

InfoSight Newsletter

June 30th, 2023 | Volume 17 | Issue 25

REMI NDER: There will be NO NEWSLETTER next week!

League InfoSight Highlight: Trusted Contacts

The NCUA and CFPB have both been providing resources to consumers about establishing “Trusted Contacts” and encouraging outreach to their financial institution in order to help prevent fraud. Specifically, the CFPB has published the following: [Financial institutions can help prevent elder financial exploitation with alerts to trusted contacts](#) and [Choosing a trusted contact person can help you protect your money](#). The NCUA has dedicated a page on their website, [Protect Your Money With a Trusted Contact](#).

What does that mean for credit unions? First, the credit union should determine if this is something they want to facilitate for their members. There is no requirement for the credit union to establish a trusted contact program. However, if credit unions choose to facilitate this process, there are some important components to consider:

- Develop a trusted contact form in consultation with an attorney for members to sign and document their trusted contact information.
- Develop an overarching policy for the trusted contact program at the credit union.
- Develop a procedure and script for the credit union’s process regarding when and how staff members can reach out to a trusted contact. This should include details on what information the credit union will and will not share.
- Develop a procedure and a script for staff to use when explaining how the member can establish a trusted contact. This should include a conversation on the importance of selecting a trusted contact the member believes is a good fit for the role who will not have transaction authority.

- Create ongoing training programs for staff so they understand the program and ensures consistency across the organization.

Unfortunately, there isn't regulatory guidance out there for credit unions to directly utilize when developing a compliant and effective program. League InfoSight has been doing research and is in the process of aggregating information and resources including a model trusted contact form, model policy and model procedures for customization. Credit unions should be on the lookout for that information in both InfoSight and CU PolicyPro!

Glory LeDu

CEO, League InfoSight and CU Risk Intelligence

Celebrating Independence Day



Compliance Lessons: Thinking like a Kid!

Looking at compliance through the eyes of a child offers an opportunity to rethink your processes and help keep staff engaged and motivated to meet the credit union's compliance goals.

Embrace Curiosity

Children are naturally curious and ask questions, try new things, and approach challenges with an open mind. While curiosity and compliance may seem incompatible, they are actually complementary. Curiosity can motivate us to challenge existing processes and seek out new ways of thinking and doing things.

Don't be Afraid to Fail

Children are not afraid to try new things and are quick to bounce back from setbacks. Credit union professionals can learn to adopt a similar approach by focusing on learning from failures rather than being discouraged by them. By remaining adaptable and open to new approaches, compliance professionals can help drive innovation and implement new ideas while ensuring laws and regulations continue to serve their intended purpose.

Use Your Imagination

Children have a boundless imagination and are able to create entire worlds with their minds. Being imaginative can help you identify new solutions to common compliance challenges. This could involve thinking creatively about how to use existing tools and technologies to solve compliance problems, or it could involve adopting new solutions. Imagination can also be fostered through collaboration with others. By engaging in conversations and brainstorming sessions with colleagues, you can open up new avenues of thinking and identify new solutions to compliance challenges.

Play

Children love to play and have fun. Incorporating fun into your compliance program can be a great way to stimulate creativity. For example, you could create a quiz or trivia game about relevant laws and regulations. Use humor, such as cartoons, memes, or humorous anecdotes to make compliance training more relatable and engaging. Instead of looking at compliance challenges as a chore, view them as an opportunity to learn and grow professionally.

Be Present

Children are fully present in the moment, not worrying about the past or future. This mindset can lead to increased creativity and clarity of thought. Take a few minutes to clear your mind before diving into compliance tasks so you can focus and be more present in the moment. When attending compliance meetings or training sessions, listen actively and ask questions. Taking breaks can help you avoid burnout and keep you focused when you return to compliance tasks.

Mary Ann Koelzer

Senior Technology Products Manager, League InfoSight

News and Alerts!

NCUA Rescinds Most COVID-19 Guidance to Credit Unions

During the pandemic, the NCUA developed the COVID-19 Resource Center and published guidance letters issued to all federally insured credit unions to ensure they took steps to assist credit union members through the unprecedented pandemic and its economic and financial disruptions.

With the ending of the national emergency, the NCUA reviewed all COVID-related supervisory guidance and identified what is no longer applicable or necessary. A complete list of archived or rescinded guidance and guidance still in effect is available on the NCUA's website.

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NCUA Board Approves Proposal on MDI Preservation Program

The NCUA Board unanimously approved proposed changes to the interpretive ruling and policy statement on the agency's Minority Depository Institution Preservation Program. The proposal would amend Interpretive Ruling and Policy Statement 13-1, approved on June 18, 2015, to reflect the transfer of the MDI preservation program administration from the agency's Office of Minority and Women Inclusion to its Office of Credit Union Resources and Expansion, update the program's features, and clarify the requirements for a credit union to receive and maintain an MDI designation.

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CFPB Blog: Protecting Consumers' Right to Challenge Discrimination

The Consumer Financial Protection Bureau (CFPB) is committed to ensuring fair, equitable, and nondiscriminatory access to credit for individuals and communities. The CFPB administers and enforces federal laws such as the Equal Credit Opportunity Act, a landmark civil rights law that protects people against discrimination in all aspects of credit transactions. Under the law, consumers targeted by race, religion, age, or any other prohibited basis with predatory lending products or practices also have the right to challenge that discrimination by bringing a lawsuit. Yet lenders engaged in discriminatory acts or practices sometimes unfairly try to make consumers sign away that right.

Fortunately, many courts have rejected attempts to make people sign away crucial legal rights.

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NCUA: Simplified CECL Tool Updated for June 30, 2023

The National Credit Union Administration has released the June 2023 update of its Simplified CECL Tool. The update includes the latest life-of-loan, or Weighted Average Remaining Maturity, factors and additional minor enhancements. The Simplified CECL Tool is provided to credit unions as a means to estimate the allowance for credit losses on loans and leases. The NCUA implements quarterly updates to enable a credit union to use the Tool before its books are closed and it makes its quarterly NCUA Call Report submission

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WOCCU: Worldwide Foundation for Credit Unions Launches Resilience Initiative in Ukraine

Working in cooperation with the USAID/WOCCU Credit for Agriculture Producers (CAP) Project, WFCU launched its Resilience Initiative, aimed at assisting vulnerable populations and boosting sustainable development in Ukraine, after signing agreements with two United (Central) Credit Unions (UCUs) in Ukraine. The UCUs will pass the \$500,000 on to individual credit unions, so they can provide loans aimed at stimulating rural and agricultural business recovery and growth and supporting vulnerable populations amid Russia's ongoing war against Ukraine.

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Questions, Comments, Concerns? We are here to help! Email us at
info@leagueinfosight.com