



InfoSight Highlight

Reminder to Review Policies/Procedures for Year-end Updates
At the end of each year, the CFPB and other regulatory agencies may update certain monetary thresholds based on the Consumer Price Index (CPI) or IRS changes. Please review existing policies and procedures to ensure you are complying with the new changes.

Compliance News

NCUA Supervisory Priorities for 2016
NCUA has issued **Letter to Credit Unions 16-CU-01** to assist credit unions in preparing for their next NCUA examination. NCUA field staff will continue to use the streamlined small credit union exam program procedures for credit unions with assets up to \$50 million and CAMEL ratings of 1, 2, or 3. For all other credit unions, field staff will conduct risk-focused examinations, which concentrate on the areas of highest risk, new products and services, and compliance with federal regulations.

Below are NCUA's top areas of supervisory focus that are broadly applicable for credit unions in 2016:

Cybersecurity Assessment: Cybersecurity threats continue to represent significant potential operational risks to financial institutions. Cyberattacks are expected to increase in frequency and severity as worldwide interconnectedness grows and the capabilities to conduct cyberattacks become more sophisticated and easier for criminals or terrorists to obtain. As in 2014 and 2015, NCUA will continue to carefully evaluate credit unions' cybersecurity risk management.

In June 2015, NCUA released a **Cybersecurity Assessment Tool** jointly with the other member agencies of the Federal Financial Institutions Examination Council (FFIEC). The tool provides a structured methodology for credit unions to manage information security and protect member information more effectively.

The tool is designed to enhance cybersecurity oversight and management capabilities, and to identify any gaps in an institution's

GEORGIA CREDIT UNION

Affiliates

InfoSight
Compliance eNEWSLETTER
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Credit Union National Association

Compliance Calendar

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

risk-management practices. Credit unions can use this tool to enhance their cybersecurity preparedness.

NCUA encourages all credit unions to use the FFIEC tool to manage cybersecurity risks. NCUA also plans to begin incorporating the Cybersecurity Assessment Tool into our examination process in the second half of 2016.

Throughout 2016, NCUA will continue to foster and facilitate sharing of best practices to strengthen credit unions' existing cybersecurity programs. For additional cybersecurity resources, please visit the [Cybersecurity Resources Page](#) on NCUA's website.

Response Programs for Unauthorized Access to Member

Information: Incident response procedures are a key part of a credit union's information security program. In 2016 examinations, NCUA field staff will be reviewing credit unions' incident response programs.

Appendix B to Part 748 of NCUA rules and regulations, [Guidance on Response Programs for Unauthorized Access to Member Information and Member Notice](#), outlines the minimum components of an incident response program that federally insured credit unions need to develop and implement. An incident response program is needed to address unauthorized access to, or use of, member information that could result in substantial harm or inconvenience to a member.

Bank Secrecy Act Compliance: NCUA remains vigilant in ensuring the credit union system is not used to launder money or finance criminal or terrorist activity. All federally insured credit unions must perform certain recordkeeping and meet reporting requirements to detect this type of activity as required by the Bank Secrecy Act.

NCUA field staff are required to review credit unions' compliance with the Bank Secrecy Act and to complete the related examination questionnaire at every examination. In 2016, NCUA field staff will focus on credit unions' relationships with money services businesses, also known as MSBs.

Credit unions can provide services to an MSB while meeting BSA requirements, but should be aware of the unique risk exposure MSBs can present and the corresponding need for commensurate expertise and monitoring systems. In 2014, NCUA issued guidance to field staff and credit unions on [Identifying and Mitigating Risks of Money Service Businesses](#). The guidance describes the steps credit unions should take to mitigate any money-laundering risks posed by MSBs.

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 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](#)

If your credit union provides services to an MSB, field staff will verify that you meet the following minimum expectations established by NCUA and federal banking agencies:

- Perform customer identification program procedures;
- Ensure each MSB is registered with the Financial Crimes Enforcement Network (FinCEN) and is in compliance with state and local licensing requirements; and
- Conduct a BSA/anti-money laundering risk assessment to document the level of risk associated with each MSB account and determine whether greater due diligence is necessary.

For compliance information and additional resources, see the [Bank Secrecy Act page on NCUA's website](#).

