



InfoSight Highlight

How Does the ECOA Affect Credit Unions?

Regulation B (Reg B) implements the provisions of the Equal Credit Opportunity Act (ECOA). ECOA requirements apply to both state and federally-chartered credit unions. Enforcement is vested in the National Credit Union Administration for federally-chartered credit unions and the Federal Trade Commission for state-chartered credit unions.

What actions should credit unions take to ensure compliance with the ECOA?

Credit unions must take steps to ensure that discrimination does not play a part in credit decisions. The regulation also requires credit unions to notify applicants of action taken on their applications; to report credit history in the names of both spouses on an account; to retain records of credit applications; to collect information about the applicant's race and other personal characteristics in applications for certain dwellings-related loans; and to provide applicants with copies of appraisal reports used in connection with credit transactions. Credit unions should implement policies and procedures to ensure compliance with Reg B.

For additional information, click [here](#) for the topic.

Compliance News

Credit Card Radio/TV Ad

Question: In a credit card television or radio ad do we have to use a toll-free number? Can we use the credit union's web address or say "visit a local branch" instead?

Answer: Regulation Z requires that a toll-free number be used. It does not allow for any alternatives.

But first, you have to remember, a couple of things must take place. First, the ad must contain a trigger term. Trigger terms for open-end credit include:

1. The Annual Percentage Rate or APR

GEORGIA CREDIT UNION

Affiliates

InfoSight
Compliance eNEWSLETTER

May 26, 2015

Vol. 9, Issue 21

Created in partnership with the



Credit Union National Association

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](#)

2. A description of the circumstances under which a finance charge will be imposed, or how it is to be determined; mention of the APR, periodic rate, or any grace period
3. A description of any circumstances under which a finance charge would not be imposed
4. The amounts of any other charges that might be imposed, or an explanation of how they would be determined

channel, where they are generally updated quarterly.

If a trigger term is included in a television or radio ad, then the ad must also include the periodic rate expressed as an APR, and then the credit union must include a toll-free number that consumers can call to get the additional disclosures required.

The ad can also include the credit union’s website address or say “visit a local branch,” but the toll-free number must be included in a TV or radio ad if the ad has a trigger term in order for the ad to be in compliance with Regulation Z.

Section 1026.16 of Reg Z says:

(e) Alternative disclosures—television or radio advertisements. An advertisement made through television or radio stating any of the terms requiring additional disclosures under paragraphs (b)(1) or (d)(1) of this section may alternatively comply with paragraphs (b)(1) or (d)(1) of this section by stating the information required by paragraphs (b)(1)(ii) or (d)(1)(ii) of this section, as applicable, and listing a toll-free telephone number, or any telephone number that allows a consumer to reverse the phone charges when calling for information, along with a reference that such number may be used by consumers to obtain the additional cost information.

The Commentary to this section:

16(e) Alternative Disclosures—Television or Radio Advertisements

1. *Multi-purpose telephone number. When an advertised telephone number provides a recording, disclosures must be provided early in the sequence to ensure that the consumer receives the required disclosures. For example, in providing several options—such as providing directions to the advertiser’s place of business—the option allowing the consumer to request disclosures should be provided early in the telephone message to ensure that the option to request disclosures is not obscured by other information.*
2. *Statement accompanying toll free number. Language must accompany a telephone number indicating that disclosures are*

Compliance Calendar

- July 3
Independence Day - Federal Holiday
- July 18
Higher-Priced Mortgage Loans: Modified exemptions for loans secured by manufactured homes
- July 23
Changes to Posting Rules for ACH Transactions (Federal Reserve) Effective date
- July 24
5300 Call Report Due to NCUA
- August 1
CFPB: Know Before You Owe Disclosure - Effective Date
- CFPB: Integrated Mortgage Disclosures - Effective Date
- September 7
Labor Day - Federal Holiday
- September 18
NACHA’s Return Rate Levels & Reinstated Transactions Rule
- October 12
Columbus Day - Federal Holiday

available by calling the telephone number, such as “call 1-(800) 000-0000 for details about credit costs and terms.”

