



## InfoSight Highlight

### FREE Webinars on ComplySight!

Registration is now open for your front row seat to learn about ComplySight, the league's newest addition to your compliance toolbox. If you're looking for a solution to the compliance tidal wave, this system is for you!

We are also making available a few of our **recorded webinars**. When users select these webinars, they may be asked to download WebEx, which is a safe download for viewing the webinars. These are identified as "Recorded Webinars," are available at any time, and registration is not required. *Click on the title of the webinar to listen.* These are also available on the Dashboard in ComplySight and are available 24/7!

Click [here](#) to learn more about ComplySight or to sign up for a webinar.

## Compliance News

### IRS Tax Refund Options – Splitting Deposits

New this year, the IRS has stated that no more than three electronic funds can be directly deposited into a single financial account or pre-paid debit card (although credit unions have reported that this new policy may not yet be enforced.)

The following are five things you should know about splitting tax refund deposits:

1. The refund can be divided into any savings or checking account (as long as the credit union accepts direct deposits for that type of account) and can be in any proportion of the total amount. The deposits do not have to be equal amounts;
2. Savings accounts may include, for example, passbook savings, IRAs, HSAs, Archer MSAs, Coverdell education savings accounts and individual development accounts;
3. The refund CANNOT be directed to someone else's account, except that a joint refund can be deposited into the spouse's account, if the credit union accepts joint refunds into individual accounts. Also, a taxpayer cannot opt for a direct deposit into a loan account;
4. IRA tax refund deposits: The account owner is responsible for informing their IRA Trustee of the year for which the deposit is

GEORGIA CREDIT UNION

*Affiliates*

InfoSight  
Compliance eNEWSLETTER

March 7, 2016

Vol. 10, Issue 10

Created in partnership with the



Credit Union National Association

Compliance Calendar

March 13

Daylight Savings Time Begins

April 15

Operating Fee/Capitalization  
Deposit Adjustment due to  
NCUA

Previous Year's IRA  
Contributions Due

April 22

5300 Call Report Due to NCUA

May 30

Memorial Day - Federal  
Holiday

June 30

PCI - SSL/TLS can no longer  
be used as a Security Control  
after this date

intended and for ensuring their contributions do not exceed their annual contribution limitations. IRS direct deposits of federal tax refund will not indicate a contribution year for IRA accounts; and

5. What to do when your member doesn't receive the tax refund amount that he/she was expecting. Often in these situations the member will turn to the credit union for answers. A number of things can result in a tax refund check being less than expected:
- The member could have made a mistake on the return that resulted in a lower than expected refund;
  - The member could have included an incorrect routing or account number; or
  - The refund could have been used to pay or off-set:
    - unpaid federal taxes
    - the Earned Income Tax Credit portion of the refund if it is pending further review
    - delinquent state income taxes
    - unpaid child support
    - delinquent non-tax federal debts, such as student loans, etc.

For answers to your members' specific situations, send them to: "Where's My Refund?" at IRS.gov.

For more information review the IRS' [Frequently Asked Questions about Splitting Federal Income Tax Refunds](#).

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Refinancing Consumer Loans Under the Military Lending Act Regulations

**Question: Can a credit union refinance an auto loan for a covered borrower whether the credit union was the original creditor or not?**

**Answer:** According to [CUNA's Compliance Blog](#) the answer is "yes." Although Section 232.8 of the Military Lending Act regulations generally prohibits a creditor from refinancing, consolidating, rolling over, or renewing any consumer loan made to a covered borrower by the

Child Support Data Match  
Reimbursement Deadline

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

**Compliance Training**

March 8, 2016  
[Credit Reporting Guidelines, Rules & Best Practices: FCRA & FACT Act -Webinar](#)  
**3:00 – 4:30 p.m. EST**

March 10 – 12, 2016  
[Georgia Credit Union Executives Association](#)  
**Hilton Head Island, SC**

March 15, 2016  
[Auditing for TRID Compliance: Safe Harbor Expires February 1, 2016 - Webinar](#)  
**3:00 – 4:30 p.m. EST**

March 16, 2016  
[Flood Insurance Compliance Update & FAQs -Webinar](#)  
**3:00 – 4:30 p.m. EST**

March 22, 2016  
[The CFPB's Four Ds of Fair Lending: Deceptive Marketing, Debt Traps, Dead Ends & Discrimination -Webinar](#)  
**3:00 – 4:30 p.m. EST**

March 23, 2016  
[Outsourcing Tech Services: Regulations, Examiner Expectations & Actions for](#)

same creditor with proceeds of another loan made by the creditor to the same covered borrower, the prohibition doesn't apply to credit unions.

The prohibition doesn't apply to a creditor that refinances or consolidates a consumer loan originally made to the covered borrower by a different creditor. Therefore a credit union may refinance a consumer loan, such as an auto loan that was originally made by a different creditor.

Because of an exception, the prohibition also doesn't apply to **credit unions**, banks and savings associations that refinance or consolidate loans they originally made to a covered borrower. So a credit union may refinance an auto loan for a covered borrower even if the credit union was the original creditor of the covered loan.

