



InfoSight Highlight

Fair Lending Hot Topics Regulator Webinar

The Federal Reserve Bank of San Francisco has announced an interagency 90-minute Outlook Live webinar on Fair Lending Hot Topics scheduled for **2:00 p.m. EST Thursday, October 15, 2015**. Representatives from seven federal agencies will discuss a variety of emerging fair lending issues and hot topics, including:

- CFPB Mortgage Updates
- Use of Data in Evaluating Fair Lending Risk
- Compliance Management
- Pricing
- Maternity Leave Discrimination
- Post-origination Risks
- Auto Lending Settlements

Agencies involved in the webinar include the DOJ, CFPB, FDIC, OCC, FRB, HUD and NCUA. [Registration](#) is required.

For more information on Fair Lending, please see the [Fair Lending Laws and Regulation](#) topic in the Loans and Leasing Channel.

Compliance News

CFPB Publishes Annual Reg Z Threshold Updates

The Consumer Financial Protection Bureau (CFPB) has published a final rule amending the regulatory text and official interpretations for Regulation Z. The Bureau is required to calculate annually the dollar amounts for several provisions in Regulation Z; this final rule reviews the dollar amounts for provisions implementing amendments to TILA under the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act), the Home Ownership and Equity Protection Act of 1994 (HOEPA), and the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). These amounts are adjusted, where appropriate, based on the annual percentage change reflected in the Consumer Price Index in effect on June 1, 2015. The minimum interest charge disclosure thresholds will remain unchanged in 2016. **The following changes are effective January 1, 2016:**

GEORGIA CREDIT UNION
Affiliates

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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](#)

- The CARD Act penalty fees safe harbor amount in section 1026.52(b)(1)(ii)(A) will remain at \$27;
- The CARD Act penalty fees safe harbor amount in section 1026.52(b)(1)(ii)(B) will drop \$1, to \$37;
- The HOEPA total loan amount threshold that determines whether a transaction is a high cost mortgage is changed to \$20,350;
- The HOEPA total points and fees dollar trigger amount is changed to \$1,017;
- As of the effective date, a covered transaction is not a qualified mortgage unless the transaction's total points and fees do not exceed 3 percent of the total loan amount for a loan amount greater than or equal to \$101,749; \$3,052 for a loan amount greater than or equal to \$61,050 but less than \$101,749; 5 percent of the total loan amount for loans greater than or equal to \$20,350 but less than \$61,050; \$1,017 for a loan amount greater than or equal to \$12,719 but less than \$20,350, and 8 percent of the total loan amount for loans less than \$12,719.

Federal Register document [80 FR 56895](#)

NCUA Board Adopts Final Rules

The NCUA Board convened its eighth open meeting of 2015 at the agency's headquarters and unanimously approved the following final rules:

- A [final rule](#) and policy statement raising the asset ceiling of a "small entity" to \$100 million, providing special consideration for regulatory relief in future rulemakings to 76 percent of all federally insured credit unions.
- A [final rule](#) giving corporate credit unions greater flexibility to provide bridge loans to credit unions awaiting funds from the Central Liquidity Facility, thereby expediting access to needed liquidity.
- A [final rule](#) adjusting civil monetary penalties for inflation, as required by federal law.

For more information, please see NCUA's [Board Action Bulletin](#).

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

Compliance Calendar

- October 1
Credit/Debit Card Liability Shift
- Flood Insurance Rule Effective Date - Part 1
- 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

Compliance Act Effective Date

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

Compliance Training

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
FRB Fair Lending Hot Topics Regulator - Webinar

2:00 - 3:30 p.m. EST

October 15, 2015
[Beneficial Owners and Business Accounts – Webinar](#)

3:30 – 4:30 p.m. EST

CFPB Ramping up to TRID Saturday

Question: Under the TILA-RESPA Integrated Disclosure Rule, may a creditor charge a fee for the preparation or delivery of the Closing Disclosure?

Answer: No. The rule specifically prohibits anyone, including the creditor or servicer, from imposing a fee on any person for the preparation or delivery of the Closing Disclosure.

Question: We have escrow accounts in place on our high priced mortgages. After October 3rd, when our members request that the escrow account be closed – are we required to send a notice?

Answer: In the case of high priced mortgages, a credit union may only cancel an escrow account upon request of the member if: (1) the request comes no earlier than five years after closing, (2) the unpaid balance is less than 80% of the original value of the property, and (3) the borrower is not currently delinquent or in default.

If all of these conditions are met, the credit union must send the Escrow Closing Notice no later than three business days before the closure of the member's escrow account.

