



InfoSight Highlight

October is Cybersecurity Awareness Month. October marks the 12th annual National Cybersecurity Awareness Month, and the National Credit Union Administration is offering a number of resources to help credit unions and their members keep their electronic communications secure.

Credit unions can find information, including cybersecurity regulations and guidance on the NCUA's Cyber Security Resources [page](#), and the NCUA's [Pocket Cents](#) site has tips for consumers.

The NCUA is scheduled to host a consumers' Twitter chat with the Federal Trade Commission October 22. The agency plans to release a new video for credit unions that discusses online security and the Federal Financial Institutions Examinations Council's new Cybersecurity Assessment [Tool](#).

In addition, the NCUA will post periodic updates on its [Facebook](#) and [Twitter](#) pages throughout the months designed to help credit unions and members make electronic communications more secure.

National Cybersecurity Awareness Month is an [initiative](#) sponsored by U.S. Department of Homeland Security in cooperation with the National Cyber Security Alliance and the Multi-State Information Sharing and Analysis Center.

Compliance News

CFPB Releases Final HMDA Rule

The Consumer Financial Protection Bureau (CFPB) has [announced](#) it has approved a final rule to update the reporting requirements of the Home Mortgage Disclosure Act (HMDA) regulation, Regulation C (12 CFR Part 1003). HMDA was originally enacted in 1975 to require lenders to report information about the home loans for which they receive applications or that they originate or purchase.

The Bureau also noted that it is working with other federal agencies to streamline the reporting process for financial institutions.



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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](#)

The final rule changes what data financial institutions are required to provide in order to improve the quality of HMDA data in today's housing market. The changes include:

- **Improving market information** by reporting new information such as the property value, term of the loan, and the duration of any teaser or introductory interest rates.
- **Monitoring fair lending compliance and access to credit** by reporting information about mortgage loan underwriting and pricing, such as an applicant's debt-to-income ratio, the interest rate of the loan, and the discount points charged for the loan. The rule also requires that covered lenders report, with some exceptions, information about all applications and loans secured by dwellings, including reverse mortgages and open-end lines of credit.

The rule also includes changes to make it easier for financial institutions to comply with the law by easing reporting requirements for some small banks and credit unions, and aligning reporting requirements with industry data standards. Regulators are working to modernize the HMDA data submission process to collect information more efficiently. The Bureau has completed a pilot of a new web-based tool to collect HMDA information. Industry stakeholders have tested the pilot and the feedback has been very positive. Implementing this technology can reduce manual and paper-based systems currently used by regulators and reporting financial institutions. The final rule does not include several of the data points proposed in 2014 by the Bureau (such as the "risk-adjusted, pre-discounted interest rate"), and does not adopt the proposal to require reporting of all dwelling-secured transactions made for commercial purposes.

After a quick review of the CFPB's final rule, [CUNA's Comp Blog](#) believes the following represent some of the more important changes in the final rule:

- The effective date for most provisions under the rule is January 1, 2018. However one provision (related to the 25 closed-end loan volume threshold) becomes effective January 1, 2017 while other provisions become effective on January 1, 2019 and January 1, 2020;
- The first reporting under the new final rule will be in 2019 for 2018 data;
- Establishes loan-volume thresholds for both depository and nondepository lenders that require a lender that originated at least 25 closed-end mortgage loans or at least 100 HELOCs in each of the two preceding calendar years to report HMDA data, provided that the lender meets all of the other criteria for coverage;
- However, lenders that are subject to HMDA otherwise, that meet **only** the 25 closed-end mortgage loan threshold are not

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

Compliance Calendar

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

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

October 21, 2015
[Nuggets for Your Marketing Campaign](#) - NCUA Webinar
2:00 p.m. EST

required to report their open-end loans and lenders that meet **only** the 100 HELOC threshold are not required to report their closed-end loans.

