

Inf Sight Newsletter

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Highlights

NEW Content – Person-to-Person (P2P) Transactions

With the increased popularity of person-to-person (P2P) transactions, a new topic, Person-to-Person (P2P) Transactions, was added to the ACH/Electronic Payments channel. This topic was created to highlight and assist credit unions with the application of Regulation E. Specifically, unauthorized transactions and the error resolution process the credit union must conduct.



Spooky season is upon us, and InfoSight is wishing you a frightfully fun Halloween weekend!

Keeping your Credit Union compliant doesn't need to be as complex and time-consuming as brewing up potions. InfoSight makes compliance easier to understand and provides summaries and resources to help keep your credit union compliant and up to date! Plus, InfoSight is a *FREE* member benefit for Affiliated Credit Unions! To learn more, [please visit InfoSight today!](#)

Compliance and Advocacy News & Highlights

401(k) limit increases to \$22,500 for 2023, IRA limit rises to \$6,500

The Internal Revenue Service announced today that the amount individuals can contribute to their 401(k) plans in 2023 has increased to \$22,500, up from \$20,500 for 2022. The IRS today also issued technical guidance regarding all of the cost-of-living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2023 in [Notice 2022-55](#), posted today on IRS.gov.

Highlights of changes for 2023

The contribution limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased to \$22,500, up from \$20,500. The limit on annual contributions to an IRA increased to \$6,500, up from \$6,000. The IRA catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000.

The catch-up contribution limit for employees aged 50 and over who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased to \$7,500, up from \$6,500. Therefore, participants in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan who are 50 and older can contribute up to \$30,000, starting in 2023. The catch-up contribution limit for employees aged 50 and over who participate in SIMPLE plans is increased to \$3,500, up from \$3,000.

The income ranges for determining eligibility to make deductible contributions to traditional Individual Retirement Arrangements (IRAs), to contribute to Roth IRAs, and to claim the Saver's Credit all increased for 2023.

[To read the full article, please visit IRS.gov.](#)

Source: IRS.gov

CFPB Takes Action to Address Junk Data in Credit Reports

The Consumer Financial Protection Bureau (CFPB) issued guidance to consumer reporting companies about their obligation to screen for and eliminate obviously false "junk data" from consumers' credit reports. Companies need to take steps to reliably detect and remove inconsistent or impossible information from consumers' credit profiles. For example, many children in foster care have large amounts of information on their credit reports that is clearly junk data because as minors they are prohibited from entering into most contracts for credit.

“When a credit report accuses someone of defaulting on a loan before they were born, this is nonsensical, junk data that should have never shown up in the first place,” said CFPB Director Rohit Chopra. “Consumer reporting companies have a clear obligation to use better procedures to screen for and eliminate conflicting information, or information that cannot be true.”

While incorrect data affects millions of Americans, children in foster care may be particularly susceptible to these problems because of a high rate of identity theft impacting that population. The roughly 400,000 children in the United States foster care system often lack permanent addresses, and their personal information is frequently shared among numerous adults and agency databases. When bad actors take advantage of children passing through their care and use their personal information to take out loans, children in foster care may enter adulthood saddled with negative and clearly inaccurate credit histories that can hinder their progress toward financial independence.

[To learn more, check out CFPB here.](#)

Source: CFPB

NCUA Board Approves Risk Appetite Statement; Briefed on Central Liquidity Facility and Cybersecurity

The National Credit Union Administration Board held its ninth open meeting—and second in person—of 2022, and approved the agency’s Enterprise Risk Appetite Statement, which helps the agency align risks and opportunities when making decisions and allocating resources to achieve the agency’s strategic goals and objectives.

The NCUA Board was also briefed on the state of the Central Liquidity Facility (CLF) and cybersecurity trends affecting federally insured credit unions and the broader financial system.

Board Approves New Enterprise Risk Appetite Statement

The NCUA Board unanimously approved the NCUA’s new [enterprise risk appetite statement](#), prepared by the agency’s Enterprise Risk Management Council. The statement is a management tool that provides guidance from agency leadership to managers and staff on the amount of risk the NCUA is willing to undertake in pursuit of its objectives.

Briefing Highlights Central Liquidity Fund’s Status for 3rd Quarter

The Central Liquidity Facility President [briefed](#) the NCUA Board on the status of the Central Liquidity Fund as of September 30, 2022. The briefing covered liquidity and contingency funding plans, liquidity sources and needs, CLF advances, and membership requirements. The CLF president also discussed enhancements to the CLF’s processes and structures to ensure it can serve as an effective liquidity backstop for the credit union system should the need arise.

Cybersecurity Threats Continue, NCUA Launches ISE Program at Year-end

Ransomware, cloud migration, and distributed denial-of-service attacks are contributing to a dynamic threat landscape that creates evolving risks for federally insured credit unions, according to a [briefing](#), provided to the NCUA Board by the agency’s Critical Infrastructure Division. Additionally, rising geopolitical tensions continue to increase the potential for cyberattacks on the financial system and other parts of the nation’s critical infrastructure.

The briefing also outlined good cyber hygiene practices, summarized the NCUA's [proposed cyber incident reporting rule](#), and provided an update on the NCUA's [Information Security Examination \(ISE\) Program](#). This new examination program offers flexibility for credit unions of all asset sizes and complexity levels while providing examiners with standardized review steps to facilitate advanced data collection and analysis. These new examination procedures will assist the credit union system in preparing for, withstanding, and recovering from cybersecurity threats. The ISE examination procedures will be deployed at the end of 2022.

[For more information on these updates, visit NCUA.](#)

Source: NCUA

Articles of Interest:

- [NCUA Prepares for DEI and ACCESS Summit 2022](#)
- [Overdraft Fees and Economically Insecure Older Adults- Resources](#)
- [ACH Network Moves 7.6 Billion Payments in Third Quarter of 2022; Strong Growth Continues for Same Day ACH](#)

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

- November 11th, 2022: Veterans Day - Federal Holiday
- November 24th, 2022: Thanksgiving Day - Federal Holiday
- December 26th, 2022: Christmas Day - Federal Holiday (observed)
- January 1st, 2023: [Annual Updates](#)
- January 1st, 2023: [Current Expected Credit Losses \(FASB/NCUA\)](#)