

InfoSight Newsletter

March 3rd, 2023 | Volume 17 | Issue 8

League InfoSight Highlight: Deeper Dive into NCUA's 2023 Supervisory Priorities

Given the current environment, many of the topics in **NCUA's Letter to Credit Unions 23-CU-01** – 2023 Supervisory Priorities are not a surprise. If you haven't yet had a chance to read the NCUA Letter, the priorities include:

- Interest Rate Risk
- Liquidity Risk
- Credit Risk
- Fraud Prevention and Detection
- Information Security
- Consumer Financial Protection
 - Overdraft programs
 - Fair lending, including review of residential real estate appraisals for any bias
 - Truth in Lending Act
 - Fair Credit Reporting Act

Current Expected Credit Loss (CECL) Transition, Succession Planning, Support for Small Credit Unions and Minority Depository Institutions, and the Post Examination Survey are also areas of focus for the NCUA this year.

The NCUA also put out a **webinar** on their priorities, which provided deeper context. When developing their Consumer Financial Protection priorities, the NCUA indicated that they look at several factors, including recent rules, findings of safety and soundness and fair lending exams, consumer complaints, and even areas of common interests discussed in collaboration with other Federal Financial Institution Examination Council (FFIEC) members.

Focusing on the Consumer Financial Protection, the NCUA indicated that as part of their review of Overdraft programs, they will specifically be taking a look at:

- Website advertising;
- Balance calculation methods;
- Settlement processes;
- Member statements and disclosures (related to the Payday Alternative Loans (PALS II) program; and
- Management's actions to address unanticipated overdraft fees.

From a **Fair Lending perspective**, the webinar indicated they would be reviewing policies and procedures related to loan pricing discrimination risk, steering discrimination risk and appraisal bias.

For the **Truth in Lending Act**, they indicated a focus for federal credit unions that have auto loan portfolios which have increased more than 30% from September 30, 2021 to September 30, 2022.

The **Fair Credit Reporting Act** review will include adverse action notices, risk-based pricing disclosures, and consumer rights disclosures.

Make sure you feel on top of your game before the examiners come, and take advantage of the tools and resources we have within InfoSight on these topics. Not only do we have checklists to help you comply with requirements, but we aggregate a tremendous amount of relevant and reliable resources to dive deeper and keep your credit union protected and compliant.

Glory LeDu,
CEO, League InfoSight and CU Risk Intelligence

Celebrating Women's History Month!

March is Women's History Month

League InfoSight joins in the celebration of Women's History, and encourages the study, observance and commemoration of the vital role women have in our history, and in a better future.

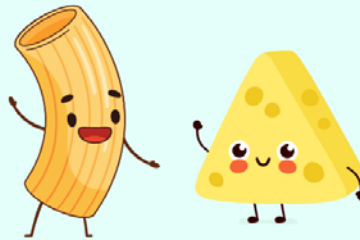


Stay Tuned:



Connect with us on social media to keep up with the latest updates and information from League InfoSight!

Mac
&
Cheese...



Flowers
&
Bees...



some things
are just better together!

CUPolicyPro & **RecoveryPro**

Coming 1st Q 2023

Resources For Complaint Management

Member complaints are no fun. They can affect member loyalty, take time to resolve, and bring negative publicity to the credit union.

Proper complaint management provides an opportunity to identify member needs, highlight underlying issues, and make corrections to processes and procedures. Appropriately handling and resolving member concerns can increase satisfaction and ensure the credit union is exceeding members' needs.

League InfoSight provides multiple resources to assist and support credit unions looking to establish or strengthen their complaint management process.

The *Complaint Management* topic in **InfoSight** explains the applicable requirements, outlines how this affects credit unions, and provides suggestions for a successful complaint management program. There is also information detailing complaint management from the NCUA's perspective.

CU PolicyPro provides model *Complaint Process* procedures for both federally- and state-chartered credit unions (1230.10 and 1230.11, respectively). The model content can be completely customized to meet your credit union's unique operations.

Our partners at **CU Risk Intelligence** offer products that feature cost-effective compliant management tools, including a comprehensive complaint management system to track complaints, assign employees to investigate, record corrective action, and create reports to help identify potential trends or areas needing improvement.



Managing Member Complaints

- Develop policies and procedures to ensure a consistent response and proper escalation
- Centralize the process with a solid Complaint Management System
- Designate staff to respond to complaints and document relevant information and resolution
- Analyze and report to discover trends

InfoSight

CUPolicyPro

News and Alerts!

CFPB Publishes New Findings on Financial Profiles of Buy Now, Pay Later Borrowers

The Consumer Financial Protection Bureau (CFPB) has published a new report analyzing the financial profiles of Buy Now, Pay Later borrowers. While many Buy Now, Pay Later borrowers use the product without noticeable indications of financial stress, the report finds that Buy Now, Pay Later borrowers are more likely to be active users of other types of credit products like credit cards, personal loans, and student loans.

[Read More](#)

CFPB Announces Appointments of New Advisory Committee Members

The Consumer Financial Protection Bureau (CFPB) announced the appointment of new members to the Consumer Advisory Board, Community Bank Advisory Council, Credit Union Advisory Council, and Academic Research Council.

The Dodd-Frank Wall Street Reform and Consumer Protection Act charges the CFPB with establishing a Consumer Advisory Board to provide advice on a variety of consumer finance issues. Members of the Consumer Advisory Board represent the various districts of the Federal Reserve System. Each member appointed to the Consumer Advisory Board was recommended by a president of a Federal Reserve Bank.

[Read More](#)

NCUA: Permissible Loan Interest Rate Ceiling Extended

On January 26, 2023, the NCUA Board voted to continue the temporary 18-percent interest rate ceiling for loans made by federal credit unions, based on the authorities established by the Federal Credit Union Act.

The Federal Credit Union Act generally limits federal credit unions to a 15 percent interest rate ceiling on loans. However, the NCUA Board may establish a temporary, higher rate for up to 18 months after considering certain statutory criteria. The previously approved 18-percent interest rate ceiling expires on March 10, 2023. The January NCUA Board action extends the temporary 18 percent interest rate ceiling through September 10, 2024.

[Read More](#)



Learning a new regulation has been released



Realizing you are not compliant



Reporting your findings to management



Thinking about training staff



Wondering what to do next



Finding what you need on InfoSight



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