Interest Rate Risk: Interest rate risk (IRR) remains a key supervisory focus as interest rates have begun to rise. Rising rates may prove challenging for those credit unions that hold high concentrations of long-term assets funded with short-term liabilities.

NCUA is in the process of updating interest rate risk management supervisory guidance, which will be published in 2016. As part of this effort, NCUA field staff will transition to the updated IRR examination procedures over the course of 2016. The new procedures will improve the efficiency of reviews by focusing field staff resources on those credit unions with elevated levels of IRR and streamlining related exam procedures.

Field staff will receive specialized training on evaluating IRR at the national exam program training in April 2016 and throughout the remainder of the year during regularly scheduled group meetings and other customary training venues. Field staff will evaluate credit unions' compliance with NCUA's interest rate risk rule, which requires federally insured credit unions with more than \$50 million in assets to develop and adopt a written policy on IRR management, and establish a program to identify, measure, monitor, and control IRR.

Credit union officials should be prepared to provide NCUA field staff with documentation supporting the credit union's ability to successfully manage their IRR through changing market conditions, including rising rate environments.

For the IRR rule and guidance, see 12 CFR Part 741, [Requirements for Insurance](#) and Appendix B to Part 741, [Guidance for an Interest Rate Risk Policy and an Effective Program](#).

[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 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

TILA-RESPA Integrated Disclosure Rule: Credit unions that have accepted applications for real estate loans on or after October 3, 2015 (except for home equity lines of credit, reverse mortgages, and commercial loans) are required to comply with the TILA-RESPA integrated disclosure rule, which the Consumer Financial Protection Bureau adopted to help consumers better understand mortgage transactions.

The CFPB rule requires loan originators to provide consumers with two disclosures:

- **Loan Estimate Disclosure** – Combines the Truth in Lending Act disclosure and the Good Faith Estimate. The loan estimate disclosure must be delivered or placed in the mail no later than the third business day after receiving a consumer’s mortgage application.
- **Closing Disclosure** – Combines the final TILA disclosure and the HUD-1 Settlement Statement. The closing disclosure must be provided to the consumer at least three business days before the consummation of a mortgage.

The TILA-RESPA integrated disclosure rule also imposes record retention requirements and restricts mortgage originators from imposing certain fees, providing estimates, or requiring consumers to verify information before providing a loan estimate to a consumer. Field staff will be reviewing credit unions’ compliance with the relevant provisions.

For additional information, please visit the [Consumer Compliance Regulatory Resources](#) page on NCUA’s website.

CUSO Reporting: Regulatory requirements associated with NCUA’s CUSO rule became effective June 30, 2014. One of the primary changes to the rule requires all federally insured credit unions that invest in or lend to a CUSO to enter into a written agreement requiring the CUSO to submit annual reports directly to NCUA and the state supervisory authority, if applicable.

CUSOs will start providing their annual reports through the *CUSO Registry* in 2016. Once the deadline for CUSOs to register with NCUA has passed, field staff will check to ensure any CUSO a credit union has loaned to or invested in has registered with NCUA.

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 & 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,](#)

Online CUSO Registry to Open for Registrations in February
And speaking of CUSO reporting...NCUA has posted **Letter to Credit Unions 16-CU-02** to ensure credit unions are informed about the upcoming initial registration period for the CUSO Registry. The CUSO Registry is the online system through which credit union service organizations (CUSOs) will report information directly to NCUA.

Here's what you should know:

- CUSO Registry opens February 1.
- **CUSOs will have 60 days between February 1 and March 31 to register.** Information reported is as of December 31, 2015.
- There is no fee to use the registry.
- The CUSO Registry applies to all levels or tiers of a CUSO structure. Any subsidiary in which a CUSO has an ownership interest of any amount is treated as a CUSO if it is engaged primarily in providing products or services to credit unions or credit union members.
- Credit unions will be able to confirm a CUSO's registration by using the CUSO Registry. NCUA will notify credit unions when this feature is activated (anticipated date of June 1, 2016).
- Credit unions may not make additional investments or loans to the CUSO until the CUSO satisfies the annual registration requirement.
- New CUSOs must register within 60 days of its formation. Credit unions may lend or invest in a newly formed CUSO that is not yet in the CUSO Registry only if the investment or loan occurs within 60 days of the CUSO's formation.

Question: How will the registration process for CUSOs proceed?

