



## InfoSight Highlight

Stay Up-To-Date With the InfoSight Compliance Calendar!  
Do you need to keep up with what is coming up in 2016? Want to make sure that you didn't miss anything for 2015?

Check out the [Compliance Calendar](#) on InfoSight. There are several different ways to view the calendar, so pick the one that works best for you.

Stay in compliance and on time with the Compliance Calendar.

## Compliance News

### Your Credit Union Staff Needs Compliance Training

If you're responsible for compliance at your credit union, one thing you should be aware of is certain federal regulations, along with NCUA Rules and Regulations, require training of credit union staff from time to time. And, while other statutes do not require training, it is still a prudent thing to do since the staff is responsible for carrying out many of the compliance requirements found in the regulations.

Here are some examples of credit union specific training:

**\*Bank Secrecy Act.** Financial institutions are required to have an anti-money laundering program that includes an ongoing employee training program. The Bank Secrecy Act (BSA) is the current hot topic with all of the financial institution regulatory agencies. Your BSA training should be institution-wide. Every employee needs to receive general training, and training specific to their job function, on BSA compliance. This training should include Management and the Board. (Don't forget, GCUA has staff and BOD BSA training opportunities. For more information, please contact us at [compliance@gcua.org](mailto:compliance@gcua.org).)

**\*NCUA Rules & Regulations Part 748.2 (b) & (c).** Much like the BSA, this regulation requires all federally insured credit unions to have a BSA program in writing, approved by the Board of Directors of the credit union and noted in the minutes. The program must provide training for appropriate personnel. However, no interval is mandated for providing that training.

**\*Regulation CC, Availability of Funds and Collection of Checks.** Section 229.19 (f) of this regulation states that financial

GEORGIA CREDIT UNION

*Affiliates*

InfoSight  
Compliance eNEWSLETTER

January 11, 2016

Vol. 10, Issue 2

Created in partnership with the



Credit Union National Association

Compliance Calendar

January 12  
Microsoft Discontinues Support of Older Versions of Internet Explorer

January 18  
Martin Luther King, Jr Birthday - Federal Holiday

January 22  
5300 Call Report Due to NCUA

February 15  
Washington's Birthday/President's Day - Federal Holiday

March 13  
Daylight Savings Time Begins

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

## Compliance Training

January 12, 2016  
Maximizing Cyber Security  
Soundness & Minimizing  
Incidents - Webinar  
**3:00 – 4:30 p.m. EST**

January 14, 2016  
The Essentials of Collection  
Law - Webinar  
**3:00 – 4:30 p.m. EST**

January 19, 2016  
Denied Loan Requirements:  
Consumer, Commercial & Real  
Estate - Webinar  
**3:00 – 4:30 p.m. EST**

January 20, 2016  
How April 1 Changes Affect  
ARMs & Balloon Payments -  
Webinar  
**3:00 – 4:30 p.m. EST**

January 21, 2016  
IRA & HAS Update & Review  
2016 - Webinar  
**3:00 – 4:30 p.m. EST**

January 26, 2016  
Grassroots Academy  
**Atlanta, GA**

January 26, 2016  
Managing Reports to the  
Board: Timing, Delivery,  
Options, Risks & Concerns -  
Webinar  
**3:00 – 4:30 p.m. EST**

January 27, 2016  
Demystifying Rules for TRID

institutions must do whatever is necessary to inform employees performing tasks governed by the regulation of the requirements and establish and maintain procedures designed to ensure and monitor employee compliance with the requirements.

**\*Regulation B, Equal Credit Opportunity Act.** Section 202.15 (c) (2) of the commentary to this regulation states that “identifying and then training and/or disciplining the employees involved” is an appropriate corrective action for problems discovered as a result of a self-test for compliance with this regulation.

**\*NCUA Rules & Regulations Part 748, Safeguarding Member Information.** Appendix A III (c) (2) requires all credit unions to train their staff to implement the information security program.

Develop training by starting with the five most important concepts for the topic being discussed, and build on that list. Be sure to customize the training to reflect your credit union's own philosophy, procedures and terminology. Make sure to cover any regulatory changes since the last training. Develop testing or other feedback mechanisms to ensure that each employee understands the basic principles. **Be certain to document the content of your training, your training measurements, and attendance.**

**Note:** For more information, please see the following charts, put together by CUNA's Compliance Team, that list policies and training required by regulation:

- [Policies and Procedures Required by Federal Regulations](#)
- [Federal Required Training for Credit Unions](#)

Are You Including IP Addresses on Your SARs?