- The rule requires lenders to report information about applications and loans for most closed-end mortgage loans and adds mandatory data collection and reporting for Home Equity Lines of Credit (HELOCs) and reverse mortgages;
- Most Commercial-purpose loans will be exempt from HMDA requirements, unless they are for the purpose of home purchase, home improvement, or refinancing;
- Public disclosure of a lender's modified loan/application register by lenders will be eliminated. Instead, the rule will require the lender to provide a public notice indicating that the lender's LAR may be obtained on the CFPB's website;
- Retained the seventeen data points listed in the proposed rule that were required by the Dodd-Frank Act, including the property value, term of the loan, and the duration of any teaser or introductory interest rates;
- Retained all but four of the 20 data points originally proposed by the CFPB, but eliminated the requirement to report on four data points including: Qualified mortgage status, the initial draw on an open-end line of credit, information about the MSA and the risk-adjusted, pre-discounted interest rate;
- The rule requires lenders to report whether ethnicity, race, or sex information was collected on the basis of visual observation or surname when an application is taken in person and the applicant does not provide the information.

October 22, 2015
Interagency Flood Insurance
Regulation Update - Webinar
12:30 - 1:30 p.m. EST

October 22, 2015
ACH Origination – Webinar
2:00 – 3:00 p.m. EST

November 12, 2015
BSA/OFAC Workshop
Atlanta, GA

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

Most of the provisions of the final rule will take effect on January 1, 2018. Lenders will collect the new information in 2018 and then report this information by March 1, 2019. High-volume originators will file quarterly beginning in 2020.

- Executive Summary of the final rule: http://files.consumerfinance.gov/f/201510_cfpb_hmda-executive-summary.pdf
- The final rule (797 pages, PDF): http://files.consumerfinance.gov/f/201510_cfpb_final-rule_home-mortgage-...
- CFPB resources to explain and facilitate implementation of the rule: <http://www.consumerfinance.gov/regulatory-implementation/hmda/>

NCUA Finalizes RBC Rule

NCUA has finalized its Risk Based Capital (RBC) rule. Here's what your credit union needs to know...

Who does it apply to? The rule applies to those credit unions considered *complex* – those with over \$100 million in assets.

When does it go into effect? January 1, 2019.

Will NCUA be issuing guidance on RBC prior to its effective date? Yes, NCUA will be issuing guidance and offering training to its examiners in 2018. NCUA's risk-based capital estimator calculator will be updated soon to reflect the rule changes and the agency also intends to revise the Call Report and AIRE Software.

What can my credit union do to prepare? In preparation for the rule's effective date, a complex credit union should consider doing the following in 2018:

- Monitor the credit union's risk-based capital ratio (NCUA indicated that the first Call Report of 2018 will be revised so that it will calculate the risk-based capital ratio).
- Review any operational policies and strategic plans to see how those policies/plans will affect risk-based capital.
- Develop a capital plan (the examiner guidance NCUA intends to distribute in 2018 will address the process of developing a capital plan. Under NCUA's existing rule on capital planning and stress testing, credit unions that have \$10 billion or more in assets are already required to have a capital plan in place – NCUA has indicated that those plans used by the credit unions with \$10 billion or more in assets will suffice).

Credit unions that have concerns with their risk-based capital ratio should consider reducing risk or raising capital or a combination of reducing risk and raising capital, within the next three years.

The final rule retained the "capital adequacy" requirement as contained within the proposal, and CUNA and GCUA will be pushing for examiner guidance and training to place some boundaries around this wild card capital requirement.

Is supplemental capital included in the RBC rule? NCUA indicated that it plans to issue a notice of proposed rulemaking (NPR) for supplemental capital and said that the supplemental capital final rule would coincide with the risk-based capital rule's effective date.

Are there any additional NCUA Resources? NCUA *will be posting soon* the following resources on the risk-based capital final rule on its website devoted to the topic:

- Risk-Based Capital Ratio Risk Weights At-A-Glance
- Comparison of the Final RBC rule to the 2013 rule
- Frequently Asked Questions
- Revised RBC Estimator (to conduct “what-if” analysis)

And, don't forget to read [CUNA's News Now](#) and the [Removing Barriers Blog](#) for more coverage.

Can I Share a CTR?

Question: Am I allowed to give a copy of a Currency Transaction Report to a member upon request?

Answer: FinCEN's regulations do not prohibit, nor require that you provide a copy of a Currency Transaction Report (CTR) to your member. This would be a business policy decision of the credit union. If your BSA compliance policies and procedures do not address this, you should consider raising it with senior management and have something added to your policies. It is usually easier to deal with your member if you already have a policy in place.

