

InfoSight Highlight

Recent Content Updates

InfoSight Highlight – Right to Financial Privacy

The Right to Financial Privacy Act of 1978 ("RFPA") protects the personal financial privacy of customers of financial institutions and members of credit unions by restricting federal government access to their financial records. The RFPA specifies procedures for federal government authorities who seek information about a member's financial records at a credit union. It also imposes limits and duties on credit unions prior to their release of information sought by federal government agencies.

In general, no government authority may have access to or obtain copies of financial records of any member from a credit union without giving notice to the member unless there are special circumstances. The federal government's ability to examine the financial affairs of customers of financial institutions is limited. Thus, a credit union should not release the records of a member unless the requesting agency has:

- a. a signed authorization of the member;
- b. a search warrant;
- c. a judicial subpoena;
- d. a summons or administrative subpoena; or
- e. a formal written request.

The Right to Financial Privacy Act (RFPA) applies only to federal agencies. Therefore, if a federal agency would like to gain access to a member's account, the RFPA requires that the federal agency must provide these things unless there are special circumstances.

For additional information, click [here](#) for the topic.

Review the information today to help your credit union remain in compliance.

Compliance News

Military Lending Act Records Request Website

After our call last week on the Military Lending Act, new information was received from the Department of Defense (DOD) regarding records



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Compliance eNEWSLETTER
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Credit Union National Association

Compliance Video

CU Compliance Connection

This **new video** provides an overview of the key changes made to the Military Lending Act that credit unions are going to need to consider and implement prior to the compliance effective date of October 3, 2016. View the video [here](#).

In this video, Glory LeDu, Manager of League System Relations, discusses the Compliance Outlook for the 2nd Quarter of 2016 and reviews the 1st Quarter of 2016. View the video [here](#).

Compliance Calendar

July 25
5300 Call Report Due to NCUA

requests for the Military Lending Act purpose. They have a [website](#) dedicated specifically to MLA single and multiple requests. The DOD also provided us the Users Guide for the search tool, which you can download directly from our compliance call [page](#) or from the DOD website. The DOD stated the MLA search tool requires different formatting than the Servicemembers Civil Relief Act (SCRA) tool where a batch is involved so review of the guide is recommended.

As to the deadline that passed earlier in the year regarding financial institution “registration” for MLA database access, they stated the access granted was for large institutions with extremely large volume and the selection process of who would be granted access is complete. DOD further stated that expansion of this program is not out of the question for the future. We will keep an eye on this!

So, a recap - the Military Lending Act requires proof of active duty on this site <https://mla.dmdc.osd.mil/>, and active duty status for the purposes of the Servicemembers Civil Relief Act is available on this site: <https://scra.dmdc.osd.mil/>.

And a note of humor (you have to find it where you can in compliance) during the MLA call we discussed the [security warning](#) you receive when going to the DOD site, well, this warning is addressed in the only FAQ in existence on the MLA webpage, if you can get to it.

Get A Head Start On Your Unclaimed Property

Your credit union’s unclaimed property is due by **November 1, 2016**.

Get a head start by beginning to identify and work your dormant account lists now. The period covered for the 2015 report is July 1, 2015, through June 30, 2016.

Remember, in 2004 the Department of Revenue (DOR) began requiring a report filing even if there is no property to report. Credit unions should complete forms [UP-1F](#) and [UP-2F](#) (due November 1) and submit them to the DOR.

Credit unions that filed reports on Form UP-1F or UP-2F last year will automatically get unclaimed property report forms and instructions. If your credit union is sending reports for the first time or you did not send any unclaimed property in 2014, you are responsible for contacting the DOR at (404) 968-0490, to obtain your forms. Holders remitting 25 accounts or more are required to file electronically. The State of Georgia has adopted the standard electronic filing format approved by the National Association of Unclaimed Property

September 5, 2016
Labor Day - Federal Holiday

September 23, 2016
[Same-day ACH \(NACHA\) – Phase 1 of the implementation period for the rule](#)

October 3rd, 2016:
[DOD Military Lending Act Regulation - Effective Date](#)

October 3rd, 2016:
[NACHA's Network Quality Rule](#)

October 10th, 2016:
Columbus Day - Federal Holiday

October 24th, 2016:
[5300 Call Report Due to NCUA](#)

November 6th, 2016:
Daylight Saving Time Ends

November 11th, 2016:
Veterans' Day - Federal Holiday

November 24th, 2016:
Thanksgiving Day - Federal Holiday

December 25th, 2016:
Christmas Day - Federal Holiday

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

Compliance Training

July 26, 2016
[Risks & Precautions for Endorsements & Other Negotiable Instruments -](#)

Administrators. To access these specifications, click [here](#).

