



## InfoSight Highlight

Looking for the September Call Report?

Beginning June 2015, NCUA modified the form posting processes. **NCUA will post new cycle documents only when changes occur.** NCUA hasn't made any changes to the Call Report since June 30, 2015, so credit unions will have to use the June 30th call report forms and instructions when reporting for the September 30th cycle. This Call Report is due **October 23rd**.

Also, the 5300 booklet is now divided into four documents, i.e., 5300 Form, 5300 Instructions, 5300 Account Codes, and 5300 Changes.

Click [here](#) to access 5300 Call Report Forms and Instructions Archive.

## Compliance News

Bureau Final Rule to Facilitate Access to Credit in Rural and Underserved Areas

The Consumer Finance Protection Bureau (CFPB) has announced that it has finalized several changes to its mortgage rules to facilitate responsible lending by small creditors, particularly in rural and underserved areas. The new rule, which was proposed in January, will increase the number of financial institutions able to offer certain types of mortgages in rural and underserved areas, and gives small creditors time to adjust their business practices to comply with the rules.

The final rule will:

Expand the definition of "small creditor": The loan origination limit for small-creditor status will be raised from 500 first-lien mortgage loans to 2,000 and will exclude loans held in portfolio by the creditor and its affiliates.

- **Include mortgage affiliates in calculation of small-creditor status:** The final rule does not change the current asset limit for small-creditor status, which is set at less than \$2 billion (adjusted annually) in total assets as of the end of the preceding calendar year. However, under the new rule the assets of the creditor's mortgage-originating affiliates are included in calculating whether a creditor is under the limit.

GEORGIA CREDIT UNION  
*Affiliates*

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

- **Expand the definition of “rural” areas:** In addition to counties that are considered to be “rural” under the CFPB’s current mortgage rules, today’s final rule expands the definition of “rural” to include census blocks that are not in an urban area as defined by the Census Bureau.
- **Provide grace periods for small creditor and rural or underserved creditor status:** Creditors that exceed the origination limit or asset-size limit in the preceding calendar year will be allowed to operate, in certain circumstances, as a small creditor with respect to mortgage transactions with applications received prior to April 1 of the current calendar year. The final rule creates a similar grace period for creditors that no longer operated predominantly in rural or underserved areas during the preceding calendar year.
- **Create a one-year qualifying period for rural or underserved creditor status:** The final rule adjusts the time period used in determining whether a creditor is operating predominately in rural or underserved areas, from any of the three preceding calendar years to the preceding calendar year.
- **Provide additional implementation time for small creditors:** Eligible small creditors are currently able to make balloon-payment Qualified Mortgages and balloon-payment high-cost mortgages regardless of where they operate, under a temporary exemption scheduled to expire on January 10, 2016. The final rule extends the sunset of that provision to cover balloon-payment mortgage transactions with applications received before April 1, 2016, giving creditors more time to understand how any changes will affect their status, and to adjust their business practices.

[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

The Final Rule will be effective **January 1, 2016**.

#### Federal Reserve Approves Same-Day ACH Service

The Federal Reserve Board has announced its approval of enhancements to the Federal Reserve Banks' same-day automated clearing house (Same Day ACH) service. The enhancements are intended to align the Reserve Banks' same-day ACH service with recent amendments to NACHA's ACH operating rules and will facilitate the use of the ACH network for certain time-critical payments, accelerate final settlement, and improve funds availability to payment recipients.

The enhancements become effective **September 23, 2016**, and require receiving depository financial institutions (RDFIs) to participate in the service and originating depository financial institutions (ODFIs) to pay a 5.2¢ fee to RDFIs for each same-day ACH forward transaction. A copy of the [notice](#) to be published in the *Federal Register* was also released.

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Loan Estimate - Permitting Members to Shop for Servicers

**Question: Ordinarily, the credit union uses a specific unaffiliated appraiser for mortgage loans. However, if the member insists on using another appraiser and the credit union allows this change – is this considered allowing the member to “shop for the servicer”? In this case, will the “good faith” estimate be determined using the “best information available”, with no limits?**

**Answer:** [CUNA’s Compliance Blog](#) says...to be considered permitting your members to shop for services, you must provide a list of providers that meet the required criteria as set forth in the rule (1026.19(e)(1)(vi)) and you must deliver the list separately from the Loan Estimate but within the same timing requirements. You must state very clearly on the list that the member may choose a different provider for that service.

According to the CFPB's Official Interpretation, if the credit union permits the member to shop for a service provider, but fails to provide the list of service providers, then good faith is determined using the 10% tolerance category, regardless of the provider selected by the member. However, if the selected provider is an affiliate of the credit union, good faith is determined using the general rule – zero tolerance.

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Corporate Credit Union Rule Amended

The National Credit Union Administration (NCUA) has published a [final rule](#) to amend its regulation at 12 CFR Part 704 to exclude Central Liquidity Facility-related bridge loans (CLF-related bridge loans) from the aggregate unsecured lending cap to one borrower applicable to corporate credit unions.

Compliance Act Effective Date

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

Compliance Training

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**

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

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

The rule will be effective on **October 23, 2015**, which is 30 days after its publication in the *Federal Register*.

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

#### NCUA Adjusts CMPs

The NCUA has published a [final rule](#) amending its regulations at 12 CFR Parts 740, 741, 747 and 796, to adjust the maximum amount of each civil monetary penalty (CMP) within its jurisdiction to account for inflation, as required under the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996. The amendments are effective upon publication, on **September 23, 2015**.

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#### Your CU Should Know...

**Interactive Loan Estimate Form for Consumers:** The CFPB has posted a [Blog article](#) to introduce an interactive Loan Estimate form as part of its campaign to familiarize consumers with the Bureau's Know Before You Owe mortgage disclosure rule.

**2014 HMDA Data Available:** The FFIEC has [announced](#) the availability of [data](#) on 2014 mortgage lending transactions at 7,062 U.S. financial institutions covered by the Home Mortgage Disclosure Act (HMDA). Covered institutions include banks, savings associations, credit unions, and mortgage companies. The HMDA data include applications, originations, purchases and sales of loans, denials, and other actions related to applications. The data also show the disposition of loan applications.

The CFBP has posted a [press release](#) and [Bureau Blog article](#) on the HMDA Data report.

The *Federal Reserve Bulletin* also features an [article](#) that provides an overview of the 2014 data and analyzes mortgage market activity over time

as well as lending patterns across different demographic groups and lender types.

**CFPB Monthly Report Spotlights Mortgage Complaints:** The CFPB has released its latest [monthly consumer complaints snapshot](#), which highlights mortgage complaints. According to the report, consumers continue to face problems with mortgage servicing, particularly during certain circumstances, such as when they apply for a loan modification to avoid foreclosure. This month's snapshot also highlights trends seen in complaints coming from the Denver, Colorado, metro area. As of September 1, 2015, the Bureau has handled over 702,900 complaints across all products.

**CFPB Touts 'Owning A Home' Tools:** The CFPB Blog [reviews](#) the updates made to its "[Owning a Home](#)" tool box. The aid was launched in January 2015 and has been recently updated to add a detailed guide to the mortgage process.

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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@gcu.org](mailto:selinag@gcu.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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bookmarks: <http://ga.leagueinfosight.com/>.

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