

InfoSight Newsletter

December 2nd, 2022 | Volume 16 | Issue 46

InfoSight Highlight

Like your Thanksgiving leftovers,
your policies need to be kept fresh!



Regulatory compliance is always changing, so keeping things fresh and staying up to date can be complicated and overwhelming- InfoSight is here to help! InfoSight makes compliance easier to understand and provides summaries and resources to help keep your credit union compliant! Plus, InfoSight is a FREE member benefit for Affiliated Credit Unions! To learn more about how we're bringing ease to all your compliance needs, [Visit InfoSight today!](#)

CECL Resources

We have received many questions about the new accounting standard, *Current Expected Credit Loss* (CECL) methodology for estimating the allowance for credit losses, which becomes effective after December 15, 2022. Listed below are resources available to assist credit unions with CECL compliance.

InfoSight recently released a new CECL topic which provides a general overview and aggregates many resources available to credit unions.

CU PolicyPro includes two policies plus supporting methodology. These policies would replace Policies 7600 and 7615.

- Policy 7700: Loan Review and Classification (CECL)
- Policy 7715: Allowance for Credit Losses
- Methodology 7715.10: Allowance for Credit Losses



For information on accessing InfoSight and CU PolicyPro, contact info@leagueinfosight.com.

Compliance and Advocacy News & Highlights

CFPB Supervisory Examinations Find Credit Reporting Failures, Junk Fees, and Mishandling of COVID-19 Protections

The Consumer Financial Protection Bureau (CFPB) released a new Supervisory Highlights report on legal violations identified during the CFPB's supervisory examinations in the first half of 2022. The report details key findings across consumer financial products and services, including how consumer reporting companies and data furnishers continued to violate the Fair Credit Reporting Act (FCRA) by failing to promptly address and update incorrect information on credit reports. Today's report also highlights instances where mortgage servicers charged impermissible fees when homeowners went to make their mortgage payments.

"The CFPB's supervision efforts limit the spread of potentially unlawful practices and consumer harm," said CFPB Director Rohit Chopra. "The CFPB's examination program continues to identify problematic practices and stop them before they spread."

[Visit the CFPB website today, to learn more.](#)

Source: CFPB

Share Insurance Fund Reports Strong Performance in the Third Quarter

The National Credit Union Administration Board held its tenth open meeting—and third in person—of 2022. During the meeting, the NCUA's Chief Financial Officer briefed the NCUA Board on the performance of the National Credit Union Share Insurance Fund for the quarter ending on September 30, 2022.

“The Share Insurance Fund performed well in the third quarter,” NCUA Chairman Todd M. Harper said. “The changes in the interest rate environment over the last several months increased the income and earnings of the Fund.”

The Share Insurance Fund [reported](#) a net income of \$26.2 million, \$20.2 billion in assets, and \$73.7 million in total income for the third quarter of 2022. The equity ratio for the Fund remains at 1.26 percent.

Per NCUA policy, the equity ratio is updated on a semi-annual basis. The equity ratio as of June 30, 2022, was 1.26 percent, which remained the same from December 2021, and was calculated using an insured share base of \$1.69 trillion on June 30, 2022.

Additionally, for the third quarter of 2022:

- The number of composite CAMELS codes 4 and 5 credit unions increased 2.6 percent from the end of the second quarter, to 120 from 117. Assets for these credit unions increased 2.7 percent from the second quarter to \$3.8 billion from \$3.7 billion.
- The number of composite CAMELS code 3 credit unions increased 1.7 percent from the end of the second quarter, to 768 from 755. Assets for these credit unions increased 7.6 percent from the second quarter to \$47.9 billion from \$44.5 billion.

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

Source: NCUA

Using CFPB complaint data to help cities and counties protect the public

In the aftermath of the 2007-2008 financial crisis, Congress established the Consumer Financial Protection Bureau (CFPB) to regulate consumer financial products and services and protect consumers from unfair, deceptive, or abusive acts or practices. One of the CFPB initiatives is collecting, monitoring, and responding to [consumer complaints](#). The complaints received help inform the CFPB’s policy and regulatory priorities and enforcement activities.

Consumer complaints can shine a light on trends and practices that could cause another financial calamity and once again inflict long-term havoc on consumers’ financial wellbeing. The CFPB shares this data with cities and counties so they can increase their efforts to protect consumers at the local level. Engaging with local governments is a win-win for consumers and the CFPB. It helps protect as many consumers as possible from predatory lending, barriers to credit, and other consumer harms.

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

Source: CFPB



**SUPERHEROS ARE GREAT IN A CRISIS.
A SOLID BUSINESS CONTINUITY PLAN
IS THE NEXT BEST THING.**

FREE BCP WEBINAR
RecoveryPro  **CONTENT OVERVIEW**

 **DECEMBER 8**
2:00 PM EASTERN LEAGUEINFOSIGHT.COM/RECOVERYPRO

(Linked image)

Articles of Interest:

- [CFPB: Office of Research blog: Higher interest rates leading to higher debt burdens for mortgage borrowers](#)
- [NACHA: RMAG Offers Guidance for Risk-Based Controls to Address the Potential of Fraudsters Gaining Access to Illicit Funds](#)

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

- *December 26th, 2022: Christmas Day - Federal Holiday (observed)*
- *January 1st, 2023: **Annual Updates***
- *January 1st, 2023: **Current Expected Credit Losses (FASB/NCUA)***
- *March 1st, 2023: **FHFA – Supplemental Consumer Information Form Updates***
- *March 17th, 2023: **NACHA – Micro-Entry Rule – Phase II***