The time periods for property to go unclaimed in order for it to be considered “abandoned” and thus remittable to the state are:

- Money orders - 7 years from issue date.
- Traveler’s checks - 15 years from issue date.
- Wages - 1 year from pay date.
- Safe deposit boxes - 25 months after drilling date.
- All other property - 5 years from date of last contact.

Before you remit abandoned property to the state, Georgia law requires your credit union to perform an act of due diligence on accounts valued at \$50.00 or more. This means, at a minimum, you should send a first-class letter to the last known address of the owner as indicated on the records of the holder at least 60 days (September 1, 2016), but no more than 120 days (July 1, 2016), prior to the submission of the report.

If your credit union offers safe deposit rentals and has unclaimed property to remit to the state, the due diligence requires more effort. Section 44-12-209 of the O.C.G.A. states that if the rental on a safe deposit box has not been paid for one year, the credit union should take the following steps:

1. The credit union must send a letter by registered mail to the last known address of the member stating that the box will be opened and its contents stored at the member’s expense if the rent is not paid within 30 days. A written notice must be sent to the Commissioner of Revenue stating the intent to drill the box at least 30 days before the time of drilling.
2. If rent is not paid within 30 days, the box can be drilled in the presence of a credit union officer and the contents inventoried and sealed. The credit union must then send a copy of the inventory certificate to the last known address of the member via registered mail.
3. If the member does not claim the contents within two years, the credit union may send a second letter to the last known address stating that if the accumulated charges are not paid within 30 days, the contents will be delivered to the state.
4. Upon remittance to the state, the credit union shall deliver a verified inventory of the contents of the box. If enough cash is in the box to cover all accumulated charges, the state will pay the credit union for them. If no cash or not enough cash is available in the box to cover the accumulated charges, the Commissioner shall sell the contents and pay such costs to the credit union. If the sale of the contents does not generate enough income to

Webinar
3:00 - 4:30 p.m. ET

July 27, 2016
[Understanding Letters of Credit: Rules, Responsibilities & Liabilities](#) - Webinar
3:00 - 4:30 p.m. ET

July 28, 2016
[Overdraft Outlook: Litigation Lessons, Avoiding Violations & Best Practices](#) - Webinar
3:00 - 4:30 p.m. ET

August 3, 2016
[Product Terms Part 2: Establishing New Product & Service Controls](#) - Webinar
3:00 - 4:30 p.m. ET

August 4, 2016
[15 Errors to Avoid When Conducting Internal Investigations](#) - Webinar
3:00 - 4:30 p.m. ET

August 9, 2016
[E-Mail Risks, Rules, Records & Regulations](#) - Webinar
3:00 - 4:30 p.m. ET

August 10, 2016
[Legally Handling ATM & Debit Card Claims Under Regulation E](#) - Webinar
3:00 - 4:30 p.m. ET

August 11, 2016
[Saving for Education: Coverdell & College Savings Plans](#) - Webinar
3:00 - 4:30 p.m. ET

August 16, 2016
[The Application Process for the](#)

completely cover the costs, the state will pay the credit union the value of the contents less any costs or expenses of the sale.

For more information on unclaimed property, visit the [Georgia Department of Revenue's website](#).

For questions on unclaimed property, contact the Georgia Department of Revenue at UCPMAIL@DOR.GA.GOV or (404) 968-0490.

Holding OFAC Blocked Property?

The Office of Foreign Assets Control (OFAC) requires all holders of blocked property to file a comprehensive annual report on blocked property held **as of June 30 by September 30 each year**. There is no need to file the report if the credit union has had no confirmed "hits" on the SDN List or the Consolidated Sanctions List and is holding no blocked property. However, some credit unions choose to maintain an OFAC file noting "none to report."