If the credit union delivers the Escrow Closing Disclosure in person, the escrow account may be closed any time on the third business day following the date of delivery. If the Escrow Closing Notice is not provided to the member in person, the member is considered to have received the disclosures three business days after they are delivered or placed in the mail. Credit unions that use electronic mail or a courier to provide disclosures may also follow this approach. Whatever method is used to provide disclosures, credit unions may rely on documentation of receipt in determining when the three-business-day period before the closure of the escrow account begins.

Note: If the credit union cancels the escrow account and the cancellation is *not* at the member's request, the credit union must ensure that the member receives the Escrow Closing Notice no later

than 30 business days before the closure of the member's escrow account.

Question: When we are terminating a mortgage loan, including the escrow account, due to foreclosure, are we required to send the new Escrow Closing Notice?

Answer: No. The new Escrow Closing Notice, effective October 3rd, is not required when the underlying debt obligation for which the escrow account was established is terminated by foreclosure. This is also the case when the debt is terminated via repayment, refinancing or rescission.

For more information see CUNA's Final Rule Analyses: [Escrow Closing Notice](#)

The CFPB has begun an information blitz in advance of the Saturday, **October 3, 2015**, effective date of its TILA/RESPA Integrated Disclosure (TRID) Rule (under the Bureau's "Know Before You Owe" campaign):

- A Bureau Blog article, "[Know Before You Owe: Making the mortgage process easier for you](#)"
- A [press release](#) offers an explanation for consumers of the new mortgage disclosure rules and forms.
- The "[Owning a Home](#)" website has been updated with an overview of the mortgage process.
- A [press kit](#) on the Know Before You Owe Rule was provided with links to copies of documents, videos, handouts, a factsheet and infographics.
- [Prepared remarks](#) on the new rule by Director Cordray at the National Association of Realtors meeting were also released.

Bureau Updates Exam Manual: The CFPB has also released three updates to its *Supervision and Examination Manual*, all related to consumer real estate lending. The Exam Manual is issued and maintained in coordination with the other members of the Federal Financial Institutions Examination Council (FFIEC). The updates released on September 15, 2015, include:

- [Mortgage Origination exam procedures](#)

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

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

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

- [TILA Procedures -TILA RESPA Integrated Disclosures](#)(applicable for examinations after the October 2015 effective date)
 - [RESPA Procedures – TILA RESPA Integrated Disclosures](#) (applicable for examinations after the October 2015 effective date)
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Participation Lending

NCUA's Office of Small Credit Unions recently offered a webinar for credit unions interested in participation lending. As you may know OSCUI webinars are open to anyone, but from the polling that NCUA conducted during the webinar most of the credit unions attending have never been involved in participation lending - either as a buyer or seller – because the credit unions polled felt they didn't know enough about it. A loan participation is a single loan funded by multiple lenders through a written agreement that maps out the details and other matters pertaining to the administration of the loan. The types of loans that are in the participation field include member business loans, indirect auto loans, residential real estate loans, and also the growing area of private student loans.

If your credit union is interested in participation lending NCUA suggests the following key steps prior to getting involved in a loan participation:

- Review [Section 701.22 of NCUA's Rules and Regulations](#) - this is the section that governs loan participations for buyers and sellers.
- Review [Appendix 10A in NCUA's Examiners Guide](#) (page 10A-34).
- Due Diligence – conduct due diligence on vendors ([LCU 01-CU-20](#)) and on buyers/sellers. For credit unions interested in buying an interest in a participation then the buyer should review the loan portfolio.
- Review NCUA Supervisory Letter on evaluating loan participation programs ([LCU 08-CU-26](#)).
- Review the [AIRES Questionnaire](#) on loan participations.

So what are the benefits of participation lending? Well, for sellers, loan participations offer credit unions a way to manage risks (interest

rate, liquidity, credit) and allows the selling credit union to retain and maintain a relationship with the member while sharing the credit risk with other lenders. And for buying credit unions, loan participations can benefit your credit union by growing and diversifying loan portfolios as well as increasing revenues.

If you missed the webinar, you can catch it on NCUA's You Tube Channel in about three weeks.

Mitigating Denial-of-Service Attacks

A [recent article](#) from PYMNTS.com highlights the threat to the financial services industry related to Distributed Denial-of-Service (DDoS) attacks. While a DDoS attack does not directly attempt to steal funds or sensitive personal information, it can cause internet-based service outages by overloading network bandwidth or system resources. This can also be paired with attempts to steal member funds or data. In this article, it describes how banks and other financial institutions have been "blackmailed" into paying ransom to avoid a shutdown of their websites.

