



## InfoSight Highlight

Reminder: GCUA Cybersecurity Compliance Call  
Please join us to hear nationally recognized speaker and credit union attorney David Reed of Reed & Jolly, PLLC discuss the latest regulatory developments and future activity in this rapidly evolving area.

This session will cover:

- Cybersecurity examination focus and guidance
- FFIEC Guidance and Game Plan
- From Teller to Board Chair, what cybersecurity should mean to your team
- Question and Discussion time

**Date: Wednesday, July 15, 2015**

Times: 10:00 a.m. EST

Toll Free Dial In: 877.868.6863

Participant Passcode: 618748#

## Compliance News

Adding Associations to Your Field of Membership (FCUs)  
NCUA has issued **Letter to Federal Credit Unions 15-FCU-03** to remind federal credit unions (FCU) that serve associations in their field of membership, or are contemplating doing so, they will benefit from the new NCUA guidance describing NCUA's modernized associational common bond rule.

On April 30, 2015, a majority of the NCUA Board approved a new final rule on Associational Common Bonds to provide regulatory relief to federal credit unions seeking to add associations to their field of membership. **Effective July 6, 2015, NCUA provides automatic approval of 12 categories of associations:**

1. Alumni associations;
2. Religious organizations, including churches or groups of related churches;
3. Electric cooperatives;
4. Homeowner associations;
5. Labor unions;

GEORGIA CREDIT UNION  
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InfoSight  
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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

6. Scouting groups;
7. Parent-teacher associations organized at the local level to serve a single school district;
8. Chamber of Commerce groups (members only, not employees of members);
9. Athletic booster clubs whose members have voting rights;
10. Fraternal organizations or civic groups with a mission of community service whose members have voting rights;
11. Organizations with a mission based on preserving or furthering the culture of a particular national or ethnic origin; and
12. Organizations promoting social interaction or educational initiatives among persons sharing a common occupational profession.

Based on past experience, **the majority of associations are now eligible for FCU membership under one of these 12 categories of automatically qualifying groups.**

NCUA has updated the Field of Membership Internet Application (FOMIA) system to accommodate the 12 categories of associations that automatically qualify as valid associations. The new system allows FCUs to receive an immediate electronic confirmation of approved applications.

For associations that do *not* qualify for the above categories of pre-approved association groups, **NCUA is streamlining the approval process. The rule clarifies the four most important criteria NCUA considers to approve a valid association:**

1. Whether the association provides opportunities for members to participate in the furtherance of the goals of the association;
2. Whether the association maintains a membership list;
3. Whether the association sponsors other activities; and
4. Whether the association's membership eligibility requirements are authoritative.

To ensure NCUA staff consistently apply the new rule, the Director of the Office of Consumer Protection (OCP) issued an internal instruction to OCP staff, and the Director of the Office of Examination and Insurance issued a Supervisory Letter to field staff. The Letter includes highlights of the OCP instruction and a copy of the Supervisory Letter. These documents are intended to provide FCUs with a better understanding of NCUA's regulatory focus and procedures for handling associational common bond matters.

channel, where they are generally updated quarterly.

### Compliance Calendar

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

September 7  
Labor Day - Federal Holiday

September 18  
NACHA's Return Rate Levels & Reinstated Transactions Rule

October 1  
CFPB: Know Before You Owe Disclosure - Effective Date

CFPB: Integrated Mortgage Disclosures - Effective Date

October 12  
Columbus Day - Federal Holiday

October 23  
5300 Call Report Due to NCUA

November 1  
Daylight Savings Time Ends

There are additional NCUA resources available to assist FCUs in addressing a variety of chartering and field of membership issues. OCP's chartering and field of membership resources web page aggregates all the information in one central location. The webpage is available [here](#) and includes links to updated FOMIA User Instructions and Frequently Asked Questions.

FCUs with questions should contact the OCP Divisions of Consumer Access and Consumer Access-South at (703) 518-1150 or at [DCAMail@ncua.gov](mailto:DCAMail@ncua.gov).

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#### OFAC/BSA FAQs

**Question: We just got our first “hit” ever on the OFAC SDN List. I know we have ten days to report a blocked account or rejected transaction. But, does the report have to be provided in writing? We called OFAC when the hit occurred so they already know about it.**

**Answer:** The answer, according to [CUNA's Compliance Blog](#) is “yes.” OFAC requires that all blocking and reject reports be submitted in writing. Reporting forms and options for electronic filing are available [here](#).

**OFAC also requires all holders of blocked property to file a comprehensive annual report on blocked property held as of June 30th by September 30th each year.** (There is no need to file the report if the credit union has had no "hits" on the SDN List and is holding no blocked property.) The [annual reporting form](#) is available [here](#).

**Question: When a potential member's name appears on the OFAC SDN List, should the credit union open the account and block (freeze) the initial deposit; or return the deposit and tell the person that it can't open the account because doing so is prohibited by OFAC?**

**Answer:** According to the Office of Foreign Assets Control (OFAC), “a U.S. bank cannot open an account for a person named on the SDN List. This is a prohibited service. If the bank does come into the

November 11  
Veterans' Day - Federal Holiday

November 26  
Thanksgiving Day - Federal Holiday

December 25  
Christmas Day - Federal Holiday

December 31  
Foreign Account Tax  
Compliance Act Effective Date

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

#### Compliance Training

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 15, 2015  
GCUA Cybersecurity Compliance Call  
**10:00 a.m. EST**

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

July 21, 2015  
[Fine-Tuning Your Compliance Program: Common Compliance](#)

possession or control of any property in which a blocked person has an interest, it is obligated to block that property. In other words, if you receive an application to open an account from a person who matches the information on the SDN list, together with an opening deposit, you are obligated to block the funds.” OFAC FAQ 42

Once you’ve confirmed that you have a hit on the SDN List (not a false positive), you’ll need to report the blocked transaction to OFAC and place any deposit you received into a separate “blocked account” - - and of course explain to the individual why you’re taking this action. Let the person know that they can apply to OFAC for a specific license to un-block the funds (the credit union can also apply for the license on the person’s behalf.) The individual can apply for a license online or submit an application for the release of blocked funds (which is available on OFAC's website under "Forms.")