And remember, you absolutely CANNOT share a Suspicious Activity Report (SAR), or any information related to a SAR, with your member, of anyone else – except for FinCEN, appropriate law enforcement authorities or NCUA.

Speaking of SARs, **SAR Stats - Second Edition Issued:** FinCEN has issued the second edition of [SAR Stats](#), FinCEN's annual review of aggregated Suspicious Activity Report (SAR) filing activity. This issue comprises multiple sections including discussions of rewards-based

crowdfunding, depository institution “Call Outs” of suspicious activity, and an expanded Trending Now section.

FinCEN has also released an update of its *Interactive SAR Stats* website application, developed to address requests for more current SAR data than available in an annual publication.

Your CU Should Know...

BSA/AML Exam Manual in Spanish: The Federal Financial Institutions Examination Council (FFIEC) *Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Examination Manual* has been [translated into Spanish](#) and is available to the public.

CFPB Annual Report on Student Loan Complaints: The CFPB has [announced on its Blog](#) the release of its [annual report](#) of student loan complaints. The article expressed Bureau concerns about repayment problems facing those with older federal student loans that were made by banks and other private lenders. It found that servicing issues may make repaying student debt even harder for this group of borrowers, in particular.

Consumer Protection Twitter Chat: The NCUA and the FTC will co-sponsor a [live Twitter chat](#) to provide information to help consumers protect themselves. The Twitter chat is scheduled for **October 22, 2015, beginning at 11 a.m. EST**. Consumers are encouraged to follow the conversation and contribute using the #NCUAChat hashtag on Twitter. The moderators will answer consumer questions throughout the chat, and participants can submit questions beforehand to socialmedia@ncua.gov.

Agencies Unveil International econsumer.gov Site: The Federal Trade Commission has [announced](#) the unveiling of econsumer.gov, an international effort by the U.S. and 33 other countries that are part of the International Consumer Protection and Enforcement Network (ICPEN) to help law enforcement authorities gather and share cross border consumer

complaints that can be used to investigate and take action against international scams. Econsumer.gov originally was launched in 2001.

The new and improved website has a fresh look, is easier to use, and is reader-friendly on tablets and smart phones and available in English, French, German, Japanese, Korean, Polish, Spanish, and Turkish. Consumer complaints filed through econsumer.gov are entered into Consumer Sentinel, a complaint database maintained by the FTC, and are made available to enforcers and regulators in countries with participating agencies. Those agencies may use the complaints to investigate cross-border issues, uncover new scams, pursue regulatory or enforcement actions, and spot consumer trends.

Board Expands Emergency Communications Network: The Federal Reserve Board's [SR letter 15-10 / CA letter 15-8](#) announces an expansion of the Board's Emergency Communications System (ECS), a service which maintains a database of emergency contacts, to include contact information of employees at Federal Reserve-supervised financial institutions who are capable of receiving and acting upon cyber emergencies (referred to as "designated cyber emergency contacts"). [SR letter 13-6 / CA 13-3](#) was previously issued as guidance to highlight the supervisory practices that the Federal Reserve can employ when financial institutions and their borrowers and other customers are affected by a major disaster or emergency.

Local Training - BSA/OFAC Workshop

Credit unions have an obligation—both to the government and to their members—to stay compliant with important regulations. If you need an update on the latest developments in Bank Secrecy Act (BSA) and Office of Foreign Assets Control (OFAC) compliance, join us for the BSA/OFAC Workshop **November 12 at Atlanta Postal Credit Union.**

The program will be led by Cindy Turner, Vice President of Compliance Services at Georgia Credit Union Affiliates with additional information provided by Jack Killorin, Director of Atlanta-Carolinas High Intensity Drug Trafficking Area program and staff from the Georgia Department of Banking and Finance.

The program will address a variety of important issues including:

- Required Policies and Procedures
- Risk Assessment and Documentation
- Documentation Standards on CTRs and SARs
- Shared Branching and Money Service Business

If you want to better the compliance culture at your credit union, don't skip this invaluable opportunity.

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

Comment Calls

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@gcu.org.