



InfoSight Highlight

Stay Up-To-Date With the InfoSight Compliance Calendar!
Do you need to keep up with what is coming up in 2015? Want to make sure that you didn't miss anything for 2014?

Check out the [Compliance Calendar](#) on InfoSight. There are several different ways to view the calendar, so pick the one that works best for you.

Stay in compliance and on time with the Compliance Calendar.

Compliance News

2015 HMDA News

The Consumer Financial Protection Bureau (CFPB) has adjusted the asset-size exemption threshold for Regulation C (Home Mortgage Disclosures) to increase from \$43 million to **\$44 million**, effective **January 1, 2015**. Therefore, credit unions with assets of \$44 million or less as of December 31, 2014, are exempt from collecting data in 2015. For more information see the [December 29, 2014, Federal Register](#).

2015 HMDA Data Entry Software: The FFIEC has [announced](#) the availability of the 2015 version of HMDA data entry software.

2015 HMDA Reporting Guide Letter: The FFIEC has announced the issuance by the CFPB of the 2015 Informational Guide Letter for HMDA reporters. Filers should use the [2013 edition](#) of *A Guide to HMDA Reporting: Getting it Right*, together with the [2014](#) and [2015](#) Informational Guide Letters, for guidance on collection and reporting of calendar year 2015 HMDA data that will be submitted by March 1, 2016.

2015 HPML Appraisal Exemption Amount

GEORGIA CREDIT UNION

Affiliates

InfoSight
Compliance eNEWSLETTER

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Compliance Video

Compliance Connection Video

[In this video](#), League InfoSight CEO Glory LeDu talks about the highlights from the 4th Quarter of 2018 and the 1st Quarter of 2019.

When S.2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, passed in 2018 there was a lot to understand! Glory LeDu, League InfoSight CEO, provides [Part 1 in this short video](#) to break it down for you.

Just a reminder that Compliance videos since 2016 can be found on YouTube at [the Compliance Connection channel](#), where they are generally updated quarterly.

The Federal Reserve Board has announced the annual adjustment of the dollar amount used to determine whether a small loan is exempt from the special appraisal requirements that apply to higher-priced mortgage loans (Regulation Z § 1026.35(c)(2)(ii)). The exemption threshold is being **adjusted to \$25,500**, effective **January 1, 2015**, and will be in effect for calendar year 2015. The exemption threshold was previously set at \$25,000.

Reg Z Small Creditor Cap Adjusted to \$2.060B

The CFPB has adjusted the small-creditor asset cap from \$2.028 billion to \$2.060 billion, effective January 1, 2015. The asset-size threshold is one of the criteria certain creditors must meet to qualify for an exemption from the requirement to establish an escrow account for a higher-priced mortgage loan. **Therefore, creditors with assets of \$2.060 billion or less as of December 31, 2014, are exempt, if other requirements of Regulation Z also are met, from establishing escrow accounts for higher-priced mortgage loans in 2015.** The adjustment to the escrows exemption asset-size threshold will also increase a similar threshold for small-creditor portfolio and balloon-payment qualified mortgages. Balloon-payment qualified mortgages that satisfy all applicable criteria, including being made by creditors that do not exceed the asset-size threshold, are also excepted from the prohibition on balloon payments for high-cost mortgages.

For more information see the [December 29, 2014, Federal Register](#).

NCUA Amends Appraisal Rules

The NCUA has published amendments to its appraisal regulations at 12 CFR Parts 701 and 722. The agency is eliminating from its regulations the now duplicative requirement at 12 CFR 701.31 that federal credit unions (FCUs) make available, to any requesting member, a copy of the appraisal used in connection with that member's application for a loan secured by a first lien on a dwelling. Also amended are NCUA's appraisal regulations by expanding the current exemption at 12 CFR

Compliance Calendar

January 10
FHA ARM Notification Requirements – Effective date

January 19
Martin Luther King, Jr Birthday - Federal Holiday

January 21
FHA Prepayment Rule Handling – Effective date

January 23
5300 Call Report Due to NCUA

January 31
Credit Card Quarterly Agreement Submission Due to CFPB (10,000 or more open credit card accounts)

[Click here for upcoming compliance dates.](#)

Compliance Training

January 21, 2015
Training for the Frontline and Beyond - Webinar
2:00 - 3:30 p.m. EST

January 26, 2015
Creating a Transparent Board - Dealing with Conflicts of Interest - Webinar
2:00 - 3:00 p.m. EST

722.3 for certain transactions involving an existing extension of credit. The amendments are effective **January 20, 2015**.