**Question: Why is the way we describe the "supporting documentation" for the SAR so important?**

**Answer:** SAR filing regulations describe the supporting documentation as part of the form. While they explicitly say that the supporting documentation is not to be filed with the SAR, they also make it plain that law enforcement personnel do not need to provide any form of legal compulsion in order to see the supporting documentation after the form has been filed. Describing the supporting documentation in explicit, objective terms is an invaluable internal control that makes it easy to decide what documentation is available to law enforcement based on a simple request and what documentation could only be delivered in response to a summons, subpoena or other means of legal compulsion.

**Question: I am filling out a CTR for a member that received cash out over \$10,000 from their Mastercard credit card. What do I put on the CTR for item 22 “Account number”, the Mastercard number or the member’s account number?**

**Answer:** According to FinCEN, since item 22 is not a required field, you can leave it blank. Putting in the credit card account number is acceptable as well. However, FinCEN suggests **not** to list the actual credit union savings account number, since the account wasn’t involved in the transaction.

Violations – NCUA Webinar  
**2:00 p.m. EST**

July 21, 2015  
What’s New in Mortgage 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**

August 4, 2015  
IRA Excess Contributions - Webinar  
**12:00 – 1:30 p.m. EST**

August 6, 2015  
Surviving in the Compliance Jungle of Collections - Webinar  
**12:00 – 1:30 p.m. EST**

August 11 & 13, 2015  
Performing Your ACH Audit and ACH Risk Assessment - Webinar  
**2:00 – 3:30 p.m. EST**

August 24-25, 2015  
NASCUS/CUNA Cybersecurity Symposium  
**Denver, CO**

August 25 – December 31, 2015

You can reach FinCEN's Regulatory Hotline at: 1-800-949-2732 or e-mail [BSA\\_Resource\\_Center@fincen.gov](mailto:BSA_Resource_Center@fincen.gov).

Your CU Should Know...

**HUD Municipal Fair Housing Rule Announced:** HUD has announced a final rule to equip communities that receive HUD funding with data and tools to help them meet long-standing fair housing obligations in their use of HUD funds. HUD will also provide additional guidance and technical assistance to facilitate local decision-making on fair housing priorities and goals for affordable housing and community development. The final rule clarifies and simplifies existing fair housing obligations for HUD grantees to analyze their fair housing landscape and set locally-determined fair housing priorities and goals through an Assessment of Fair Housing (AFH). An Executive Summary of the final rule, additional resources for grantees, and an AFH Fact Sheet were also released.

**Servicemembers Face Student Loan Challenges:** The CFPB has posted an article announcing the release of a report, "Overseas & Underserved: Student Loan Servicing and the Cost to Our Men and Women in Uniform," which indicates servicemembers face continued challenges from student loan servicers. The report highlights servicers' continued mistakes handling servicemembers' student loan repayments, resulting in improper denials of legal benefits, negative credit reporting, and shoddy follow-through on legal protections for military families. In an effort to educate military consumers and the advisors seeking to assist them, the CFPB has developed a guide for servicemembers with student loans, FAQs and an online web tool (Repay Student Debt).

**Outlook Live TRID Webinar Video Available:** The CFPB has announced that a video of the fifth and final webinar in the Bureau's Outlook Live series on the TILA/RESPA Integrated Disclosure (TRID) rule has been posted. Recordings of the first four TRID-related webinars are also available.

CUNA Regulatory Compliance Update eSchool

September 1, 2015  
Improving Credit and Correcting Errors on Credit Reports – Webinar  
**2:00 – 3:30 p.m. EST**

September 8, 2015  
Helping Your Members Understand Their Rights on Repossessions, Foreclosures and Bankruptcies - Webinar  
**2:00 – 3:30 p.m. EST**

September 8 – October 7, 2015  
CUNA Lending Compliance eSchool  
**3:00 – 4:30 p.m. EST**

September 16 – 17, 2015  
Leadership Development Institute  
**Duluth, GA**

September 20 – 25, 2015  
CUNA Regulatory Compliance School  
**Boston, MA**

BSA Training Opportunities through GCUA  
Click here for details

**JPMorgan Chase to Pay for Debt Collection Practices:** The Office of the Comptroller of the Currency has announced a \$30 million civil money penalty (CMP) has been assessed against JPMorgan Chase Bank, N.A., JPMorgan Bank and Trust Company, N.A. and Chase Bank USA, N.A. (Chase) for unsafe or unsound practices related to their non-home loan debt collection litigation practices and their Servicemembers Civil Relief Act (SCRA) compliance practices. The CMP follows a 2013 OCC enforcement action. A Statement was also issued by Comptroller Curry. The Consumer Financial Protection Bureau (CFPB), along with 47 states and the District of Columbia, also took separate actions, which were reported on the Bureau Blog. The Bureau ordered Chase to refund at least \$50 million to consumers (inclusive of amounts already refunded), stop collecting on 528,000 accounts, and include specific information when filing debt collection lawsuits in the future. Chase must also pay \$136 million in penalties and payments to the CFPB and states.

## 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@gcu.org](mailto:selinag@gcu.org) by **July 17th**.

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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access InfoSight. Simply add the following link to your  
bookmarks: <http://ga.leagueinfosight.com/>.

**Need a BSA, ACH or Website review? Email [compliance@gcu.org](mailto:compliance@gcu.org).**