Due to BSA reporting, the Financial Crimes Enforcement Network (FinCEN) often receives early detection of potential malicious cyber activity from financial institutions before a full cyber attack occurs. Speaking to a group of financial institutions and regulators, FinCEN Director Shasky Calvery stated that the agency uses BSA data to analyze and develop leads on cyber threats, such as ransomware, malware and Distributed Denial of Service (DDOS) attacks. SARs often contain information that could be helpful in deflecting cyber attacks and identifying their source, as well as the target of the attack. Recently,

SAR data was used to help the FBI identify a group based in Russia and Ukraine that was using malicious software against U.S. individuals and companies.

On average, the agency receives approximately 55,000 BSA reports daily and grants over 9,000 law enforcement and regulatory agencies access to the data resulting in approximately 30,000 searches each day.

Advanced technology and e-filing has decreased law enforcement's data search time for a specific inquiry from more than two weeks to two days. According to FinCEN, this technology allows them to identify information that may not be obvious to other agencies and take fairly undeveloped SAR information, compare it to other materials and develop well-founded leads or pieces of intelligence that can assist law enforcement activities worldwide.

To further these efforts, **FinCEN is encouraging credit unions to include IP addresses in suspicious activity reports** – currently less than 2% of SARs contain this valuable information.

Although FinCEN is legally constrained from sharing certain SAR information with credit unions, such as consumer account information, the agency is currently exploring ways to share cyber threat information derived from BSA reports with financial institutions in an effort to prevent and guard against cyber-attacks and cyber-enabled crime and protect the nation's critical infrastructure.

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#### Are Your Marketing Service Agreements Violating RESPA?

Over the past several months, CUNA's Compliance Blog reports that credit unions have been asking an increasing number of questions regarding mortgage servicing agreements (MSA). It seems that more credit unions are being approached by mortgage servicers to enter into what is described as joint marketing contracts. The risk with these contracts (whether written or oral) is whether the compensation could be considered a "referral fee" as defined by the Real Estate Settlement Procedures Act's (RESPA) Section 8(a). RESPA prohibits the giving and accepting of "any fee, kickback or thing of value" as part of an agreement that refers a settlement service to any person.

Tolerances - Webinar  
**3:00 – 4:30 p.m. EST**

January 28, 2016  
Completing the CTR Line-by-Line - Webinar  
**3:00 – 4:30 p.m. EST**

February 3, 2016  
New Compliance Officer Boot Camp - Webinar  
**3:00 – 4:30 p.m. EST**

February 4, 2016  
Dealing with ACH Tax Refunds: Exceptions, Posting & Liabilities - Webinar  
**3:00 – 4:30 p.m. EST**

February 9, 2016  
Handling Debit Card Chargebacks - Webinar  
**3:00 – 4:30 p.m. EST**

February 11, 2016  
Avoiding Compliance Violations in Advertising - Webinar  
**3:00 – 4:30 p.m. EST**

February 16, 2016  
Telephone Consumer Protection Act: What You Need to Know About the New Requirements - Webinar  
**3:00 – 4:30 p.m. EST**

February 17, 2016  
Overseeing Credit Union Performance: the Role of Audit - Webinar  
**3:00 – 4:30 p.m. EST**

February 21 – 25, 2016  
CUNA Governmental Affairs

As evidenced by the CFPB's recent Compliance Bulletin (2015-05), the Bureau is also seeing an increase in MSA's and has found that some payments described as fees for advertising or promotional services are actually disguised referral fees. The Bureau has taken a significant number of public enforcement actions due to MSAs including bans on working in the mortgage industry for up to five years, over \$75 million in penalties, and bans on MSAs.

The CFPB recognizes that the facts and circumstances surrounding each MSA must be investigated to determine whether it is in violation of RESPA. However, by way of guidance, the Bureau has provided the following examples of instances that have resulted in enforcement actions:

- A title company entered into unwritten agreements with individual loan officers in which it paid for the referrals by defraying the loan officers' marketing expenses. The company supplied loan officers with valuable lead information and marketing materials. In exchange the loan officers sent referrals to the title company.
- A title insurance company entering MSAs as a quid pro quo for the referral of business. The fees paid under the agreements were based, in part, on how many referrals the title insurance company received and the revenue generated by those referrals. The number of referrals increased significantly when the MSA existed and could not be explained by seasonal or year-to-year fluctuations.
- The borrower's ability to shop for the settlement service was hindered because the disclosure was buried in the description of the services that its affiliate provided. (This should not happen in the future due to the new Loan Estimate disclosure, but examiners may be looking for these types of violations in pre-October 3, 2015 mortgage documents.)
- 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.
- Service providers were paid for such services as, underwriting, processing, closing, executing title insurance work, marketing, and even financing – but these services were never provided.