Georgia Residential Mortgage Act Fee (“GRMA”) Reporting and Payment Process

The GRMA fee on-line reporting and payment process has changed substantially with the semiannual reporting period that opens on January 2, 2015 (for GRMA fees collected from July 1, 2014 through December 31, 2014).

Please refer to the [Department’s website](#) for a more detailed discussion of these changes.

The most significant changes to the GRMA semiannual reporting and payment process are as follows:

Elimination of “\$0 GRMA fee statement reporting”: Revisions to Department Rules 80-5-1-.04 and 80-11-3-.01(13) eliminate the requirement that a fee statement be filed even if no residential mortgage loans were closed during the semiannual reporting period.

Changes to the Online GRMA Reporting and Payment

Process: The online GRMA per Loan Fee Reporting and Payment Process has been modified as follows:

- The [payment site](#) no longer requires a Login ID and password.
- Separate reporting and payment processes have been created for Georgia state-chartered banks and credit unions, Georgia state-licensed or registered mortgage companies and all other entities reporting.
- The online payment site has been modified to allow any entity to remit GRMA fees during the semiannual period since a user ID and password are no longer required.
- **GRMA Late Fees/Fines:** Rule changes were made to clarify that the remittance of any \$10.00 fees after the date on which they are due shall subject the collecting agent to a late payment fee of \$100 for each due date missed. In addition, if the Department finds that the collecting agent has not submitted GRMA fees within six months of the due date, the collecting agent will be subject to an additional fine of 20% of the total

February 4, 2015
[ID Theft red Flags and Check Fraud for the Frontline](#) - Webinar
2:00 - 3:30 p.m. EST

February 16, 2015
[Examination Guidance for Directors](#) - Webinar
2:00 - 3:00 p.m. EST

March 4, 2015
[Collection Compliance Do-s and Don't-s for the Frontline](#) - Webinar
2:00 - 3:00 p.m. EST

March 11, 2015
[Recognizing Financial Elder Abuse for the Frontline](#) - Webinar
2:00 - 3:30 p.m. EST

March 23, 2015
[The Director - A Guide to Effectively Working with the Supervisory Committee](#) - Webinar
2:00 - 3:00 p.m. EST

April 1, 2015
[New Accounts for the Frontline: Compliance Issues to Watch For](#) - Webinar
2:00 - 3:00 p.m. EST

BSA Training Opportunities through GCUA
[Click here for details](#)

amount of \$10.00 fees required to be collected for the applicable period.

- **Payments made by Credit or Debit Card:** The Department is now using Official Payments Corporation as its credit card service provider for the payment of fees due the Department. Official Payments Corporation charges a nominal convenience fee based on the amount of the transaction. The convenience fee is 2.50% of the payment amount, with a minimum service fee of \$1.00 per payment transaction. **NOTE:** The Department will continue to offer ACH draft as a payment option at no cost to the remitter.

Backup Withholding Rate Change?

Question: Will the backup withholding rate change for the year 2015?

Answer: Backup withholding will continue to be 28% for U.S. account holders in 2015. The following excerpt is from the IRS [2015 Employer's Tax Guide](#):

"Backup withholding. You generally must withhold 28% of certain taxable payments if the payee fails to furnish you with his or her correct taxpayer identification number (TIN). This withholding is referred to as "backup withholding."

Payments subject to backup withholding include interest, dividends, patronage dividends, rents, royalties, commissions, nonemployee compensation, payments made in settlement of payment card or third-party network transactions, and certain other payments you make in the course of your trade or business. In addition, transactions by brokers and barter exchanges and certain payments made by fishing boat operators are subject to backup withholding."

Who Has The Right To Cash The Check?

Question: We have received a check for \$1000 made payable in the following manner:

**Pay to the order of: John Q. Member
Joan B. Member**

John Q. Member and his wife, Joan, have a joint account at our credit union. Joan wants to cash this check. Are both signatures required to cash the check?