The report is filed using Form TDF 90-22.50, which is available on the [Treasury's website](#).

New Resources Educate Consumers About Rights When Sending Money Abroad

Consumers have new ways to learn about their rights and protections when sending money internationally through a new video and brochure recently released by the National Credit Union Administration. The video, available [here](#), and [brochure](#) offer an overview of consumer protections provided under a [rule](#) issued by the [Consumer Financial Protection Bureau](#). Consumers can also find basic information on sending money domestically and internationally on NCUA's dedicated [Wire and Remittances Transfer](#) page. All resources are available in [Spanish](#).

Consumers who use remittance services offered by certain covered remittance providers are entitled to a number of protections, including:

- disclosures showing actual exchange rates, fees, and the amount of money to be delivered in the local currency before the consumer makes a payment;
- a receipt confirming the payment;
- the right to cancel the transaction within 30 minutes of making the payment; and

[New Mortgage Lender: Mortgage Application - Webinar](#)

3:00 - 4:30 p.m. ET

August 17, 2016

[Quarterly Supervisory Committee Series: Internal Controls & Due Diligence - Webinar](#)

3:00 - 4:30 p.m. ET

August 18, 2016

[Lending Series: Consumer Loan Documentation - Webinar](#)

3:00 - 4:30 p.m. ET

August 23, 2016

[Complying with Final Military Lending Act Rule Changes Effective October 3, 2016 - Webinar](#)

3:00 - 4:30 p.m. ET

August 24, 2016

[Audit Compliance Series: Auditing for BSA Compliance - Webinar](#)

3:00 - 4:30 p.m. ET

August 25, 2016

[Annual MLO Compliance Requirements & Auditing for SAFE Act - Webinar](#)

3:00 - 4:30 p.m. ET

August 30, 2016

[Frontline Series: Essential Compliance Regulations for the Frontline - Webinar](#)

3:00 - 4:30 ET

August 31, 2016

[IRA Conversions & Recharacterizations: Understanding Requirements &](#)

- the right to dispute errors and have them resolved.

Under the Federal Credit Union Act, promoting financial literacy is a core credit union mission. While credit unions serve the needs of their members and promote financial literacy within the communities they serve, NCUA works to reinforce credit union efforts, raise consumer awareness and increase access to credit union services. NCUA also participates in national financial literacy initiatives, including the Financial Literacy and Education Commission, an interagency group created by Congress to improve the nation's financial literacy and education.

CFPB Releases Special Edition of Supervisory Highlights in Light of Mortgage Servicer Violations

On June 22nd, the CFPB issued a [Supervisory Highlights Mortgage Servicing Manual Special Edition](#) along with updated mortgage servicing exam procedures. The impetus of this release was recent findings that some mortgage services were failing to comply with the CFPB's new servicing rules that became effective in January 2014.

The announcement notes that CFPB examiners have found violations due to deficient technology and problems with loss mitigation and service transfers, with Director Cordray noting that mortgage servicers cannot "hide behind their bad computer systems or outdated technology" and "there are no excuses for not following federal rules." Examiners also found that several mortgage servicers lack proper training, testing, and auditing of their computer systems and software platforms and those of their service providers. Some of the specific problems observed included information about loan modifications that was late, incorrect or deceptive due to technological breakdowns and instances where consumers got the runaround when loans transferred to a new servicer with incompatible computer systems.

In light of these observed errors, the CFPB has published a third update to its exam procedures, available [here](#). The exam procedures give financial institutions insight into the types of things the CFPB will be looking for during upcoming exams. Areas of focus highlighted in the exam procedures include (1) complaint handling and requests by troubled borrowers (and whether the servicer has an adequate process in place for handling complaints from troubled borrowers quickly and efficiently, and (2) discrimination issues, conducting targeted reviews of mortgage servicers compliance with fair lending laws, specifically in situations where servicers participate in a credit decision about whether to approve a loan modification.