October 23
5300 Call Report Due to NCUA

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

Compliance Training

May 28, 2015
[Indirect Lending - The CFPBs View on Auto Dealership Relationships](#) - Webinar
12:00 – 1:00 p.m. EST

June 1, 2015
[The Basics of Consumer Lending Part 1](#) - Webinar
2:00 – 3:30 p.m. EST

June 4, 2015
[Home Equity Lending](#) - Webinar
2:00 – 3:30 p.m. EST

June 8, 2015
[The Basics of Consumer Lending Part 2](#) - Webinar
2:00 – 3:30 p.m. EST

June 11, 2015
[Consumer Lending Compliance 101](#) - Webinar
2:00 – 3:30 p.m. EST

June 17, 2015
[Advanced Exceptions with International ACH Transactions \(IAT\) OFAC Compliance](#) - Webinar
2:00 – 3:00 p.m. EST

June 18, 2015
[Financial Counseling - What to](#)

BSA Fields

Question: Our credit union was written up on our last exam for not including the RSSD number on our CTRs and SARs. When did this become a requirement?

Answer: We were informed by FinCEN that the mandate to include the RSSD number on CTRs and SARs was March 31, 2013.

However, prior to that FinCEN’s [FIN2012-G002](#) Guidance stated that financial institutions will provide the most complete filing information available within each report consistent with existing regulatory expectations, regardless of whether or not the individual fields are deemed critical for technical filing purposes. See the excerpt below:

*“Certain fields in the new CTR and SAR are marked as “critical” for technical filing purposes; this means that the BSA E-Filing System will not accept filings in which these fields are left blank. For these items, the filing institution must either provide the requested information or affirmatively check the “unknown” (Unk.) box that is provided with each critical field. This unknown box will thus supersede FinCEN’s previous guidance where we have requested that filers input “N/A” or “XX” in certain fields. **For those fields that are not marked as “critical” for technical filing purposes, the BSA E-Filing System will accept reports, in which these fields have been left blank. FinCEN expects, however, that financial institutions will provide the most complete filing information available within each report consistent with existing regulatory expectations, regardless of whether or not the individual fields are deemed critical for technical filing purposes.**”*

Question: If we are missing the RSSD number on previously filed CTRs and SARs, do we need to file an amendment on these reports?

Answer: FinCEN has informed us that a missing RSSD number **does not** trigger amending the previous reports. The RSSD number should be included in all CTRs and SARs going forward.

Question: Where can our credit union find its RSSD number?

Answer: Credit unions can locate their RSSD number on NCUA's website under "[Research A Credit Union.](#)"

Type in the credit union's name; hit enter; then choose the credit union's "profile report" at the bottom of the page (Don't forget to enter the security characters in the box to the right).

Question: We have a question about completing the occupation field when completing the electronic SAR. What do we do when we don't know the member's occupation?

Answer: FinCEN has advised us that the occupation field should be left blank if the occupation is not known.

Your CU Should Know...

Debit Card Interchange Fees and Routing FAQs: The Federal Reserve Board has posted [FAQs](#) on Regulation II (12 CFR Part 235), Debit Card Interchange Fees and Routing, to assist entities in complying with the regulation. The FAQs are not official interpretations of the Board. They illustrate how select provisions of the regulation apply to specific situations an entity may confront. but do not necessarily address all provisions that may apply to any given situation. The FAQs are subject to change from time to time.

Change in Fed Check Clearing: Federal Reserve Financial Services has [announced](#) a change in its handling of items drawn on retired

[Look for and What to Know as a Lender](#) - Webinar
2:00 – 3:30 p.m. EST

June 25, 2015
[Use of Loan Guaranties Instead of Co-Signers](#) - Webinar
12:00 – 1:00 p.m. EST

June 30, 2015
[IRA Beneficiary Distributions](#) - Webinar
12:00 – 1:30 p.m. EST

July 7, 2015
[IRA Conversions and Recharacterizations](#) – Webinar
12:00 – 1:30 p.m. EST

July 7, 2015
[Minimizing the Risk of Mortgage Fraud](#) – Webinar
2:00 – 3:30 p.m. EST

July 7 – 28, 2015
[CUNA Residential Mortgage Lending eSchool](#)
2:00 – 3:30 p.m. EST

July 13 – September 14, 2015
[CUNA Fundamentals of Investment Management eSchool](#)
3:00 – 4:30 p.m. EST

July 14, 2015
[IRA Simplified Employee Pension \(SEP\) Plans](#) – Webinar
12:00 – 1:30 p.m. EST

July 21, 2015
[IRA 72\(t\) Payments](#) – Webinar
12:00 – 1:30 p.m. EST

July 21, 2015
[What's New in Mortgage](#)

routing numbers. Beginning in the third quarter of 2015, the Reserve Banks will return items drawn on retired RTNs directly to the bank of first deposit (BOFD) (or the depositing financial institution if there is no BOFD routing number in the 26 record) rather than flowing these items to the paying bank for subsequent return. The implementation date will be announced at least 30 days prior to the effective date of the change.

