



InfoSight Highlight

FTC Adds Spanish Video on Imposter Scams

The Federal Trade Commission (FTC) has introduced a new Spanish-language video about imposter scams at the Legislative Summit hosted by the National Association of Hispanic Publishers and the National Newspaper Publications Association.

For more information on scams, see the Identity Theft topic in the Security channel on InfoSight.

Compliance News

Guidance on Regulatory Changes Affecting Military Members

NCUA has issued **Regulatory Alert 16-RA-04** to provide credit unions with guidance on *Complying with Recent Changes to the Military Lending Act Regulation*. The guidance explains the types of credit that will be affected, the new consumer protections that will be provided, and the steps you will need to take to comply with the revised regulation.

One important exception involves payday alternative loans (PALs). If your credit union offers PALs in accordance with NCUA's regulation, under the Military Lending Act you can exclude one application fee in a rolling 12-month period from the military annual percentage rate.

Effective Dates

Compliance with most of the changes will be required starting October 3, 2016. Before that effective date, NCUA staff will issue revised examination procedures in connection with the Military Lending Act.

Compliance with related changes for credit card accounts will be required a year later, starting October 3, 2017.

If you have any questions, please contact NCUA's Office of Consumer Protection at (703) 518-1140 or ComplianceMail@ncua.gov, your regional NCUA office, or your state supervisory authority.

GEORGIA CREDIT UNION

Affiliates

InfoSight
Compliance eNEWSLETTER

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Credit Union National Association

Compliance Calendar

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

Child Support Data Match
Reimbursement Deadline

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

Compliance Training

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 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](#)

CTRs & Businesses with Common Ownership

Question: Our member has two separate business accounts at the credit union. The member is the owner of each business, but the businesses are separately incorporated. How should currency transactions conducted by this member be aggregated across the two business accounts for purposes of filing CTRs?

Answer: According to [CUNA's Compliance Blog](#), FinCEN has ruled that although multiple businesses may share a common owner, the presumption is that separately incorporated entities are independent persons. Therefore, the currency transactions of separately incorporated businesses should not **automatically** be aggregated as being on behalf of any one person simply because those businesses are owned by the same person.

The presumption that the entities are separate, however, is rebuttable. . There are no universal rules applicable to any situation. It's ultimately up to the credit union to determine, based on information obtained in the ordinary course of business, whether multiple businesses that share a common owner are, in fact, being operated independently depending on all the facts and circumstances. The results of this determination affect whether the businesses' currency transactions should be aggregated for purposes of complying with currency transaction reporting obligations.

If you determine that your member's businesses (or the businesses and the private accounts of the owner) are not operating separately or independently of one another or their common owner – for example:

- the businesses are staffed by the same employees and are located at the same address,
- the credit union accounts of one business are repeatedly used to pay the expenses of another business, or
- the business accounts are repeatedly used to pay the personal expenses of the owner -

you may determine that aggregating the businesses' transactions is appropriate because the transactions were made on behalf of a single person.

Once a credit union determines that the businesses are not independent of each other or their common owner, then the transactions of these businesses should be aggregated going forward. Alternatively, once a

credit union determines that the businesses are independent, then it should not aggregate the separate transactions of these businesses.

For more information review FinCEN's March 2012 ruling on this issue: [Currency Transaction Report Aggregation for Businesses with Common Ownership](#).

Your CU Should Know...

NCUA Supervisory Committee Videos in Spanish: The NCUA's six-module video series on Supervisory Committees is now [available online in Spanish](#). The series is designed specifically for supervisory committee members of small and medium credit unions. The ten-minute modules address topics such as monitoring management activities, annual audits, verification of member accounts and handling member complaints.

CFPB Announces Recovery of \$14.3M for Consumers: The Bureau has released its 10th edition of *Supervisory Highlights*, which generally covers CFPB activities between September and December 2015, when the exams of banks and nonbanks resulted in remediation payments of \$14.3 million to approximately 228,000 consumers. The Bureau found violations in the student loan market, including illegal automatic defaults imposed by student loan servicers and illegal garnishment threats by debt collectors performing services for the Department of Education. Examiners also found instances of international money transfer companies violating the CFPB's new remittance rule, banks providing inaccurate information to credit reporting companies about customer checking accounts, and debt collectors illegally contacting consumers.

Bureau Accepting Complaints about Online Lenders: The CFPB has [announced](#) it is now accepting complaints from consumers encountering problems with loans from online marketplace lenders. The agency also released a [consumer bulletin](#) that provides an overview of

[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

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](#)

online marketplace lending and outlines tips for consumers who are considering taking out loans from these types of lenders.

FDIC Consumer News Special Cybersecurity Edition: (While not a credit union regulator, this information may still be helpful to credit unions...) The FDIC has posted the winter 2016 edition of its quarterly *FDIC Consumer News*. The special edition, "[A Bank Customer's Guide to Cybersecurity](#)," features tips for preventing online fraud and theft. Articles and other features include:

- Tips on how to avoid identity theft online;
- What to know about the roles that banks and the government play in protecting customers; and
- Additional resources from the FDIC that can help educate consumers.

The FDIC also announced the release of two new cybersecurity brochures for consumers and business customers of financial institutions to educate them about appropriate steps they can take to help avoid fraud and other cyber threats when banking online or on their mobile devices.

- [Consumer brochure](#)
- [Business brochure](#)

Also, FDIC Updates Flood Insurance Videos: [FDIC FIL-18-2016](#) announces the update of the agency's [technical assistance videos on flood insurance](#). The new videos provide financial institution management, compliance officers, and staff with resources for a better understanding of federal flood insurance laws, regulations, and compliance responsibilities. The updated videos include information about the changes to federal flood insurance compliance requirements brought about by the Biggert-Waters Flood Insurance Reform Act, the Homeowner Flood Insurance Affordability Act, and the agency's final rules on flood insurance. They reflect changes in federal flood insurance laws, including changes regarding escrowing of flood insurance premiums and fees, insuring detached structures, and force-placed insurance. They also address other key requirements of the federal flood insurance regulations, common flood insurance violations, frequently asked questions, and elements of an effective compliance management system.

[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 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](#)

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 to 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

[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](#)

- 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 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.