



InfoSight Highlight

Is Elder Financial Abuse Required to be Reported?

Question: Is reporting elder financial abuse required by law? Where can we locate guidance on what our credit union must do?

Answer: Yes. Section 30-5-4(a)(1)(B) of the Georgia Code requires financial institution employees to be mandatory reporters of elder financial abuse. **If the abuse or exploitation did not occur in a long-term care facility, the reporter must report to both law enforcement and adult protective services that has been designated by the Department of Human Services.** (Previously, financial institutions only had to report suspected cases to Adult Protective Services.)

Georgia credit unions should report elder abuse to Adult Protective Services by any of the following methods:

- Fax a referral: 770-408-3001 [Click [here](#) to access the form]
- Call toll-free: 1-866-55AGING (1-866-552-4464) - Press “3”
- Report on the web: Click [Here](#)

Credit unions should also contact their local law enforcement.

Note: For more information, please see the "[Elder Financial Exploitation](#)" topic in the Security channel on InfoSight. Also, there is a “Protecting the Elderly” policy in PolicyPro.

Compliance News

REMINDER! NMLS Renewal

The NMLS 2016 renewal period began **November 1 and ends December 31, 2015**. Institutions and Mortgage Loan Originators (MLOs) that are federally registered are required to renew their registration and pay annual processing fees by following the processes detailed in the NMLS Renewal and Reactivation Handbook. On January 1, if the renewal process hasn't been completed, institutions/individuals will need to reactivate their registration. The reactivation process is identical to the renewal process and registrants are reactivated when they attest to their record and submit payment. The updated Renewal and Reactivation Handbook for the 2016 renewal period is available [here](#).

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](#)

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

Compliance Calendar

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

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 18, 2015
[Auto Lending](#) - NCUA

MLOs and Annual Training?

Question: Does the SAFE Act require MLOs to receive annual training?

Answer: According to [CUNA's Compliance Blog](#), state-licensed mortgage loan originators (MLOs) must receive annual training. However, the SAFE Act does not require federally-registered MLOs employed by depository institutions receive annual training. Although the SAFE Act doesn't require training for credit union MLOs, Regulation Z does. Regulation Z's mortgage originator rule requires credit unions to provide periodic training to unlicensed MLOs that covers federal and state law requirements that apply to the individual MLO's origination activities. The training should take into consideration the particular responsibilities of the individual MLO, and the nature and complexity of the mortgage loans that the MLO handles. Training that the Nationwide Mortgage Licensing System and Registry (NMLS) has approved to meet the licensed MLO continuing education requirement will satisfy Reg Z, to the extent that the training covers the types of loans the MLO originates and applicable Federal and State laws and regulations.

For more information on the Regulation Z periodic training requirements, please see question 10.7 from the CFPB's [Loan Originator Rule Compliance Guide](#).

Is Your Staff Prepared For A Robbery?

While robberies occur throughout the year, it seems that we hear about more of them during the holiday season. One of the downsides to the holiday season is that some people can become desperate for money at Christmas. Unfortunately, sometimes this desperation leads to a robbery. **Now is a good time to review your credit union's robbery procedures and response checklist.** By doing so, you can ensure that

your credit union's staff is prepared in the unfortunate event that a robbery occurs. Consider the following checklist:

1. Has the information in your robbery training changed over the years as the nature of robberies has changed?
2. Upon completing robbery training, will your front-line people know what to expect in a robbery situation? Will they know how to minimize danger to themselves and others? Will they know how to operate alarms, cameras and bait money? Will they know proper robbery response procedures?
3. Does your training include "awareness training" which teaches employees to be security conscious at all times? Are employees trained to avoid complacent behavior and routines (i.e. driving the same route to work everyday, never changing the 'all clear' signal used to open the office)?
4. Do two people always open and close the office? Do they follow the security procedures? Are the procedures strictly enforced?
5. How often is robbery and security training provided? Are all new hires trained immediately?
6. Do you maintain a training log to document which employees are present at each training session?
7. Do tellers have properly logged bait money? Are teller cash limits strictly enforced?
8. Do you have proper tools such as height markers, procedure cards and security packs to deal with a post-robbery situation?
9. Do you have an alarm response understanding with your local law enforcement agency?
10. Do you have a spokesperson to handle media and talking points of what to discuss following a robbery?
11. Do you have an assistance program available to employees and members that have been involved in a robbery?