Answer: No, both signatures are not required to cash the check. Section 11-3-110 (d) of the Official Code of Georgia Annotated (OCGA) states that "...If an instrument payable to two or more persons is ambiguous as to whether it is payable to the persons alternatively, the instrument is payable to the persons alternatively."

In other words, if a financial institution cannot determine by looking at the check that one or the other, or both, of the payees can enforce the obligation, either payee can enforce it. The OCGA implies that the issuer of the check is responsible for clarifying who the check is intended to be negotiated by, not the credit union.

The same would apply if the check had read:

Pay to the order of: John Q. Member
and/or
Joan B. Member

With the payor not being specific as to which person (or both persons) was entitled to the check, the OCGA gives the financial institution authority to cash the item for either person.

However, the credit union must also consider the instructions on check itself. Look at the check itself to see whether it contains any instructions as to what a proper endorsement should contain. Some checks (for example insurance checks/drafts) may say on the back they must be endorsed by all payees in order to be negotiable.

Note: This is just one of the UCC provisions relevant to credit union day-to-day operations. The National Check Fraud Center has put together a list of "*20 UCC Provisions Every Banker Should Know.*" Your credit union may want to share this with the staff, as it explains some of the complicated UCC provisions in easy-to-understand language.

Your CU Should Know...

NCUA Issues MSB Guidance: NCUA has issued a Supervisory Letter to provide guidance to credit unions accepting money service business (MSB) accounts.

2015 TAVT Rate Increase: Motor vehicles purchased on or after March 1, 2013, and titled in Georgia are exempt from sales and use tax and annual ad valorem tax, also known as the "birthday tax." These taxes were replaced by a one-time tax that is imposed, at the time the vehicle is titled, on the fair market value of the vehicle – the title ad valorem tax ("TAVT").

For a motor vehicle with a date of purchase from March 1, 2013, through December 31, 2013, the rate of TAVT was 6.5%. For a motor vehicle with a date of purchase from January 1, 2014, through December 31, 2014, the rate of TAVT was 6.75%.

On January 1, 2015, according to the statutory formula, the TAVT rate increases from 6.75% to 7%. Any motor vehicle with a date of purchase of January 1, 2015, or later, as stated on the Certificate of Title Application (Form MV-1), will be subject to the 7% rate.

NCUA Membership Options and Strategies Video: The latest video in the NCUA YouTube series has been posted. The "Strive to Thrive and Serve" video provides an overview of the various field of membership types available to federal credit unions. The video also identifies expansion and conversion opportunities available for each field of membership type.

Also posted to the NCUA YouTube series of Economic Updates is a video that covers the latest economic activity, the 2015 economic outlook and the performance of federally insured credit unions during the third quarter.

Consumer Compliance Outlook: The Fourth Quarter 2014 issue of the Federal Reserve's *Consumer Compliance Outlook* newsletter has been released, with a featured article on "Managing Compliance Risk

Through Consumer Compliance Risk Assessments."

Comment Calls

Removal of 36-Month Non-Payment Testing Period Rule

The IRS has issued a proposal to remove the 36-month non-payment testing period prong from the IRS rule on cancellation of debt. Specifically, the proposal would remove a component of the IRS rule that a deemed discharge of indebtedness for which a Form 1099-C, Cancellation of Debt, must be filed occurs at the expiration of a 36-month non-payment testing period.

The IRS is concerned that the rule creates confusion for taxpayers and does not increase tax compliance by debtors or provide the IRS with valuable third-party information that may be used to ensure taxpayer compliance. Specifically, the IRS has noted that the expiration of a 36-month non-payment testing period does not necessarily coincide with an actual discharge of the indebtedness, leading to confusion on the part of the debtor and, in some instances, uncertainty on the part of the creditor regarding whether it may lawfully continue to pursue the debt. Therefore, the IRS is proposing to remove the 36-month non-payment testing period prong.

Please send your comments and/or concerns to Selina Gambrell at selinag@gcua.org by **January 8th**.

The CUNA Regulatory Advocacy Report contains information from the office of the President of CUNA about regulatory issues that affect credit unions. You can view the current report and past reports from the archive.

Click [here](#) to request to be added to the mailing list for this and/or other GCUA email publications.

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bookmarks: <http://ga.leagueinfosight.com/>.

Need a BSA, ACH or Website review? Email compliance@gcua.org.