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Highlights



Happy St. Patrick's Day



Eat, Dance and be in Compliance!

We are so LUCKY to have the BEST CREDIT UNIONS this side o' the pot o' gold!
And that's no Blarney!

Compliance and Advocacy News & Highlights

CAMELS – More Information

The existing CAMEL rating system is changing to CAMELS (**C**apital adequacy, **A**sset quality, **M**anagement, **E**arnings, **L**iquidity, and **S**ensitivity to market risk). The changes to the rating system go into effect on April 1st, so if you have an examination beginning on that date (or afterward) the new CAMELS rating system will apply. If your credit union examination is in process on April 1 but started prior to the April 1 date then the CAMEL rating system will be used. Under the amended rating system, the separation of the “S” and “L” components are primarily administrative and won’t impact the results of interest rate risk reviews and liquidity reviews.

Under the CAMELS Rating System:

The “S” component evaluation content and rating criteria will exclusively address sensitivity to market risk and interest rate risk (IRR) governance. It documents a credit union’s market sensitivity level and how the credit union measures, monitors, and manages market sensitivity.

The “L” component evaluation content is modified to only consider available sources of funds and liquidity risk management. It documents a credit union’s liquidity risk level and the credit union’s liquidity risk management program.

[NCUA’s recent letter to credit unions \(22-CU-05\)](#) details each component of CAMELS in Appendix A of the letter. Appendix B of the letter addresses common questions regarding the CAMELS Rating System.

Source: NCUA

CFPB: New Effort Focused on Financial Issues Facing Rural Communities

The Consumer Financial Protection Bureau has launched a new initiative to focus on financial issues facing rural America. Our effort will initially focus on rural banking deserts, discriminatory and predatory agricultural credit, and manufactured housing.

There is no single rural America—from Appalachia and the Deep South to rural Alaska, rural places have a wide range of diverse people, economies, and ways of life. Rural people are deeply committed to the places they live but face real challenges in accessing reliable services and good jobs, keeping up with household expenses, maintaining farming, and finding affordable housing.

[Read more about the initiative from the CFPB.](#)

Source: CFPB

Executive Order on Development of Digital Assets

Last week, [President Biden issued an Executive Order](#) on "Ensuring Responsible Development of Digital Assets." The key objectives established in the Order are:

- Protection of consumers, investors, and businesses in the United States
- Protection of United States and global financial stability and mitigate system risk
- Mitigation of illicit finance and national security risks posed by misuse of digital assets
- Reinforcement of United States leadership in the global financial system and in technological and economic competitiveness, including through the responsible development of payment innovations and digital assets
- Promotion of access to safe and affordable financial services
- Support of technological advances that promote responsible development of digital assets

CFPB Director Rohit Chopra released the following statement on President Biden's Executive Order: "Today's Executive Order recognizes that the dramatic growth in digital asset markets has created profound implications for financial stability, consumer protection, national security, and energy demand. The Consumer Financial Protection Bureau is committed to working to promote competition and innovation, while also reducing the risks that digital assets could pose to our safety and security. We must make sure Americans in all financial markets are protected against errors, theft, or fraud."

Source: White House/CFPB

*Editor's Note: A new model policy related to Digital Assets has been added to CU PolicyPro (**Model Policy 2630 – Digital Assets**). This policy was created to comply with **NCUA Letter 21-CU-16 – Relationships with Third Parties that Provide Services Related to Digital Assets**, which highlights the existing authority for credit unions to offer digital services to their members, provided certain conditions are met.*

Russian State-Sponsored Cyber Actors Access Network Misconfigured with Default MFA Protocols

CISA and the Federal Bureau of Investigation (FBI) have released a [joint Cybersecurity Advisory](#) that details how Russian state-sponsored cyber actors accessed a network with misconfigured default multifactor authentication (MFA) protocols. The actors then exploited a critical Windows Print Spooler vulnerability, "PrintNightmare" (CVE-2021-34527), to run arbitrary code with system privileges. The advisory provides observed tactics, techniques, and procedures, as well as indicators of compromise and mitigations to protect against this threat.

CISA encourages users and administrators to review [AA22-074A: Russian State-Sponsored Cyber Actors Gain Network Access by Exploiting Default Multifactor Authentication Protocols and "PrintNightmare" Vulnerability](#). For general information on Russian state-sponsored malicious cyber activity, see [cisa.gov/Russia](https://www.cisa.gov/Russia). For more information on the threat of Russian state-sponsored malicious cyber actors to U.S. critical infrastructure, as well as additional mitigation recommendations, see [AA22-011A: Understanding and Mitigating Russian State-Sponsored Cyber Threats to U.S. Critical Infrastructure](#) and [cisa.gov/shields-up](https://www.cisa.gov/shields-up).

Source: CISA

CFPB blogs on Homeowner Assistance Fund

The [CFPB has posted a blog article](#) on how the Homeowner Assistance Fund (HAF) helps borrowers prevent foreclosure.

As of March 1, 2022, over 768,000 mortgage borrowers remain in active forbearance. Many of these consumers are seriously delinquent and at risk of foreclosure unless they receive loss mitigation assistance from their servicers. The CFPB remains focused on preventing avoidable foreclosures to the maximum extent possible and expects mortgage servicers to do the same. Funds from the HAF can help homeowners avoid foreclosure, but only if mortgage servicers work with state housing finance agencies and HUD-approved housing counselors to help borrowers as they complete the HAF application process.

The HAF is a federal program that provides money to states, tribes, and territories to assist homeowners with housing-related costs. For example, HAF funds may be used to pay down the amount consumers owe on their mortgage, allowing consumers to enter loan modifications with lower payments. The specific programs and borrower-approval processes are designed by each state, tribe, or territory and will vary.

Consumers who wish to learn more about the HAF can access the [CFPB's Housing page](#).

Source: CFPB

Articles of Interest:

- [Payment Processor to Pay \\$2.3M In 2017 Case](#)
- [Treasury Announces Expanded Russia Sanctions](#)
- [SEC Proposes Cybersecurity Risk Management Rules](#)

CUNA's Advocacy Resources:

- [Happenings in Washington \(Removing Barriers Blog\)](#)

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

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

Compliance Calendar

- March 18th, 2022: **NACHA – Same Day ACH Dollar Limit**
- March 31st, 2022: **CFPB – Credit Card Agreement and Data Submission Requirements: First College Credit Card Marketing Agreements and Data Using "Collect"**

- *April 1st, 2022: NCUA CAMELS Rating System*
- *April 1st, 2022: CFPB – Facilitating the LIBOR Transition (Regulation Z)*
- *May 30th, 2022: Memorial Day - Federal Holiday*
- *June 20th, 2022: Juneteenth National Independence Day - Federal Holiday (observed)*