The NCUA, in its [Risk Alert](#) published in 2013, as well as in its [Joint Statement](#) issued in 2014, provides additional information regarding these attacks and provides guidance on the steps to take to mitigate them. As stated in the Alert: "Appendix A to Part 748 of NCUA's Rules and Regulations requires credit unions to monitor systems to detect actual and attempted attacks on or intrusions into member information systems. NCUA also encourages credit unions to participate in information-sharing organizations, such as industry trade groups and the Financial Services Information Sharing and Analysis Center (FS-ISAC), <http://www.fsisac.com>. In addition, the United States Computer Emergency Readiness Team (US-CERT), <http://www.us-cert.gov>, provides information on the methods used to launch attacks and risk mitigation tactics to reduce their impact."

You will want to make sure your credit union has the necessary protection to avoid these attacks. For additional information, check out the [June 2015](#) issue of NCUA Report.

(Source: PYMNTS.com, NCUA and MCUL)

National Cybersecurity Symposium

Credit unions are invited to attend the National Cybersecurity Symposium hosted by the Federal Bureau of Investigation (FBI), the U.S. Secret Service (USSS), and the U.S. Department of the Treasury. The location and the date of the symposium varies depending on location (there are 37 field locations across the country). This event is targeted to financial institutions personnel that interact or will interact with the local FBI field office on cybersecurity matters, such as an organization's chief information security officer or chief security officer. Space for this event is limited and organizations will be treated on a first-come, first-served basis by location. If you are interested in attending, it is recommend that you register early. The cutoff date to request attendance is **October 2**.

Click [here](#) to view the locations of the symposium. One will be held in **Atlanta on October 22nd**. Those who wish to attend should email the point of contact at the location desired (POCs are listed at the end of the document). Please be prepared to provide the following information:

- Name
 - Organization
 - Title
 - Email Address
 - Office Phone
 - Mobile Phone
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NMLS Renewal and Reactivation Handbook Updated

The NMLS has announced an update of its [Renewal and Reactivation Handbook](#) for the 2016 renewal period, which begins **November 1 and ends December 31, 2015**.

Local Training – Lending Workshop

Please join us in **Duluth, GA on Wednesday, October 21st** for the Lending Workshop to develop skills, tools and techniques to enhance your credit union's lending portfolio.

This workshop, instructed by renowned credit union lender and Credit Union Lending Advice, LLC senior consultant Pierre Cardenas, provides attendees the unique opportunity to learn from, network with and ask questions to a successful industry trendsetter. Throughout the workshop, Pierre will share experiences from his stints as a credit union executive to demonstrate innovative methods and approaches to lending.

Sessions include:

- Understanding your Lending Limitations
- Data Mining for Success
- Relationship Lending
- Building the Perfect Process for Efficient Workflow

Plus, attendees will have the opportunity to receive feedback through a special underwriting exercise. Widely considered one of the most beneficial parts of the workshop, lenders will discuss their own lending policies and underwritten loans with their peers while learning to recognize underwriting risks. In order to receive meaningful advice during the underwriting exercise, attendees should bring a copy of their underwriting policy and a few examples of loans they were unsure about underwriting.

Click [here](#) for more information and to register.

Comment Calls

NACHA Third-Party Sender Registration Request for Comment

NACHA requests [comments](#) on proposed changes to the NACHA Operating Rules that would require Originating Depository Financial Institutions (ODFIs) to register their Third-Party Senders with NACHA. The resulting Third-Party Sender registry would (1) standardize across all ODFIs the basic data collected for all Third-Party Senders; and (2) provide high-level information on Third-Party Senders that would enable better monitoring by NACHA of trends and any risks associated with Third-Party Senders in the ACH Network.

GCUA is seeking comment from credit unions that are Originating Depository Financial Institutions about:

1. Whether this proposal would affect credit union operations and third-party providers (e.g., corporate credit unions), and compliance on the ACH network?
2. Whether standardizing all of the basic data collected for all Third-Party Senders would be burdensome to credit union?
3. How do credit union ODFI's collect information about Third-Party Senders? And, does NACHA's proposal appear to have the correct understanding of these efforts?
4. Do credit unions have the existing records about Third-Party Senders that NACHA indicates they likely have in the proposal?
5. What are expected costs if this change is made? And, are these costs significant?

Please send your comments to Selina Gambrell at selinag@gcua.org by **September 30th**.

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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