



InfoSight Highlight

NCUA Lists Online Financial Help Resources for Seniors

The National Credit Union Administration (NCUA) has released a summary of the agency's online resources to help older Americans manage money and protect themselves against fraud.

For more information on protecting senior citizens, please see the Elder Financial Exploitation topic on InfoSight.

Compliance News

The Long-Awaited CDD Rule Will be Out This Week!

The long awaited Bank Secrecy Act Customer Due Diligence (CDD) rule will be published in the *Federal Register* this week. Although the effective date will be 60 days after publication, the **compliance date** will not be until **May 11, 2018**.

This new rule will include explicit customer due diligence requirements (most of which you have been complying with via the FFIEC BSA Examination Manual) and a new requirement to identify and verify the identity of beneficial owners of your business accounts.

FinCEN expects to see four key elements in your CDD programs:

1. Customer identification and verification (your CIP or MIP);
2. Beneficial ownership identification and verification (required by this new rule);
3. Understanding the nature and purpose of member relationships to develop a risk profile (you already do this in order to comply with your suspicious activity reporting (SAR) requirements – this new rule will provide explicit requirements);
4. Ongoing monitoring for reporting suspicious transactions and, on a risk-basis, maintaining and updating member information (again, you already do this for your SAR reporting – but this new rule includes explicit requirements).

Beneficial Ownership Requirements

After May 11, 2018 credit unions will be required to identify and verify the identity of the beneficial owners of all business accounts at the time the account is opened. You can accomplish this new requirement by

GEORGIA CREDIT UNION

Affiliates

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Compliance eNEWSLETTER

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Credit Union National Association

Compliance Calendar

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

July 4

Independence Day - Federal Holiday

July 22

5300 Call Report Due to NCUA

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

Compliance Training

either obtaining the standard certification form provided in the rule, or by any other means that complies with the substantive requirements of this rule. The procedures will be similar to your current CIP or MIP procedures.

- [PDF of rule](#) (227 pages) as submitted for publication

TCPA FAQs

Question: Can you clarify whether informational (i.e., non-telemarketing) text messages require the consumer's prior express written consent under the Telephone Consumer Protection Act (TCPA)? We've recently read differing opinions, so we're not sure how to proceed.

Answer: According to [CUNA's Compliance Blog](#), under the TCPA the consumer's prior express written consent is required for *telemarketing* calls/text messages made to mobile phones using an automated telephone dialing system (ATDS) or prerecorded message.

If the autodialed/prerecorded call/text to a wireless number is not for telemarketing or advertising purposes (i.e., an informational call), the prior express consent may be oral *or* written. However, the prior express written consent rules will apply to informational calls/texts that also contain any advertising message (i.e., intended to offer property, goods, or services for sale).

And to make it official, see the following from the [FCC's July 2015 declaratory ruling](#) (FCC 15-72):

“9. ... if a caller uses an autodialer or prerecorded message to make a non-emergency call to a wireless phone, the caller must have obtained the consumer's prior express consent or face liability for violating the TCPA. Prior express consent for these calls must be in writing if the message is telemarketing, *but can be either oral or written if the call is informational.*”

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 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 –](#)

Question: What about “live” telemarketing calls to residential landlines and wireless phones? How should we handle these marketing calls?

Answer: Residential landlines -- Prior express written consent is required for prerecorded telemarketing calls to residential landlines. (The “established business relationship” exemption for these calls was eliminated in the [FCC’s 2012 rulemaking](#).) Telemarketers have to comply with the FCC’s [Do-Not-Call](#) rules if the calls are live solicitations.

Wireless Numbers -- The consumer’s prior express written consent is required for telemarketing calls/text messages made to mobile phones using an automated telephone dialing system (ATDS) or prerecorded message (so-called robo calls/texts). If the autodialed/prerecorded call/text to a wireless number is not for telemarketing or advertising purposes, the prior express consent may be oral or written.

