

InfoSight Highlight

What Is InfoSight, Anyway?
InfoSight is your first stop when searching for compliance answers. Think of it as an online compliance manual at your fingertips, containing federal and state-specific content that is accurate, concise and detailed on a wide range of topics and issues.

There are easy-to-read compliance summaries, checklists for compliance, direct links to laws and regulations, frequently asked questions, and links to additional important resources including CUNA's on-line compliance resource "E-Guide."

Visit the site often, as the number of topics and information posted will expand over time. In the future you will find even more tools, added detailed analysis of specific topics and more!

Click [here](#) to visit InfoSight today!

Compliance News

Military Lending Act: When No Premiums or Charges May Be Imposed on an Open-End Loan
According to CUNA's Comp Blog for open-end credit subject to the Military Lending Act, the Department of defense (DoD), has re-introduced the effective APR – a concept the Federal Reserve Board had practically eliminated for most open-end loans in July 2010.

This requires a retroactive calculation of the MAPR for each billing cycle, which includes the interest amount due to the periodic rate, plus any fees or charges imposed during the billing cycle, divided by the borrower's actual loan balance.

However, if an MAPR cannot be calculated because there is no balance (meaning zero balance), the creditor may not impose any fee or charge during the billing cycle except for a participation fee that does not exceed \$100 per annum regardless of the billing cycle in which the participation fee is imposed and provided that the \$100 per annum limitation for the



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Credit Union National Association

Compliance Video

Compliance Connection Video

In this video, League InfoSight CEO Glory LeDu talks about the highlights from the 4th Quarter of 2018 and the 1st Quarter of 2019.

When S.2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, passed in 2018 there was a lot to understand! Glory LeDu, League InfoSight CEO, provides Part 1 in this short video to break it down for you.

Just a reminder that Compliance videos since 2016 can be found on YouTube at the Compliance Connection channel, where they are generally updated quarterly.

Compliance Calendar

participation fee does not apply to a bona fide fee imposed on a credit card account.

The requirement that no fee or charge be imposed during any billing cycle in which the open-end loan has a zero balance, should not pose a problem for those products whose premiums or charge is based on the loan balance.

For such products, if there is no balance during a billing cycle, there will be no premium/fee/charge for the product during that billing cycle. The fee for the product is always based on the balance for open-end credit, so the restriction in section 232.4 of the MLA final rule won't disrupt how those products are charged to the covered borrower.

The situation may be quite different for those products whose monthly premiums or charges are not based on the loan balance. For such products, the premiums or charges ordinarily would remain uniform during each billing cycle regardless of the loan balance. However, the restriction in section 232.4 will prevent any premium or charge from being imposed during a billing cycle when there is no loan balance. In that situation the premium or charge will be delayed until, there is a positive loan balance during any subsequent billing cycle.

Q: The DOD's final rule states that the requirements of the rule no longer apply if the member is no longer a covered borrower. For example: Where a borrower is on active duty when he/she establishes an open-end loan – the open-end loan is covered by the MLA. However, six months later the covered borrower ceases to serve on active duty so the open-end loan is no longer covered by the MLA. What if the member later enters active duty again, while the open-end loan is still active – is the open-end loan again covered by the MLA?

A: Section 232.2(a)(2) of the MLA provides two examples defining whether a loan is covered by the MLA or not depending on the active duty status of the borrower at the time the loan is established. Neither of the examples exactly fits the fact pattern in the above question, but they provide a hint of the answer. In the first example, the borrower is a member of the armed forces, but is not serving on active duty. A closed-end loan opened at that time is not covered by the MLA because the borrower was not on active duty at the time the loan was established. While on active duty, the borrower establishes an open-end loan, which is subject to the MLA.

In the second example, the borrower ceases to serve on active duty one year after the open-end loan was established. The example states that the MLA no longer applies to the open-end loan and also states that the closed-end loan was never subject to the MLA (because at the time the closed-end loan

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 25
5300 Call Report Due to NCUA

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

Compliance Training

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. ET

June 8, 2016
[Federal Government ACH Payments, Reclamations & Garnishments](#) - Webinar
3:00 – 4:30 p.m. ET

June 9, 2016
[FFIEC Cyber Security Risk Assessments: Recent Findings & Recommended Actions](#) - Webinar
3:00 – 4:30 p.m. ET

June 10 – 17, 2016
[Southeast CUNA Management School](#)
Athens, GA

was established the borrower was not serving on active duty, and even though the loan was in existence at the time the borrower went on active duty).

