



InfoSight Highlight

Looking for the Record Retention Schedules?

We get a call at least once a month where someone is in need of a record retention schedule.

In InfoSight, it's all at your fingertips. Go to the [Record Retention Summary](#) page and look for the 'Model Documentation and Policies' box in the lower right-hand corner. There you will find record retention schedules broken down into tables for most everything your credit union will need.

Note: You will need your GCUA User ID and password to access this section of our website. If you don't already have one, you can sign up for one [here](#). What are you waiting for? See what all InfoSight has to offer you!

Compliance News

NCUA to Host Consumer Complaint Webinar

A free 90-minute webinar, "[Consumer Complaint Handling and Fair Lending Oversight](#)," will be hosted by the NCUA on **October 29, 2015, beginning at 3 p.m. EST**. The webinar will discuss:

- Improvements to NCUA's Consumer Assistance Center complaint handling process;
- Effective credit union fair lending oversight practices; and
- Standards for finding practices to be unfair, deceptive, or abusive.

Required Data Points in the CFPB's New Regulation C (HMDA) Final Rule

[CUNA's Compliance Blog](#) points out that... as you know by now, on October 15th the Consumer Financial Protection Bureau (CFPB) issued a final rule amending the reporting requirements and thresholds under Regulation C which implements the Home Mortgage Disclosure Act (HMDA). **The effective date for most provisions in the rule is January 1,**



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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](#)

2018 and the first reporting under the final rule will be in 2019 for 2018 data.

The Dodd-Frank Act required the CFPB to expand the scope of the information relating to mortgage applications and loans that financial institutions must collect, compile, maintain, and report under HMDA. But the CFPB is also requiring a significant number of new data points based on discretionary rulemaking authority granted by the Dodd-Frank Act.

Current reporting requirements

HMDA currently requires lenders to collect and report certain information, including:

- The name of the lender;
- Property type and location;
- The applicant's race, ethnicity, gender and income;
- Loan amount;
- Whether the loan is for a purchase, refinancing or for home improvement;
- Whether the loan is subject to the Home Ownership and Equity Protection Act (HOEPA);
- Rate spreads for higher-priced mortgages; and
- The loan's lien status.

Expanded reporting requirements:

As the following lists illustrate, the final rule dramatically expands the information credit unions and other institutions must collect and report. **NOTE:** The Dodd-Frank and CFPB Data Points listed below are the main data points---see [CUNA's HMDA chart](#) for a more detailed version of all required data points.

Data Points Required by Dodd-Frank:

The Dodd-Frank Act requires the CFPB to include this additional information in HMDA:

- The applicant or borrower's age and credit score;
- Application channel---whether the borrower submitted the application directly to the creditor;
- Loan term;
- Postal address and property location
- Property value;

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

Compliance Calendar

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 29, 2015
[Consumer Complaint Handling and Fair Lending Oversight](#) -
NCUA Webinar
3:00 p.m. EST

November 4, 2015
[Social Media Compliance Dos and Don'ts](#) – Webinar
11:00 – 12:30 p.m.

- Total points and fees payable at origination in connection with the mortgage. This generally mirrors the definition of “points and fees” in Regulation Z;
- Rate spreads for all loans—not just higher-priced mortgages (except purchased loans and reverse mortgages), as is currently required;
- Riskier loan features including teaser rates, prepayment penalties, and nonamortizing features;
- Universal loan identifier (ULI) for each loan or application reported. The ULI must begin with the Institution’s Legal Entity Identifier described in 1003.5(a)(3) followed by up to 25 additional characters to identify the loan or application. These characters may be letters, numbers, symbols, or a combination. CFPB strongly encourages financial institutions not to use the applicant’s or borrower’s name or Social Security number due to privacy concerns.

Based on discretionary rulemaking authority, the CFPB’s proposal would require the reporting of:

- Debt-to-income ratio;
- Combined loan-to-value ratio;
- Automated underwriting system (AUS): Financial institutions would indicate the name of the AUS used to evaluate the application and the AUS’s recommendation;
- Number of dwelling units in the property;
- Construction method---whether the property is “site-built” or “manufactured housing”;
- Manufactured housing information: Institutions would report whether the home is real or personal property, whether the borrower owns the land on which the manufactured home will be located, and the type of ownership of the land;
- Multifamily housing information: Institutions would report the number of individual dwelling units that are income-restricted pursuant to federal, state, or local affordable housing programs;
- Borrower-paid origination charges: For certain loans, institutions would report at or before closing the total of itemized amounts designated as borrower-paid;
- Discount points: For certain loans, institutions would report the points designated as paid to the creditor to reduce the interest rate;
- Interest rate for the loan;
- Nondiscounted interest rate: For certain loans, institutions would report the interest rate the borrower would receive if they didn’t pay bona fide discount points;
- Mortgage loan originator identifier: Institutions would report the loan originator’s NMLS number;

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

November 15 – 18, 2015
[CUNA BSA Conference](#)
Fort Lauderdale, FL

November 18, 2015
[Advertising Share Account Products via Social Media](#) - Webinar
11:00 – 12:30 p.m. EST