Finally, the prohibition doesn't apply to any refinancing or consolidation of a loan made by a creditor to a person who is not a covered borrower.

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#### NCUA to Host Merger Strategy Webinar

"[Mergers as a Growth Strategy](#)," a 90-minute webinar, will be hosted by the NCUA on **March 9, beginning at 2:00 p.m. EST**. The presentation will provide information to credit unions contemplating mergers.

The topics considered during the webinar include:

- Why merging worked well for one small credit union's growth strategy;
- The network credit union concept;
- Small credit union negotiating power in a merger;
- Call Report data on mergers; and
- Insights from NCUA's "[Truth in Mergers, A Guide for Merging Credit Unions](#)."

Participants may submit questions in advance at [WebinarQuestions@ncua.gov](mailto:WebinarQuestions@ncua.gov). The subject line of the email should read, "Mergers as a Growth Strategy." Participants with technical questions about accessing the webinar may email [audience.support@on24.com](mailto:audience.support@on24.com).

[Vendor Management -Webinar](#)  
**3:00 – 4:30 p.m. EST**

March 30, 2016  
[Your Member Has Filed Bankruptcy, Now What? - Webinar](#)  
**3:00 – 4:30 p.m. EST**

March 31, 2016  
[Developing Your Same-Day ACH Game Plan -Webinar](#)  
**3:00 – 4:30 p.m. EST**

April 5, 2016  
[New Federal Regulations Targeting Student Accounts, Including Debit & Prepaid Cards: Effective July 1, 2016 – Webinar](#)  
**3:00 – 4:30 p.m. EST**

April 6, 2016  
[Managing IRA Beneficiary Designations & Distributions – Webinar](#)  
**3:00 – 4:30 p.m. EST**

April 7, 2016  
[Post EMV Card Liability Shift: Managing & Mitigating Card-Not-Present Fraud - Webinar](#)  
**3:00 – 4:30 p.m. EST**

April 12, 2016  
[Completing the SAR Line-by-Line - Webinar](#)  
**3:00 – 4:30 p.m. EST**

April 13, 2016  
[Your Depositor Has Died: Actions to Take, Mistakes to Avoid - Webinar](#)  
**3:00 – 4:30 p.m. EST**

Save the date! Below is a list of upcoming webinars that will also be offered by NCUA's Office of Small Credit Union Initiatives:

- Wednesday, April 27 NCUA Grants
- Wednesday, May 11 High Impact Community Partnerships
- Wednesday, June 8 Best Practices to Grow Your CU
- Wednesday, June 22 Accounting Issues Part II
- Wednesday, July 13 Micro-Lending
- Wednesday, August 10 Marketing
- Wednesday, September 21 Compliance Issues
- Wednesday, October 12 Financial Literacy – Alternative Delivery Channels
- Wednesday, November 9 High-Yield Lending – Beyond FICO Scores
- Wednesday, December 7 Vendor Management & Due Diligence

Your CU Should Know...

**Bureau to Consider Applications to Designate 'Rural' Areas:** The CFPB has announced an application process for requests that areas not currently deemed “rural” receive that designation under federal consumer financial law. Under this process, those now outside rural counties or census blocks can apply to be designated as rural and may be eligible for specific exemptions and provisions for certain mortgage lenders.

To request a rural designation by the CFPB, applicants need to identify the area and the state in which it is located. As set out in the application process, they must then provide information that will allow the CFPB to evaluate the application under the parameters of the Helping Expand Lending Practices in Rural Communities (HELP) Act, passed by Congress in December 2015.

**Applications will be accepted starting March 31, 2016.** Any application submitted after April 8, 2017, will be considered only if the Bureau determines the designation decision process for that application can be completed by the sunset date of December 4, 2017. However, the final rule published in the *Federal Register*, does not contain language helpful to credit unions by removing Truth in Lending Act requirements

April 19, 2016  
Effective Management of Credit Report Disputes - Webinar  
**3:00 – 4:30 p.m. EST**

April 20, 2016  
Troubled Debt Restructuring: Determination & Accounting - Webinar  
**3:00 – 4:30 p.m. EST**

April 26, 2016  
Regulator Expectations for Risk Assessment: Policies, Procedures & Steps in Obtaining Board Approval - Webinar  
**3:00 – 4:30 p.m. EST**

April 27, 2016  
Call Report Preparation: Avoiding Common Errors - Webinar  
**3:00 – 4:30 p.m. EST**

April 28, 2016  
ACH Rules Update 2016 - Webinar  
**3:00 – 4:30 p.m. EST**

May 3, 2016  
Conducting the Annual Physical Security Review – Webinar  
**3:00 – 4:30 p.m. EST**

May 4, 2016  
Loan Participation Due Diligence: Practices, Documentation, Servicing & Risks – Webinar  
**3:00 – 4:30 p.m. EST**

May 10, 2016  
Succession Planning for the

that lenders prove they "predominately" operate in rural or underserved areas. The final rule in the [\*Federal Register\*](#) is [here](#).