“Live” telemarketing calls to wireless numbers would not require the consumer’s prior express consent, *unless* the credit union uses an ATDS to place the call. That’s right -- even with “live” calls, a telemarketer cannot use an ATDS to call a wireless number without first obtaining the consumer’s prior express written consent. (For more information on ATDS, see the autodialer Q&A linked below.) If no ATDS is used for the voice call, then the credit union would only have to comply with the [do-not-call](#) rules.

Clear as mud, but that’s the TCPA.

Click [here](#) to visit CUNA’s e-Guide for more information, including latest developments, links to TCPA blog posts, frequently asked questions, and more.

Your CU Should Know...

NCUA Cybersecurity Risk webinar scheduled: [The NCUA will host a free webinar](#), "Cybersecurity: What Can You Do?" on **May 12, beginning at 2:00 p.m. EST**, to provide credit unions with valuable information about protecting themselves and their members from cyber threats. Topics will include:

Webinar
3:00 – 4:30 p.m. EST

June 2, 2016
[Best Practices for Member 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

- How small credit unions can prepare for, or recover from, a cybersecurity event;
- How to use the [FFIEC cybersecurity assessment tool](#);
- How to balance the impact associated with fraud risk and fraud prevention; and
- How to avoid or minimize cyber security vulnerabilities in products and services.

Archive of TRID Questions Webinar Posted: The Consumer Financial Protection Bureau's (CFPB) Regulatory Implementation Team has announced that they have posted the [archive recording](#) of the Bureau's April 12 webinar addressing specific questions raised about the implementation of the TRID rule's requirements. Speaking of the CFPB and TRID...**Bureau - We Will Clarify TRID Rules:** CFPB Director Cordray sent a [letter](#) late last month to the leadership and members of several industry trade groups reporting that the agency has begun drafting a Notice of Proposed Rulemaking on the TRID rules, with the goal of issuing it in late July. Although the content of the proposal is not yet known, the Director suggested it would likely incorporate some of the Bureau's informal guidance into the regulatory text and commentary "where adjustments would be useful for greater certainty and clarity."

Registration Open for NCUA Consulting Assistance: The NCUA has [announced](#) that credit unions that qualify for consulting assistance from the agency have until **May 31** to submit nominations. To qualify for the NCUA's consulting assistance, a credit union must fall into one of the following categories:

- Have total assets of less than \$100 million;
- Have been chartered for fewer than 10 years;
- Be designated as a Minority Depository Institution; or
- Have a low-income designation from NCUA.

Eligible credit unions should complete the agency's [online registration form](#).

Comment Calls

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

CFPB Announces Proposed Rules Prohibiting Mandatory Arbitration Clauses

The CFPB has just announced [proposed rules](#) on arbitration clauses.

The proposed rules would prohibit mandatory arbitration clauses that are routinely included in many contracts for consumer financial products. These clauses can bar consumers from bringing class action lawsuits or group claims through the arbitration process, so consumers can only resolve their claims individually against the company.

Under the proposal, companies could still include arbitration clauses in their contracts but the clauses would have to explicitly state that they cannot be used to stop consumers from being part of a class action in court. The CFPB would provide specific language that must be used in the contract. The proposal also requires companies that use arbitration clauses to submit claims, awards and other related materials to the CFPB for monitoring, which would create yet another compliance burden for credit unions.

If the CFPB chooses to adopt the proposed rules, it would largely eliminate many of the benefits of arbitration clauses for credit unions, and would ultimately prevent their use altogether. Credit unions have a history of putting their members' best interests first and have often relied on the arbitration process to resolve differences with members in a fair and efficient manner. If adopted, the proposed rules would expose credit unions to more litigation and class action liability that is both costly and time consuming.

The public is invited to comment as soon as the proposed rules are published in the *Federal Register*. Please look for more information in upcoming issues of *InfoSight eNewsletter*.

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.

[& Testing](#) - Webinar
3:00 – 4:30 p.m. EST

July 7, 2016

[Your Borrower Has Died:](#)

[Actions to Take, Mistakes to Avoid](#)

3:00 – 4:30 p.m. EST

BSA Training Opportunities
through GCUA

[Click here for details](#)

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