Under the MLA rule, the borrower's status (whether on active duty or not) at the time the loan is established is the determining factor.

In the above question, the borrower is on active duty when the open-end loan is established. Therefore, the loan is subject to the MLA. At some point, the borrower ceases to serve on active duty so the open-end loan is no longer subject to the MLA. When the borrower enters active duty again, the open-end loan should not be subject to the MLA, because at the time the borrower reenters active duty, the open-end loan was already in existence (similar to the closed-end loan in the first example) and since the loan was in existence at the time the borrower reenters active duty, the credit card account is not subject to the MLA at that time.

Time To Submit Data Match Reimbursement Requests

It's that time of year again when credit unions should submit reimbursement requests to the Department of Human Resources (DHR) for conducting the Financial Institutions Data Match (FIDM), designed to locate "deadbeat" parents who owe past due child support. Credit unions can request reimbursement of costs associated with conducting the data match up to a limit of \$100 per quarter. The DHR begins processing quarterly statements at the end of June and begins paying the annual invoices at the beginning of July.

For a copy of the FIDM invoice to be sent to the Department of Human Resources, see the Child Support Data Matching section of InfoSight.

Exam Flexibility Initiative – Request from the NCUA

As the financial services industry and credit union risk landscape evolve, NCUA must smartly adapt by continuously improving their current processes to operate even more efficiently. As the insurer for the nearly entire credit union system, and the regulator for federally chartered credit unions, the agency also faces challenges much like credit unions face in serving its members.

As the first step in this initiative, **NCUA is seeking input from credit unions like yours** to further improve the agency's examination and

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

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

June 21, 2016
The Growing Scope of Vendor Management: Business Continuity, Cyber Security, Contract Negotiation & More - Webinar
3:00 – 4:30 p.m. ET

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. ET

June 23, 2016
Legal Aspects of HELOCs: Disclosures, Advertising, Termination, Credit Line Reduction & More - Webinar
3:00 – 4:30 p.m. ET

June 23, 2016
Telephone Consumer Protection Act: Complying with the Recent Ruling – CUNA Webinar
12:00 – 1:15 ET

June 26 – 29, 2016
America's Credit Union

supervision program. The following questions are provided to help stimulate input and discussion:

- As a regulator, how can we conduct future credit union examinations in ways that minimize disruptive operational impacts during your credit union examination?
- What concerns do you have with respect to the agency's current examination and supervision program?
- What actions should the NCUA consider to improve the efficiency of its examination program, while ensuring it remains effective?
- How can we better use technology to do our jobs?
- What metrics should the agency consider in determining a credit union's eligibility for a longer examination cycle?

NCUA is especially interested in learning about your thoughts and experiences. NCUA plans to meet with credit unions around the nation, and from all asset sizes and charter types, as they work to lessen the examination burden on credit unions, while ensuring the proper regulatory safeguards remain in place to protect the system, the deposits of credit union members and the National Credit Union Share Insurance Fund.

In addition to the upcoming meetings and teleconferences, you may provide input to NCUA at ExamFlexibility@ncua.gov. NCUA will acknowledge all submissions within two business days.

CFPB Provides Details About Protecting Older Account Holders

During a recent call, the Consumer Financial Protection Bureau (CFPB) hosted a webinar to discuss how banks and credit unions can protect older consumers from financial abuse. The call began with remarks from CFPB Director Richard Cordray and was followed by a presentation from the CFPB's Office for Older Americans and an opportunity for questions.

- The CFPB slide deck is [available here](#).
- [Advisory for financial institutions](#) on preventing and responding to elder financial exploitation
- [Recommendations and Report](#) for financial institutions on preventing and responding to elder financial exploitation

Your CU Should Know...

Utah bank pays HMDA and RESPA penalties: One of the FDIC's civil money penalty (CMP) orders [released on May 27](#) assessed a [\\$250,000 penalty on a Utah bank](#) for engaging in (1) unsafe or unsound banking

Conference **Seattle, WA**

June 27, 2016

[Developing a Sound Appraisal Management Program](#) - Webinar
3:00 – 4:30 p.m. ET

June 29, 2016

[Understanding FCRA Permissible Purposes in Obtaining Credit Reports](#) - Webinar
3:00 – 4:30 p.m. ET

June 30, 2016

[Compliance Officer Training: Risk Assessments, Monitoring & Testing](#) - Webinar
3:00 – 4:30 p.m. ET

