick reference handout](#) on reporting elder financial abuse.

Save the date for a webinar on December 7, 2021 to learn more about the new guide and handout and how to use them. More information, with the webinar invite, will be provided later this month.

Source: CFPB

CFPB Director Chopra on Stablecoin

CFPB Director Rohit Chopra released a statement regarding the [Report on Stablecoins](#) issued by the President's Working Group on Financial Markets, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

Statement of CFPB Director Rohit Chopra

The United States must do more to nurture a fast, safe, and competitive payments system. New technologies can help to advance this goal, which would yield enormous benefits for consumers, workers, and small businesses.

Today's report examines stablecoins. Stablecoins are digital assets that are typically pegged to a sovereign currency. Over the last year, stablecoins pegged to the U.S. dollar increased by nearly 500% to \$128 billion outstanding. The report highlights how stablecoins could be vulnerable to runs and fire-sales in ways that could create stress on the broader financial system absent adequate oversight. The Consumer Financial Protection Bureau was not a member of the working group that prepared this report. However, the agency will be taking several steps related to this market.

First, the CFPB recently solicited public input on how Big Tech companies might leverage their existing online dominance to rapidly scale the use of digital payment networks, including cryptocurrencies. Our solicitation for input follows the agency's recent issuance of orders to Google, Apple, Facebook, Amazon, Square, and PayPal regarding their payments-related plans and practices. As the Report on Stablecoins notes, established players with large user bases could accelerate the adoption of stablecoins as a payment device, and lead to an excessive concentration of market power.

Second, the CFPB is actively monitoring and preparing for broader consumer adoption of cryptocurrencies. Currently, stablecoins are primarily used for speculative trading in cryptocurrency markets. However, stablecoins may also be used for and in connection with consumer deposits,

stored value instruments, retail and other consumer payments mechanisms, and in consumer credit arrangements. These use cases and others trigger obligations under federal consumer financial protection laws, including the prohibition on unfair, deceptive, or abusive acts or practices.

Third, given the rapid growth in stablecoins, we will closely engage with other members of the Financial Stability Oversight Council to determine whether to initiate designation proceedings and ascertain whether certain nonbank stablecoin-related activities or entities are systemically important.

[Read the press release on the Report on Stablecoins.](#)

Source: CFPB

IRS Issues Additional \$510 Million In Refunds

The [Internal Revenue Service has announced](#) it recently sent approximately 430,000 refunds totaling more than \$510 million to taxpayers who paid taxes on unemployment compensation excluded from income for tax year 2020.

The IRS efforts to correct unemployment compensation overpayments will help most of the affected taxpayers avoid filing an amended tax return. So far, the IRS has identified over 16 million taxpayers who may be eligible for the adjustment. Some will receive refunds, while others will have the overpayment applied to taxes due or other debts.

Source: IRS

CFPB Releases Debt Collection Rule Guidance Documents

[The CFPB \(Bureau\) has released several guidance documents to](#) assist industry with providing the validation information in preparation for the Debt Collection Rule's upcoming effective date.

First, the Bureau released a "complete and accurate" [Spanish translation](#) of the model validation notice.

Second, the Bureau added a new section to the [Debt Collection Rule Frequently Asked Questions \(FAQs\)](#). The new FAQs address frequent questions on, among other things, use of the model validation notice and the validation information special rule for certain residential mortgage debts.

Third, the Bureau released a document entitled, "[Debt Collection Rule: Disclosing the Model Validation Notice Itemization Table](#)." This guidance document, which includes examples, reviews certain required validation information. The document illustrates how a debt collector could comply with the requirement to disclose that information.

Source: CFPB

NCUA Extends MDI Mentoring Grants Application Deadline to Nov. 14

Credit unions eligible to apply for the National Credit Union Administration's minority depository institutions mentoring grants now have until Nov. 14 to submit their applications through the agency's [CyberGrants portal](#).

The NCUA will make approximately \$100,000 available to low-income credit unions with the MDI designation to support mentoring relationships that allow larger, experienced credit unions to provide guidance to other MDIs to help them better serve low-income and underserved populations.

[NCUA has provided application guidelines](#). Staff from the NCUA's Office of Credit Union Resources and Expansion will be available to answer questions about the program through Nov. 10. Credit unions can submit questions to CURE staff by email to CUREAPPS@ncua.gov.

Source: NCUA

Articles of Interest:

- [NCUA Chairman Todd M. Harper Calls on Credit Unions to Advance DEI](#)
- [Reducing Cyber-Attack Risk Through Employee Education](#)
- ['Rolling Rez' Brings Banking to the People](#)
- [3 Reasons Credit Unions Must Offer Virtual Cards](#)
- [Consumer Compliance Outlook \(Third Issue, 2021\)](#)

CUNA's Advocacy Resources:

- [Happenings in Washington](#)

WOCCU (World Council of Credit Unions Advocacy) Advocacy Resources:

- [Telegraph](#) – Current advocacy news world-wide.
- [Advocate Blog](#) – Check out recent updates!

Compliance Calendar

- November 11th, 2021: Veterans Day - Federal Holiday
- November 25th, 2021: Thanksgiving Day - Federal Holiday
- November 30th, 2021: CFPB – Fair Debt Collections Practices (Regulation F)