One additional thing to consider is the picture clarity from your video surveillance equipment. Many times law enforcement is unable to use the pictures produced from the video because of the low quality of the picture. Consider semiannual checks to solve this problem. The time and money spent on picture production (and camera adjustments) may pay off in the long run by helping to catch the robber.

In thinking about robbery scenarios, did you catch the September 2015 issue of *The NCUA Report*? It featured an article on "[Preparing for an Active Shooter Situation](#)." Unfortunately, active shooter situations have become more prevalent over the recent years. While these events are still rare, the article states credit unions may want to consider preparing for an active shooter situation at or near their credit union. Credit unions should note that this article does not impose any new regulatory

Webinar
2:00 - 3:30 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](#)

requirements and whether to implement such training is a business decision for the credit union. If the credit union is interested in conducting active shooter training, the article offers a three-step model to help train employees: run, hide, or fight.

The article also highlights two training resources that are available to the credit union at no cost. First, the article highlights a [training video](#) produced and published by the Federal Bureau of Investigation. The introduction to the video is slightly graphic, no more than a typical action movie, but the video demonstrates the run, hide, or fight model in action. Second, FEMA has an [interactive web based course](#) on active shooters. The course also has a final exam, which may be helpful for credit unions that are interested in have a self-paced active shooter training program. FEMA's course is one hour long, but is very helpful for credit unions who wish to offer this type of training to their employees at no cost.

CFPB Provides Guidance About Marketing Services Agreements

The Consumer Financial Protection Bureau (CFPB) has issued a bulletin providing guidance to the mortgage industry regarding marketing services agreements. The bulletin offers an overview of the federal prohibition on mortgage kickbacks and referral fees, and describes examples from the Bureau's enforcement experience as well as the risks faced by lenders entering into these agreements. During the course of supervising mortgage lenders and enforcing federal law, the Bureau has found that marketing services agreements carry legal and regulatory risk for lenders.

“We are deeply concerned about how marketing services agreements are undermining important consumer protections against kickbacks,” said CFPB Director Richard Cordray. “Companies do not seem to be recognizing the extent of the risks posed by implementing and monitoring these agreements within the bounds of the law.”

The CFPB is responsible for enforcing the Real Estate Settlement Procedures Act, which was enacted in 1974 as a response to abuses in the real estate settlement process. A primary purpose of the law is to eliminate kickbacks or referral fees that tend to increase unnecessarily the costs of settlement services. The law covers any service provided in

connection with a real estate settlement, such as title insurance, appraisals, inspections, and loan origination.

The bulletin explains that while marketing services agreements are usually framed as payments for advertising or promotional services, in some cases the payments are actually disguised compensation for referrals. Any agreement that entails exchanging a thing of value for referrals of settlement service business likely violates federal law, regardless of whether a marketing services agreement is part of the transaction.

The bulletin describes a number of legal violations the Bureau has encountered in investigations involving kickbacks and referral fees. For example, the CFPB found a title insurance company that entered into marketing services agreements where the fees paid by the company were based in part on the number of referrals it received, as well as the revenue generated by those referrals. In another case, a settlement service provider did not disclose its affiliate relationship with an appraisal management company and did not tell consumers that they had the option of shopping for services before directing them to the affiliate.

The CFPB's enforcement actions against companies and individuals for violations of the Real Estate Settlement Procedures Act have resulted in more than \$75 million in penalties to date. The payment of improper kickbacks and referral fees has been the basis of almost all of those actions. As the bulletin notes, the CFPB intends to continue actively scrutinizing the use of such agreements and related arrangements in the course of its enforcement and supervision work.

Click [here](#) for the Bulletin.

Your CU Should Know...

NCUA Launches Redesigned Website: The National Credit Union Administration (NCUA) has [announced](#) the launch of its redesigned website, which features improved navigation and a mobile-responsive design that will adapt to facilitate the viewing of the website on all platforms, including smartphones, tablets, laptops and desktops. Other website features and improvements include:

- A new [Small Credit Union Learning Center](#) featuring training videos and materials as well as other resources from NCUA's Office of Small Credit Union Initiatives;
- A new online newsroom and social media hub where stakeholders can get the latest news, read articles from *The NCUA Report* and download graphics and photos;
- A new "I'm a..." search function that allows users to self-identify and quickly access the agency's most frequently requested content; and
- A new [consumer section](#) that links to the agency's consumer protection resources, consumer assistance center, share insurance information and financial literacy materials.

