



InfoSight Highlight

Smartphones and Overtime

Employees check their phones and work emails during meetings, after work, during their lunch breaks, on the weekends and even during vacation. The distinction between work and non-work time is blurred. Is an employer required to compensate an employee for checking every work-related message which could be retrieved during working time? What if she does it voluntarily? The answer invariably will be “yes”.

Compensating employees for time spent texting or responding to emails after work is a problem for non-exempt employees. An employer is not required to compensate an exempt employee for responding to texts or emails after work. Non-exempt employees receive overtime compensation for hours worked over forty in one week. It doesn't matter if the work is performed at the office or on a smartphone, via text or email.

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

InfoSight
Compliance eNEWSLETTER
August 24, 2015
Vol. 9, Issue 34

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

Compliance News

Georgia Residential Mortgage Act Fee Reminder

The GRMA fee on-line reporting and payment process changed substantially effective January 2, 2015. Refer to the Department's website for a more detailed discussion of these changes.

To avoid fines for failure to remit GRMA fees when due, reporting and payment must be completed online by the deadlines established in Rule 80-5-1-.04. Please be reminded that **zero (\$0) reporting is no longer required**. Fees collected for the period **January 1 through June 30, 2015**, should be remitted to the Department through the online reporting and payment site no later than the first business day of September. For the current GRMA semi-annual period, any filings made after **September 1, 2015**, are considered late and must be made by submitting the hardcopy fee statement form, along with the GRMA fees and any late fees due.

On June 30, 2015, the Department sent an e-mail notification to the contact person that submitted the prior semi-annual report through the Department's online reporting and payment site. For state-chartered

institutions and Georgia mortgage licensees, the Department will also send a similar notification to the primary institution/licensee contact.

IMPORTANT NOTE: Most of the Department's payment sites perform better using the Mozilla Firefox browser. If your credit unions uses Internet Explorer, please ensure that you have version 10 or higher. **Keep in mind that you may also need to refresh your browser and clear your browser's cache to ensure that you see the current, active page.**

'Disparate Impact' Survives SCOTUS Scrutiny

Among the recent dramatic decisions from the US Supreme court, was a case of significant importance to the financial services world that flew somewhat under the radar. Recently, the Supreme Court released its decision upholding elements of the Fair Housing Act (FHA) against a challenge from a Texas state agency. While upholding the theory, the Court imposed significant limitations on its application in practice and was clear in directing lower courts to root out frivolous claims early in FHA litigation.

Last year, the Texas Department of Housing and Community Affairs (Texas DHCA) filed a petition for writ of certiorari with the Supreme Court, asking the Court to again answer the question of whether disparate impact claims are cognizable under the FHA. This is the third time since 2012 that the Supreme Court has agreed to hear a case presenting the issue of whether disparate impact claims are cognizable under the FHA. The two prior cases were both settled before oral argument, while this one was decided formally.

The case, *Inclusive Communities Project v. Texas Dep't of Housing*, involves a challenge to how FHA low-income housing tax credits are allocated. Inclusive Communities, a group that assists low-income families eligible for Section 8 vouchers, argued at the trial court that the Texas DHCA disproportionately approved tax credits for affordable housing developments in predominantly minority neighborhoods, while disproportionately denying tax credits for the similar housing in predominantly white neighborhoods. After a bench trial, the district court determined that a disparate impact on minorities had in fact existed based on Inclusive Communities' evidence.

[channel](#), where they are generally updated quarterly.

Compliance Calendar

September 7

Labor Day - Federal Holiday

September 18

NACHA's Return Rate Levels & Reinstated Transactions Rule

October 3

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

November 11

Veterans' Day - Federal Holiday

November 26

Thanksgiving Day - Federal Holiday

December 25

Christmas Day - Federal Holiday

December 31

Foreign Account Tax

On appeal, the Fifth Circuit adopted the burden-shifting approach found in HUD's new disparate impact rule. Specifically, the Fifth Circuit instructed the trial court to reassess the case by using HUD's recent regulation. However, SCOTUS held that disparate impact claims are, in fact cognizable, in a 5-4 opinion authored by Justice Kennedy. He was joined by Justices Ginsburg, Breyer, Sotomayor, and Kagan. Justice Alito wrote a dissenting opinion, joined by Chief Justice Roberts and Justices Scalia and Thomas. Justice Thomas also dissented separately.

The Court acknowledged that the FHA plays an integral role in removing "artificial, arbitrary, and unnecessary barriers" and "mov[ing] the nation toward a more integrated society." The majority emphasized, however, that a number of barriers should exist to pleading and proving such claims under the FHA. Specifically, the Court cautioned against imposing "onerous costs on actors who encourage revitalizing dilapidated housing in our Nation's cities merely because some other priority might seem preferable."

The Court also said that that a party bringing a disparate impact claim must establish "robust" causation by providing statistical or other evidence that a policy directly caused a disparate impact. Justice Kennedy also suggested several factors that could be considered in response to a disparate impact claim. The Court provided some examples that demonstrate workable limits on liability including costs, traffic patterns, preservation of historic architecture, and quality of life-- all of which could serve to show that the housing decision at issue did not erect "artificial, arbitrary, or unnecessary" barriers.

The full decision can be read [here](#).

Annual Assessment for Georgia SCCUs

The Department will e-mail the annual assessment fee letters to Georgia state-chartered banks and credit unions in August, and the **fees will be assessed on September 15, 2015**.