Answer: To facilitate the registration process, NCUA recently contacted by mail over 600 known CUSOs, requesting the confirmation of CUSO employee identification numbers (EINs) they have on file. A sample of that message is attached to the letter. If you are contacted by a CUSO concerning our correspondence, please refer your CUSO representative to NCUA at 800-827-6282 (extension 6360) or CUSORegistry@ncua.gov.

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 Obtaining Board Approval -

For more information, please see Letter [16-CU-02](#).

HMDA Data Collection Requirements for Calendar Year 2016
NCUA reminds credit unions in [Regulatory Alert 16-RA-01](#) that if your credit union makes residential mortgage loans and meets all three criteria outlined below, you must comply with the Consumer Financial Protection Bureau's (CFPB) Regulation C, which implements the Home Mortgage Disclosure Act (HMDA).

Regulation C requires you to collect HMDA data associated with mortgage loan applications processed during 2016, if:

1. Your credit union's total assets as of December 31, 2015, exceeded \$44 million;
2. Your credit union had a home or branch office in a Metropolitan Statistical Area on December 31, 2015; and
3. During 2015, your credit union originated at least one home purchase loan (other than temporary financing such as a construction loan) or refinanced a home purchase loan, secured by a first lien on a one-to-four-family dwelling.

If your credit union meets all three criteria, you must collect HMDA data during calendar year 2016 and submit the data to the Federal Reserve Board no later than March 1, 2017.

If your credit union does *not* meet all three criteria, you are exempt from filing HMDA data for calendar year 2016.

For more information about this Regulatory Alert or HMDA filing, please visit NCUA's [Consumer Compliance Regulatory Resources](#) webpage or contact NCUA's Office of Consumer Protection at (703) 518-1140 or ComplianceMail@ncua.gov.

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](#)

Your CU Should Know...

NCUA and CFPB Annual Joint Town Hall Webinar: National Credit Union Administration Board Chairman Debbie Matz will host her fifth annual joint webinar with Consumer Financial Protection Bureau Director Richard Cordray on **Tuesday, February 9, beginning at 3:00 p.m. EST.**

Online registration is now open and available [here](#).

In advance of the webinar, registrants can submit questions to WebinarQuestions@ncua.gov. The subject line of the email should read, "NCUA-CFPB Town Hall."

Participants also will be able to submit questions for Chairman Matz, Director Cordray and their senior staffs during the live webinar.

FAQ on September Next-Day ACH Rule: FedACH Services has posted a list of [frequently asked questions](#) (FAQs) on the upcoming **September 23, 2016**, NACHA Same Day ACH Rule change. The FAQ will be updated as additional information becomes available.

Final Rule on FHLB Membership: The Federal Housing Finance Agency (FHFA) has [announced](#) a [final rule](#) amending its regulations on Federal Home Loan Bank membership. The current regulation implements the provisions of the Federal Home Loan Bank Act that govern eligibility for membership and establish requirements for an institution to become and remain a member. The final rule will become effective 30 days after publication in the *Federal Register*.

Fact Sheet on Construction Loans and TRID Disclosures: The CFPB has added a "Construction loan fact sheet" to its [TRID rule implementation page](#), to provide an overview of how the integrated disclosure rule may be applied to construction loans.

- [Construction loan fact sheet](#)

Treasury Updates Savings Bond Guide: Treasury's Bureau of Financial Services has updated [The Guide To Cashing Savings](#)

Bonds(Guide) with the release of a more interactive PDF version. It provides official guidance for financial institutions on cashing savings bonds. The Guide describes the procedures for verifying and documenting the identity of a customer redeeming savings bonds and lists acceptable forms of identification. The new version replaces all previous versions of the document, including *The Quick Start Supplement to The Guide To Cashing Savings Bonds*, which has been decommissioned.

CFPB Guide for Navigating Pension Payouts: The CFPB has announced its release of a guide to help consumers navigate their pension payout options and make decisions about their retirement income. Near-retirees can use the guide for information they need to understand the trade-offs between taking their pensions in a monthly payment or in a lump sum. For those who considering the lump-sum option, the guide also provides tips and warnings on how to protect and manage their funds.

- [Pension lump-sum payouts and your retirement security](#)

The Bureau also posted a [blog article](#) offering tips to consider if choosing a lump-sum payout.

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;
- 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 22, 2016**, at 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.