Bureau Releases Fall 2015 Supervision Report: The CFPB has released its latest [supervision report](#) outlining the illegal practices uncovered by the Bureau's examiners from May 2015 to August 2015. The Bureau found violations in the student loan servicing, mortgage origination and servicing, consumer reporting, and debt collection markets. The report shows that CFPB supervisory actions resulted in \$107 million in relief to more than 238,000 consumers. Violations included:

- Student loan servicers allocated payments to maximize fees and failed to give consumers choices about how to apply payments
- Student loan servicers' unfair practices increased fees and interest for borrowers
- Student loan servicers deceive borrowers about student loan late fees
- Mortgage servicers failed to automatically terminate mortgage insurance and reimburse consumers
- Furnishers lacked adequate policies for accurately reporting information to consumer reporting agencies and failed to respond to disputes
- Debt collectors used illegal tactics to contact consumers

Operation Collection Protection - New Actions: The Federal Trade Commission, along with federal, state and local law enforcement partners around the country, [announced](#) the first coordinated federal-state enforcement initiative targeting deceptive and abusive debt collection practices. This nationwide crackdown encompasses 30 new law enforcement actions by federal, state and local law enforcement authorities against collectors who use illegal tactics such as harassing

phone calls and false threats of litigation, arrest, and wage garnishment. The cases that were recently announced bring to 115 the total number of actions taken so far this year by the more than 70 law enforcement partners in the Operation Collection Protection initiative.

- [List of federal actions](#)
- [List of state and local actions](#)
- [Operation Collection Protection participants](#)
- [Recording of abusive debt collector \(.wav audio clip\)](#)

HUD Adds Section 108 Fee: The Department of Housing and Urban Development (HUD) has published two final rules in the *Federal Register* affecting its Section 108 Loan Guarantee Program. The first, at [80 FR 67626](#), amends HUD's Section 108 Loan Guarantee Program (Section 108 Program) regulations at 24 CFR Part 570 to permit HUD to collect fees from Section 108 borrowers to offset the credit subsidy costs of Section 108 loan guarantees. This rule will be effective December 3, 2015.

The second rule, at [80 FR 67634](#), announces the fee that will be collected from borrowers of loans guaranteed under the HUD's Section 108 Loan Guarantee Program, for loan disbursements under loan guarantee commitments awarded in fiscal year 2016. That fee will be 2.58 percent of the principal amount of the loan.

Wells Fargo in \$81.6M Settlement Over Bankruptcy Notices: The Department of Justice has [announced](#) that its U.S. Trustee Program has reached a national settlement with Wells Fargo Bank N.A. requiring the bank to pay \$81.6 million in remediation for repeated failures to provide homeowners in bankruptcy with legally required notices of changing monthly mortgage payments and failure to timely perform more than 18,000 escrow analyses. The alleged failures affected nearly 68,000 accounts of homeowners in bankruptcy between December 1, 2011, and March 31, 2015.

Note: Certain mortgage loan servicing notice requirements under Regulations X and Z are suspended or waived during a borrower's bankruptcy proceedings under CFPB regulations. The payment change notices involved in this Wells Fargo settlement are separate requirements under rules adopted under the Bankruptcy Code.

CFPB Penalizes Employment Background Screening Providers for Inaccuracies: The CFPB has announced it has taken action against two of the largest employment background screening report providers, General Information Services (GIS) and its affiliate, e-Background-checks.com, Inc. (BGC), for failing to take basic steps to assure the information reported about job applicants was accurate. The CFPB is ordering the companies to correct their practices, provide \$10.5 million in relief to harmed consumers, and pay a \$2.5 million civil penalty.

The CFPB found that GIS and BGC violated the Fair Credit Reporting Act by, among other things, failing to employ reasonable procedures to assure the maximum possible accuracy of the information contained in reports provided to consumers' potential employers.

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@gcua.org.