The Bureau plans to continue actively scrutinizing the use of MSAs and encourages mortgage lenders to self-report any activity that may be in violation of RESPA. The CFPB notes that self-reporting and cooperation will be taken into account in resolving the situation.

Conference  
**Washington D.C.**

February 23, 2016  
Teller Development: Managing Dual Control & Cash Limits - Webinar  
**3:00 – 4:30 p.m. EST**

February 24, 2016  
Construction to Permanent Lending Compliance with CFPB Rules: Including TRID Changes - Webinar  
**3:00 – 4:30 p.m. EST**

March 3, 2016  
How to Complete & File UCC-1 Financing Statements- Webinar  
**3:00 – 4:30 p.m. EST**

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

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 &

For more information, please see the CFPB's [Compliance Bulletin 2015-5](#), which they issued to provide 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.

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#### IRS Upgrades, Enhances FATCA Registration System

The Internal Revenue Service (IRS) has upgraded the [Foreign Account Tax Compliance Act \(FATCA\) Online Registration System](#), enabling sponsoring entities to register their sponsored entities to obtain a global intermediary identification number. The upgraded system also will allow users to update their information, download registration tables and change their financial institution type. The upgrade also includes an updated jurisdiction list.

The Foreign Account Tax Compliance Act (FATCA) Online Registration System is a secure, web-based system that financial institutions and other entities can use to register for FATCA purposes. Launched in 2013, the system allows the IRS to identify foreign financial institutions and certain other entities with FATCA obligations. These entities generally report on foreign financial accounts held by U.S. taxpayers under the terms of FATCA or pursuant to the provisions of specific intergovernmental agreements (IGAs).

More than 170,000 financial institutions worldwide have registered with the IRS. These financial institutions are located in more than 200 jurisdictions. In most cases, those foreign financial institutions that do not comply with FATCA or participate through an IGA are subject to 30 percent withholding on certain U.S. source payments.

FATCA requires certain sponsored entities (including those covered by an IGA) to have their own Global Intermediary Identification Number (GIIN) for FATCA reporting and withholding purposes by December 31, 2016. To facilitate this requirement, the FATCA Online Registration System will now enable sponsoring entities to add their sponsored entities and, if applicable, sponsored subsidiary branches. These entities can be added either individually or by submitting a file containing information for multiple entities.

#### [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 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-](#)



The IRS also provides a Microsoft Excel-based Sponsored Entity Data Preparation Tool for users choosing the multiple record file upload option. As a result of the new sponsored entities and sponsored subsidiary branches, the values available for the GIIN have been expanded. (Please see the [Instructions for Sponsored Entity Data Preparation Tool for XML File](#) for the definitions of sponsored entities and sponsored subsidiary branches.)

The update to the system occurred on November 16, 2015. The improvements to the system and additional features to manage user accounts include the following:

- New questions have been added, such as asking foreign financial institutions to indicate their tax identification number in their country or jurisdiction, if they have one. Other questions relate to identifying the common parent entity of the expanded affiliated group.
- Certain financial institutions can now change their “Financial Institution Type.”
- Member financial institutions can now transfer to another expanded affiliated group without having to cancel their current agreement and re-register.

Following the change or transfer, a new FATCA account will be created with existing registration information, including branches.

The FATCA Online Registration System [User Guide](#) and [FAQs](#) have been updated for these enhancements. Additional information on this system is available on the [IRS' website](#).

## Comment Calls

### NCUA Field of Membership Proposal

NCUA has published [[80 FR 76747](#)] a proposed rule that would comprehensively amend its chartering and field of membership rules to put them in a more efficient framework and to maximize access to federal credit union services to the extent permitted by law. The amendments would implement changes in policy affecting:

- the definition of a local community, a rural district, and an underserved area;
- the expansion of multiple common bond credit unions and members' proximity to them;

[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 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**

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

- the expansion of single common bond credit unions based on a trade, industry or profession; and
- the process for applying to charter or expand a federal credit union.

GCUA would like to know your thoughts and comments on NCUA's proposal. Please send them to Michele Barre by **January 15, 2016**, at [micheleb@gcua.org](mailto:micheleb@gcua.org).

**We encourage all credit unions to review the proposed rule and comment to NCUA.**

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