### **Debt Collection, ID Theft and Imposter Scams Top FTC**

**Complaints:** The Federal Trade Commission has [announced](#) the release of the 2015 [Consumer Sentinel Network Data Book](#), the annual summary of consumer complaints received by the Commission. Debt collection, identity theft and imposter scams were the most common categories of consumer complaints.

### **January CFPB Complaint Snapshot Released:** The

CFPB [announced](#) the release of the January [consumer complaint snapshot](#), highlighting consumer complaints about prepaid products. The report shows that consumer complaints about prepaid products spiked in recent months as an increased number of customers complained of being frozen out of their accounts.

Findings in the snapshot include:

- Inability to access funds on card: Consumers complained they were unable to access funds loaded on their prepaid cards for an extended period of time.
- Prepaid cards re-issued without former balance: Consumers complained that when their prepaid cards expired, the company that issued the initial card often refused to re-issue a card with the remaining balance before their original card expired.
- Account access problems when disputing particular charges: Customers who wanted to dispute an unexpected charge complained that after contacting the company about the issue, the entire balance on their card would be frozen while the claim was under review. The claim process could often take an extended period of time, during which the consumer would be unable to access important funds.
- Fees when using prepaid cards: Some consumers complained about a wide variety of charges, including: monthly, inactivity, transaction, balance inquiry, PIN change, and overdraft fees.

This month's snapshot also highlights trends seen in complaints coming from Texas and the Houston metro area.

[Board & Supervisory Committee - Webinar](#)  
**3:00 – 4:30 p.m. EST**

May 11 – 14, 2016  
[GCUA Annual Convention Savannah, GA](#)

May 11, 2016  
[Business Accounts: Who is Authorized to Open, Close, Transact? – Webinar](#)  
**3:00 – 4:30 p.m. EST**

May 12, 2016  
[Managing the Force-Placed Insurance Process - Webinar](#)  
**3:00 – 4:30 p.m. EST**

May 17, 2016  
[Wire Transfer Compliance, Including International Remittances – Webinar](#)  
**3:00 – 4:30 p.m. EST**

May 24, 2016  
[Understanding & Managing the CFPB Complaint Process – Webinar](#)  
**3:00 – 4:30 p.m. EST**

May 25, 2016  
[Developing Quality & Efficiency in Your IT Audit – Webinar](#)  
**3:00 – 4:30 p.m. EST**

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

**FedFocus Highlights Efforts to Adopt ISO 20022:** The March 2016 issue of [FedFocus](#) details the strides the Federal Reserve is making to adopt ISO 20022, a standard for domestic and international wire transfers, and integration with and/or potential conversion for domestic Automated Clearing House (ACH) payments. The planned move to ISO 20022 will involve both FedWire and CHIPS systems, and eventually all their participants, beginning as soon as 2020. Other items covered in the March issue include risk management tools, and protecting your institution from spam and phishing attacks.

## Comment Calls

NCUA Requests Comments on Operating Fee Schedule and Overhead Transfer Rate Methodology

**Operating Fee Schedule:** NCUA has issued a [request for comments](#) regarding the National Credit Union Administration's (NCUA) Operating Fee Schedule. The NCUA Operating Budget has two primary funding mechanisms: (1) An Overhead Transfer, which is funded by federal credit unions (FCUs) and federally insured state-chartered credit unions (FISCUs); and (2) annual Operating Fees, which are charged only to FCUs. The NCUA Board is seeking comment on the methodologies for both funding mechanisms.

This request focuses on the methodology NCUA uses to determine the aggregate amount of Operating Fees charged to federal credit unions, including the fee schedule that allocates the Operating Fees at different rates among FCUs according to asset size.

NCUA specifically requests comment on the following questions:

1. Are the asset determination thresholds reasonable; and
2. Is the method for forecasting projected asset growth for the credit union system reasonable?

Commenters are encouraged to provide the specific bases for the comments and recommendations as well as documentation to support any proposed adjustments or alternatives.

**Overhead Transfer Rate Methodology:** NCUA has also issued a [request for comment](#) regarding NCUA's Overhead Transfer Rate Methodology. This request for comment focuses on the methodology NCUA uses to determine the Overhead Transfer Rate (OTR). The Board applies the OTR to NCUA's Operating Budget to determine the portion



of the budget that will be funded from the National Credit Union Share Insurance Fund (NCUSIF). The Board invites comments on all aspects of the OTR methodology and any alternatives commenters may offer. Areas the Board specifically seeks comments on include:

- Whether the OTR should continue to be determined using a formula-driven approach, or instead be set largely at the discretion of the Board;
- The definition NCUA uses for insurance-related activities;
- Adjustments or changes to the current calculation; and
- Alternate methodologies to arrive at an accurate and fair allocation of costs.

The Board encourages the public to provide the specific basis for their comments and recommendations, as well as documentation to support any proposed adjustments or alternatives.

GCUA would like to know your thoughts and/or concerns on NCUA's proposals. Please send your comments on these proposals to Selina Gambrell at [selinag@gcua.org](mailto:selinag@gcua.org) by **March 26, 2016**.

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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**Email [compliance@gcua.org](mailto:compliance@gcua.org).**