Fannie and Freddie Announce New Seller/Servicer

Requirements: The Federal Housing Finance Agency (FHFA) has announced that Fannie Mae and Freddie Mac (GSEs) are issuing new operational and financial eligibility requirements for all current and potential single-family mortgage Seller/Servicers. Statements and FAQs regarding the requirements were also issued by the two GSEs. The operational requirements become effective no later than **September 1, 2015** and the financial requirements become effective **December 31, 2015**.

FTC Takes on Debt Collectors Using Illegal Text Messages: The Federal Trade Commission (FTC) has announced that federal courts in two states have temporarily halted three debt collection operations that allegedly violated federal law by threatening and deceiving consumers via text messages, emails, and phone calls. Complaints were filed by the FTC against United Global Group, Premier Debt Acquisitions and the Primary Group. The Commission alleges the defendants used text messages, emails, and phone calls to falsely threaten to arrest or sue consumers. They also are alleged to have unlawfully contacted friends, family members, and employers, withheld information consumers needed to confirm or dispute debts, and failed to identify themselves as debt collectors, as required by law.

Bureau to Make PayPal Pay Up: The Consumer Financial Protection Bureau (CFPB) has announced that it has filed a complaint and a proposed consent order against PayPal, Inc., for illegally signing up consumers for its online credit product, PayPal Credit, formerly known as Bill Me Later. The CFPB alleges that PayPal:

- Failed to honor advertised promotions, such as a \$5 or \$10 promised credit toward consumer purchases

Lending Compliance – Webinar
2:00 – 3:30 p.m. EST

July 22 – August 5, 2015
CUNA Marketing Compliance eSchool
3:00 – 5:00 p.m. EST

July 23 – 25, 2015
Coastal Supervisory Committee & Internal Auditor Conference
Charleston, SC

July 28, 2015
QRP Beneficiary Rollovers to Inherited IRAs – Webinar
12:00 – 1:30 p.m. EST

BSA Training Opportunities through GCUA
Click here for details

- Abusively charged consumers deferred interest
- Enrolled consumers in PayPal Credit without their knowledge or consent
- Made consumers use PayPal Credit for purchases instead of their preferred payment method
- Engaged in illegal billing practices
- Mishandled consumer disputes about payments

Under the proposed order, PayPal would pay \$15 million in consumer redress and a \$10 million penalty, and it would be required to improve its disclosures and procedures.

Bureau Blogs on Checking Credit History: The CFPB has posted an [article](#) explaining how consumers can fact-check the credit history information listed on their specialty credit reports. Specialty Consumer Reporting Agencies compile and sell reports related to consumers' history of employment, rental, banking, lending, insurance, and criminal background. These reports also include other public record data such as tax liens, civil suits and bankruptcy data. The article also contains links to instructions [how to dispute](#) a report's content and [submit a complaint](#) to the Bureau online.

CFPB Launches Financial Coaching Initiative: The CFPB has [announced](#) the launch of its Financial Coaching Initiative, which targets recently-transitioned veterans and economically vulnerable consumers to help them with their financial goals. The program places 60 certified financial coaches at organizations around the country to provide individualized educational services.

Comment Calls

2015 Annual NCUA Regulatory Review List

NCUA has a policy of continually reviewing its regulations to determine whether they should be updated, clarified, simplified, or eliminated. Every year, NCUA examines one-third of its regulations as part of this annual review process.

Please see NCUA's [2015 Regulatory Review](#) for this year's list. Please send your thoughts, suggestions, and/or comments to Selina Gambrell at selinag@gcua.org by **July 13th**.

The [CUNA Regulatory Advocacy Report](#) keeps you on top of the most

important changes in Washington for credit unions--and what CUNA is doing to monitor, analyze, and influence government agencies and federal law. 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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Need a BSA, ACH or Website review? Email compliance@gcu.org.