



InfoSight Highlight

Reminder - Compliance Call on the New Georgia Garnishment Law
Please join us this **Friday, April 29, 2016, at 1:30 p.m.** for a compliance call to see what changes your credit union will need to make. The new rule means there will be changes in credit union procedures for processing garnishments, and new notices to provide to consumers. **Our host for the call will be Adam Cleveland, an attorney with the law firm of Thompson | O'Brien.**

The new law clarifies what money in accounts is exempt and explains how quickly it can be recovered if it is taken improperly. It describes what a debtor should do if exempt money has been taken and explains the redress debtors would have. The law includes forms that have to be sent with a notice of garnishment.

No registration is required for the call. Call-in instructions and handouts will be sent via email a few days before the call.

Compliance News

Reporting Elder Financial Abuse Does Not Violate Privacy Rules
CUNA's Compliance Blog notes that according to the National Elder Abuse Center (NEAC), there are an estimated 5 million victims of elder abuse annually. While only about 1 in 8 cases reported relate to finances, it's believed that only 1 in 44 instances of elder financial fraud are even reported. The aggregate amount stolen from elderly victims due to these crimes is about \$2.9 billion annually. These crimes can have devastating results for our elderly members, at times pushing them into poverty and homelessness. Even more alarming, it has been reported that approximately 30%-40% of those victims of financial abuse are also being physically abused. Many states now require credit unions to report suspected financial abuse and this report may be your elderly member's only chance of having someone look into their situation.

How to Spot Elder Financial Abuse

Some of the things that can be done to protect your members from financial abuse include being alert to changes in your elderly members' behaviors, such as:

GEORGIA CREDIT UNION

Affiliates

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Credit Union National Association

Compliance Calendar

May 2
Credit Card Quarterly Agreement Submission Due to CFPB (10,000 or more open credit card accounts)

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

- Someone accompanying your member to the credit union and speaking on their behalf;
- Your member appears fearful, nervous, reluctant to make eye contact;
- Your member appears confused.

Also, credit union personnel should be alert to suspicious changes in your elderly members' financial transactions, such as:

- Large or frequent cash withdrawals from ATMs;
- Suspicious signatures on checks or other documents;
- Execution of new POA or adding new signatories or beneficiaries;
- Sudden increase in debt - large unusual credit card charges, second mortgages;
- Closing CDs regardless of penalties;
- Transfers to accounts accessible by others;
- Checks written as "loans" or "gifts".

How to Stop Elder Financial Abuse

A healthy dose of suspicion is one of the best things we can provide our members through education, statement stuffers, and reaching out to them at appropriate events or locations. Some of the warnings that may help them avoid financial predators include:

- Never give out account numbers or PINs to anyone over the phone;
- Never pay a fee or taxes to collect sweepstakes or lottery "winnings";
- Never rush into a financial decision, ask for details in writing and get a second opinion;
- Check references and credentials before hiring anyone;
- Always say "let me check with my credit union" whenever a financial transaction is involved.

If credit unions could build strong relationships with their elderly members so that your members feel comfortable always saying "let me check with my credit union" – most predators, even family members, will simply move on.

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
Hot Topics in Compliance - NCUA Webinar
2:00 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

April 29, 2016
 GCUA Compliance Call - New Georgia Garnishment Law
1:30 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

Privacy Considerations

Although many state laws now require financial institutions to report suspected elder financial abuse, some credit unions have expressed reluctance due to concerns that they could be violating the Graham-Leach-Bliley (GLB) Act's privacy requirements. As you likely know, GLB prohibits credit unions from sharing nonpublic personal information with non-affiliated third parties unless you have provided your members with notice that describes the disclosure of their information and have provided your members with a reasonable opportunity to opt out of such sharing, and your members have not opted out. There are, however, exceptions to the privacy rule. Generally, disclosure of this type of information is permitted to local, state and federal agencies for the purpose of reporting elder financial abuse. And if the exceptions in the rule are not enough to ease your mind, nine federal regulatory agencies, including NCUA, issued [interagency guidance in 2013](#) specifically clarifying that the GLB Act does not prohibit you from reporting elder financial abuse to the proper authorities.

Check State Resources

Most states have local Adult Protective Service agencies. Check their websites for more information and to review your state law requirements. You can locate your local agencies using this [NEAC resource](#). **Remember, Section 30-5-4(a)(1)(B) of the Georgia Code requires financial institution employees to be mandatory reporters of elder financial abuse.** For more information, check out the [Elder Financial Exploitation](#) topic in the Security Channel on InfoSight.

Your CU Should Know...

NCUA Report Features Increased Servicemember Protections: The April 2016 issue of [The NCUA Report](#) has been posted, featuring the recent changes made by the Department of Defense that will extend the

[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 16, 2016
[Examining Complex TRID Issues, Part 2: Closing Disclosure, Tolerances & the Good Faith Analysis](#) – 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

June 2, 2016
[Best Practices for Member](#)

protections of the Military Lending Act to a broader range of closed-end and open-end credit union products.

OFAC Updates Cuba FAQs: OFAC has announced the update of its frequently asked questions (FAQs) regarding Cuba with new FAQs #62, 63, 67, 68, 80, 81, 93, and 97.