November 25, 2015
[Lending Advertising Rules and Requirement](#) - Webinar
11:00 – 12:30 p.m. EST

December 2, 2015
[Social Media Compliance Risks](#) - Webinar
11:00 – 12:30 p.m. EST

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

Revisions to existing data points include:

- **Reasons for denial:** The proposal would make the reporting of reasons for denial mandatory instead of optional;
- **Occupancy type:** The proposal would remove the requirement to report a property as owner occupied and instead require it to be reported as a principal residence, second residence, investment property with rental income, or investment property without rental income;
- **Lien priority:** Currently, institutions must report the lien status of the loan or application (i.e., first lien, subordinate lien, or not secured by a lien). The reporting of lien status on purchased loans is currently not required due to an exclusion. However, the rule removed the exclusion and requires reporting of lien status on purchased loans;
- **HOEPA status:** Regulation C requires institutions to report whether HOEPA applies to a loan. The proposal would require institutions to report whether the loan qualifies as a high-cost mortgage because its annual percentage rate (APR) exceeds HOEPA's threshold or because its points and fees exceed the HOEPA threshold;
- **Loan type:** The proposal would eliminate the home-improvement loan designation and require institutions to distinguish between cash-out refinances and rate/term refinances;
- **Loan amount:** The proposal would require that institutions report the loan amount as the exact amount in dollars rather than rounded to the nearest thousand dollars. For open-end credit, the loan amount would generally be the amount of credit available. For reverse mortgages, the amount would be the initial principal limit.

Here is the CFPB's description of all new Data Points:

The final rule does not adopt some of the new or amended data points set forth in the 2014 HMDA Proposal, such as the proposed requirements to report qualified mortgage status or the initial draw on an open-end line of credit. The data points required to be reported under the final rule can be grouped into four broad categories:

- Information about applicants, borrowers, and the underwriting process, such as age, credit score, debt-to-income ratio, and automated underwriting system results.
- Information about the property securing the loan, such as construction method, property value, and additional information about manufactured and multifamily housing.
- Information about the features of the loan, such as additional pricing information, loan term, interest rate, introductory rate period, non-amortizing features, and the type of loan.

- Certain unique identifiers, such as a universal loan identifier, property address, loan originator identifier, and a legal entity identifier for the financial institution.

The final rule also amends the current requirements related to the collection of ethnicity, race, and sex of applicants and borrowers.

Impact of the final rule

The final rule will have a significant impact on any credit union that reports HMDA data or will be required to report such data under the final rule. The drastic expansion of the new data financial institutions must collect and report—coupled with the need to change and integrate systems and operations, as well as train staff—will certainly create additional expenses and burden for credit unions.

Click here for [CUNA's HMDA chart](#) with a side-by-side comparison of new and existing requirements.

Consolidated Sanctions List

Question: What is the Consolidated Sanctions List?

Answer: The Office of Foreign Assets Control's Consolidated Sanctions List includes sanction lists that are created separately from the Specially Designated Nationals and Blocked Persons List (SDN List). The consolidated list includes the Non-SDN Palestinian Legislative Council List (NS-PLC List), the Foreign Sanctions Evaders List (FSE List), the Sectoral Sanctions Identifications List (SSI List), etc.

The consolidated list data files are not part of OFAC's SDN List, however, the records in these consolidated files may also appear on the SDN List. Be sure your OFAC software provider checks both the SDN List and Consolidated Sanctions List.

For more information, click [here](#).

Your CU Should Know...

CUs Agree to Late-Filing Penalties: The NCUA has [announced](#) that fourteen federally insured credit unions subject to civil monetary penalties for filing late Second Quarter 2015 Call Reports have consented to the penalties. The late filers will pay a total of \$3,491 in penalties. Individual penalties range from \$100 to \$576.

CFPB - Help for Financial Caregivers: A CFPB Blog article, "[Helping financial caregivers in every state](#)," gives examples of the challenges faced by many caregivers and the tools developed by the Bureau to help them. Previously, guides for caregivers in Florida and Virginia have been released and guides for Arizona, Georgia, Illinois, and Oregon will soon be available. The CFPB has announced the release of new adaption tools so those guides can be used in the other states. [Tips and templates](#) are now available for download.

CFPB Releases Financial Education Curriculum Tool: The CFPB has [announced](#) the release of a [tool](#) to assist educators when selecting financial education curricula. The tool is designed to help educators identify effective and unbiased material to increase the financial capability of students. By providing relevant evaluation criteria, the tool can help educators judge the value of financial education material for their students.

FATF Emerging Terrorist Financing Risks Report: The Financial Action Task Force (FATF) has issued its [Emerging Terrorist Financing Risks report](#), which provides an overview of the various financing mechanisms and financial management practices used by terrorists and terrorist organizations. It explores the emerging terrorist financing threats and vulnerabilities posed by foreign terrorist fighters (FTFs), fundraising through social media, new payment products and services, and the exploitation of natural resources.

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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