Please complete and submit any change of information by **August 31, 2015**, using the Electronic Funds Transfer ("EFT") Authorization Form. The EFT Authorization Form and Instructions can be found on the [Department's website](#).

Compliance Act Effective Date

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

Compliance Training

Aug. 25 – Dec. 31, 2015
[CUNA Regulatory Compliance Update eSchool](#)

September 1, 2015
[TCPA - RoboCalls, Text Messages and the New FCC Ruling](#) - Webinar
12:00 - 1:30 p.m. EST

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 9, 2015
[New Restrictions on Second-Lien Stripping in Bankruptcy](#) - Webinar
12 - 1:00 p.m. EST

September 14, 2015
[Changes to the Military](#)

Please e-mail or call Chris Pittman with any questions at cpittman@dbf.state.ga.us or 770-986-1641.

TAVT to Stay the Same...For Awhile

In calendar years 2015, 2018, and 2022 respectively, the law requires the Department of Revenue (“Department”) to evaluate title ad valorem tax (“TAVT”) revenues to determine if the TAVT rate will change for the calendar year following the year of the calculation. The law sets forth the specific methodology to be followed by the Department in determining whether the rate is to change or stay the same. Based on the statutory calculation, the rate of TAVT will remain at 7% for calendar years 2016, 2017, and 2018 respectively. The effective date for this is **January 1, 2016.**

Click [here](#) for the DOR’s Bulletin.

Your CU Should Know...

CFPB Student Loan Payment Problems: A Bureau

Blog [article](#) details problems encountered by some students who shared their stories with the Bureau. The article discusses what students need to know and some helpful advice/information for borrowers enrolled in income-driven repayment plans.

Bureau Adds TRID Resources for Real Estate Professionals: The CFPB has added a group of [online resources](#) designed specifically for real estate professionals to understand the Know Before You Owe (TRID) mortgage disclosure rule. The materials provide a guide for real estate professionals to ensure smooth and on-time closings while facilitating the best experience for their clients. Lenders have been encouraged to share the resources, located on the Bureau's site, with real estate professionals in their area.

[Lending Act - Webinar](#)
11:30 - 12:30 p.m. EST

September 16 – 17, 2015
[Leadership Development Institute](#)
Duluth, GA

September 20 – 25, 2015
[CUNA Regulatory Compliance School](#)
Boston, MA

Sept. 24 – Oct. 15, 2015
[CUNA Bank Secrecy Act eSchool](#)
3:30 – 5:30 p.m. EST

September 28, 2015
[BSA Internal Audit Strategies – Webinar](#)
3:30 – 5:30 p.m. EST

October 1, 2015
[Don’t Let Orange Become the New Black: Enforcement Actions – Webinar](#)
3:30 – 4:30 p.m.

October 8, 2015
[What’s In Your Member’s Wallets – Webinar](#)
3:30 – 4:30 p.m. EST

October 13 & 22, 2015
[ACH Origination – Webinar](#)
2:00 – 3:00 p.m. EST

October 15, 2015
[Beneficial Owners and Business Accounts – Webinar](#)
3:30 – 4:30 p.m. EST

October 21, 2015
[Lending Workshop](#)
Duluth, GA

November 12, 2015
[BSA/OFAC Workshop](#)
Atlanta, GA

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

Local Training - Leadership Development Institute
Looking to take your leadership skills to the next level? Please join us on **September 16 - 17th in Duluth, GA** for the Leadership Development Institute to enhance your leadership skills and begin the trek towards becoming a successful credit union leader.

This institute, instructed by Kerri Smith, CEO of CU Exceed, LLC and an award winning marketing and business development professional, and Ron Galloway, author and filmmaker, allows current and up-and-coming credit union leaders to learn from an industry vet and a business guru.

During the institute, you will learn:

- The differences between management and leadership
- Coaching, counseling and mentoring techniques
- To identify different communication styles
- Ways to create an effective team culture

Click [here](#) to register.

Comment Calls

FFIEC Cybersecurity Assessment Tool

The Federal Financial Institutions Examination Council (FFIEC), which includes the CFPB, FDIC, Federal Reserve Board, NCUA, and OCC, recently released a [Cybersecurity Assessment Tool](#) (Assessment) intended to assist financial institutions of all sizes in assessing their inherent cybersecurity risks and their risk management capabilities.

The Assessment allows a financial institution to identify its inherent cyber risk profile based on the institution's technologies and connection types, delivery channels, online/mobile products and technology services it offers, organizational characteristics, and threats it is likely to face. The institution can then use the Assessment's maturity matrix to evaluate its level of cybersecurity preparedness; the matrix's maturity levels will help identify opportunities for improving the institution's cybersecurity, based on its inherent risk profile.

In accordance with the Paperwork Reduction Act (PRA), the FFIEC is currently [seeking comments](#) on the reporting burden associated with the Assessment. The FFIEC estimates it will take financial institutions an

average of 80 hours annually to complete the Assessment. Use of the Assessment by financial institutions is voluntary.

We believe that while this process is not mandatory, it may become so. We want your feedback on how this would affect your credit union. Also, please send any comments/questions/concerns related to the Assessment that you would like us to convey to the FFIEC. Please send your comments back to Selina Gambrell at selinag@gcua.org by **September 8th**.

The [CUNA Advocacy Update](#) 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@gcua.org.