July 7, 2016

[Your Borrower Has Died: Actions to Take, Mistakes to Avoid](#) - Webinar
3:00 – 4:30 p.m. ET

July 10-13, 2016

[Southeast Regional Directors' Conference](#)
Pinehurst, NC

July 11, 2016

[New Overtime Rule Critical Budgeting Issues](#) - Webinar
3:00 – 4:30 ET

July 12, 2016

[Board Oversight & Responsibility for ACH Risk](#) - Webinar
3:00 – 4:30 p.m. ET

July 13, 2016

[Manufactured & Mobile Home](#)

practices; (2) violations of RESPA and Regulation X by agreeing to pay fees for the referral of mortgage loan business; and (3) violations of HMDA and Regulation C because of the Bank's significant home mortgage data accuracy errors in both 2012 and 2013. This is the first HMDA penalty since November 2013.

CUs encouraged to promptly file grant apps: The NCUA has issued a reminder to credit unions (CUs) that a new registration system is now required for grant applicants, and low-income credit unions seeking Community Development Revolving Loan Fund assistance grants should give themselves adequate time to file. Instructions for creating an account and registering are available on the "Help Documents" section of the Office of Small Credit Union Initiatives' Grants and Loans information page. The application deadline is June 30.

G7 action plan to combat terrorism financing: The Financial Action Task Force (FATF) has posted the actions of the meeting of the G7 Finance Ministers and Central Bank Governors' meeting in Sendai, Japan on May 21. The G7 published an action plan on combating the financing of terrorism. The G7 countries have committed to lead on actions such as enhanced information exchange and cooperation, and implementation of terrorist asset freezing measures.

Former Wells employee pays \$85,000 CMP: The Consumer Financial Protection Bureau has announced the filing of an administration consent order against a former Wells Fargo employee for an illegal mortgage fee-shifting scheme. The CFPB found that David Eghbali referred a substantial number of loan closings to a single escrow company, which shifted its fees from some customers to others at Eghbali's request. Eghbali could then manipulate loan costs and ultimately increase the number of loans he closed, increasing his commissions. The consent order requires Eghbali to pay an \$85,000 civil money penalty and bans him from working in the mortgage industry for one year.

NCUA to hold internal controls and accounting webinar: The NCUA will host on June 22 at 2 p.m. a free 90-minute webinar, "Internal Controls and Accounting Tips for Small Credit Unions, Part II."

Comment Calls

NCUA Occupancy Rule

The NCUA Board has issued a proposed rule that would amend the agency's regulations governing a federal credit union's (FCU) requirements for occupancy, planning, and disposal of acquired and abandoned premises. The proposal eliminates a requirement in the current occupancy

Lending Standards & Eligibility - Webinar
3:00 - 4:30 p.m. ET

July 14, 2016
Call Report Preparation for New Preparers & Reviewers - Webinar
3:00 - 4:30 p.m. ET

July 18, 2016
New FFIEC Guidance on Mobile Financial Services - Webinar
3:00 - 4:30 p.m. ET

July 19, 2016
Collection Concepts, Compliance & Risks - Advanced - Webinar
3:00 - 4:30 p.m. ET

July 20, 2016
Analyzing & Managing Escrow Accounts - Webinar
3:00 - 4:30 p.m. ET

July 21, 2016
Same Day ACH Deadline - Webinar
3:00 - 4:30 p.m. ET

July 26, 2016
Risks & Precautions for Endorsements & Other Negotiable Instruments - Webinar
3:00 - 4:30 ET

July 27, 2016
Understanding Letters of Credit: Rules, Responsibilities & Liabilities - Webinar
3:00 - 4:30 ET

rule that an FCU must plan for, and eventually achieve, full occupancy of acquired premises. Instead, it allows for a credit union to achieve partial occupancy with an at least fifty present use of premises by an FCU and partial occupancy can be maintained with not plan for full occupancy.

GCUA would like to know your thoughts and/or concerns with this proposal. Please email Selina Gambrell at selinag@gcua.org by **June 17th**.

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.

Bookmark InfoSight

No need to go through the Georgia Credit Union Affiliate's home page to access InfoSight. Simply add the following link to your bookmarks: <http://ga.leagueinfosight.com/>.

Need a BSA, ACH or Website review? Email compliance@gcua.org.

July 28, 2016

[Overdraft Outlook: Litigation Lessons, Avoiding Violations & Best Practices](#) - Webinar
3:00 – 4:30 ET

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