Plans for Currency Changes Announced: Treasury Secretary Lew has announced plans for the new \$20, \$10 and \$5 notes, with the portrait of Harriet Tubman to be featured on the front of the new \$20. The reverse of the new \$10 will feature an image of the historic march for suffrage that ended on the steps of the Treasury Department and honor the leaders of the suffrage movement: Lucretia Mott, Sojourner Truth, Susan B. Anthony, Elizabeth Cady Stanton, and Alice Paul. The front of the new \$10 note will maintain the portrait of Alexander Hamilton. The reverse of the new \$5 will honor events at the Lincoln Memorial that helped to shape our history and our democracy and prominent individuals involved in those events, including Marian Anderson, Eleanor Roosevelt and Martin Luther King Jr. The reverse of the new \$20 will feature images of the White House and President Andrew Jackson. Federal Reserve Chair Yellen also issued a statement on the redesign of the currency. The first of the newly designed notes should enter circulation in 2020.

Atlanta Reserve Bank Issues Hurricane Preparation

Information: A letter from the Federal Reserve Bank of Atlanta has been sent to Sixth District financial institutions concerning preparations for the upcoming hurricane season and emergency contact information.

CFPB Upgrades Web Site: The Bureau has announced upgrades to its consumerfinance.gov site to help users quickly and easily browse the information, tools, and reports that the Bureau provides. Examples of the improvements are provided in the announcement.

CFPB Releases Report on Online Payday Lending: The CFPB has issued a report on payday loans and certain installment loans,

Business Lending - Webinar
3:00 – 4:30 p.m. EST

June 7, 2016
Hiring in the Digital Age: What Every HR Manager Needs to Know About Social Media – Webinar
3:00 - 4:30 p.m. EST

June 8, 2016
Federal Government ACH Payments, Reclamations & Garnishments - Webinar
3:00 – 4:30 p.m. EST

June 9, 2016
FFIEC Cyber Security Risk Assessments: Recent Findings & Recommended Actions - Webinar
3:00 – 4:30 p.m. EST

June 10 – 17, 2016
Southeast CUNA Management School
Athens, GA

June 14, 2016
Comparing Regulation E Requirements with Visa & MasterCard Rules - Webinar
3:00 – 4:30 p.m. EST

June 16, 2016
ACH Rules for Deceased Account Holders & Federal Government Payments - Webinar
3:00 – 4:30 p.m. EST

June 21, 2016
The Growing Scope of Vendor Management: Business Continuity, Cyber Security, Contract Negotiation & More -

specifically looking at online lenders. After analyzing 18 months of data on more than 330 online lenders, the CFPB found that penalty fees and account closures are a significant, hidden cost of online payday and payday installment loans.

Specifically, the report found:

- **Half of online borrowers are charged an average of \$185 in bank penalties:** One half of online borrowers have at least one debit attempt that overdrafts or fails. These borrowers incur an average of \$185 in bank penalty fees, in addition to any fees the lender might charge for failed debit attempts.
- **One third of online borrowers hit with a bank penalty wind up losing their account:** An account may be closed by the depository institution for reasons such as having a negative balance for an extended period of time or racking up too many penalty fees. Over the 18-month period covered by the data, 36 percent of accounts with a failed debit attempt from an online lender ended up being closed by the depository institution. This happened usually within 90 days of the first non-sufficient funds transaction.
- **Repeated debit attempts typically fail to collect money from the consumer:** After a failed debit attempt, three quarters of the time online lenders will make an additional attempt. Seventy percent of second payment requests to the same consumer's account fail. Seventy-three percent of third payment requests fail. And, each repeated attempt after that is even less likely to succeed.

The CFPB has enforcement authority over the payday loan and payday installment loan markets. Last year the CFPB announced it was considering a proposal that would prohibit payday lenders and "similar" lenders from making more than two unsuccessful attempts in succession on a borrower's checking or savings account. The CFPB is expected to issue a proposed rule later this spring.

Click [here](#) for the April 20, 2016 press release. Click [here](#) for the report.

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

Webinar

3:00 – 4:30 p.m. EST

June 22, 2016

[Product Terms Part 1:](#)

[Modifying Existing Product Terms & Fees, Including Timing, Content &](#)

[Requirements for Change-in-Term Notices](#) - Webinar

3:00 – 4:30 p.m. EST

June 23, 2016

[Legal Aspects of HELOCs: Disclosures, Advertising, Termination, Credit Line](#)

[Reduction & More](#) - Webinar

3:00 – 4:30 p.m. EST

June 26 – 29, 2016

[America's Credit Union Conference](#)
Seattle, WA

June 27, 2016

[Developing a Sound Appraisal Management Program](#) - Webinar

3:00 – 4:30 p.m. EST

June 29, 2016

[Understanding FCRA Permissible Purposes in Obtaining Credit Reports](#) - Webinar

3:00 – 4:30 p.m. EST

June 30, 2016

[Compliance Officer Training: Risk Assessments, Monitoring & Testing](#) - Webinar

3:00 – 4:30 p.m. EST

[BSA Training Opportunities](#)

monitor, analyze, and influence government agencies and federal law. You can view the current report and past reports from the archive.

through GCUA
[Click here for details](#)

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Email compliance@gcu.org.