[Avoiding Errors](#) - Webinar
3:00 - 4:30 ET

September 7, 2016
[Financial Literacy Part 1: Understanding the NCUA Regulation & the 7 Critical Risk Areas Directors Should Track](#) - Webinar
3:00 - 4:30 ET

September 8, 2016
[Lending Series: Writing Effective Credit Memos & Loan Narratives](#) - Webinar
3:00 - 4:30 ET

September 12, 2016
[New Customer Due Diligence Rules for Beneficial Ownership: Implementation Game Plan](#) - Webinar
3:00 - 4:30 ET

September 12-14, 2016
[Georgia Compliance Road Trip](#)
North and South ATL, Macon and Savannah
Check link for times

September 13, 2016
[Navigating Compliance Issues for Promotions, Bonuses, Contests & Sweepstakes](#) - Webinar
3:00 - 4:30 ET

September 19, 2016
[HMDA Roadmap Part 1: Impact, Important Changes & Implementation Considerations for Lenders](#) - Webinar
3:00 - 4:30 ET

September 20, 2016
[Director Series: Director &](#)

It is worth noting that the mortgage servicing errors found in this report certainly are not surprising given the overly complex mortgage rules the CFPB is issuing and the unreasonable transition periods for compliance. The errors could be a reflection of the increasingly burdensome regulatory landscape the CFPB has created, where compliance continues to require more and more time and resources. This release also comes shortly before the CFPB is set to finalize additional mortgage servicing requirements for bankrupt borrowers and successors in interest, so we should expect even more supervision and enforcement activity in this area in the near future.

Your CU Should Know...

Compliance Road Trip in Georgia

In four locations, September 12-14

North and South Atlanta, Macon and Savannah

Ever want to be in a room filled with compliance geeks to learn and talk about things that make all your friends roll their eyes, well here's your chance! Join us for a half day of compliance Hot Topics and Best Practices! We will cover old and new topics including: Fair Credit Reporting Act, Military Lending Act, website and social media compliance, quality control within the credit union's walls, the CFPB's next move and more. This will also be a perfect networking opportunity with other compliance professionals. Click [here](#) for the event flier (PDF).

To register go to www.gcu.org, the second scrolling banner will take you to an information page along with a link for registration.

FinCEN issues FAQ on CCD rule: The Treasury Department's Financial Crimes Enforcement Network (FinCEN) has issued Guidance Document [FIN-2016-G003](#), "Frequently Asked Questions Regarding Customer Due Diligence Requirements for Financial Institutions," to assist covered financial institutions in understanding the scope of the "Customer Due Diligence Requirements for Financial Institutions," published on May 11, 2016 (the "CDD Rule"). FinCEN said it plans to issue additional FAQs or other guidance on the rule, which is mandatory starting May 11, 2018, "as appropriate."

Board adjusts CMP limits for inflation: The Board of Governors of the Federal Reserve System published [\[81 FR 47006\]](#) in the July 20th *Federal Register* an interim final rule amending its rules of practice and procedure [\[12 CFR 263\]](#) to adjust the amount of each civil monetary

[Officer Liability: Rules, Risks & Trends](#) - Webinar

3:00 - 4:30 ET

September 21, 2016

[ACH for the Frontline](#) - Webinar

3:00 - 4:30 ET

September 22, 2016

[Debt Collection Series: Best Practices for Garnishments & Levies: Getting It Right!](#) - Webinar

3:00 - 4:30 ET

September 27, 2016

[Cyber Series: Mobile Remote Deposit Strategies: Technology, Deployment Models & Risks](#) - Webinar

3:00 - 4:30 ET

September 28, 2016

[Clarifying Signature Card Confusion for Personal & Business Accounts: Compliance, Account Titling & Ownership](#) - Webinar

3:00 - 4:30 ET

September 29, 2016

[Maximizing LinkedIn to Build a "Social Selling" Culture](#) - Webinar

3:00 - 4:30 ET

BSA Training Opportunities through GCUA

[Click here for details](#)

penalty (“CMP”) provided by law within its jurisdiction to account for inflation as required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. The increased limits include "catch up" adjustments required by the Act. The rule will be effective on August 1, 2016. Comments on the rule will be accepted through August 30, 2016.

HMDA filing info for 2017 and 2018 posted: The Consumer Financial Protection Bureau has [posted a notice](#) that the FFIEC and HUD have published resources for financial institutions required to file HMDA data:

- [Filing Instructions Guide for data collected in 2017](#)
- [Filing Instructions Guide for data collected in or after 2018](#)
- a [Technology Preview](#) with resources for institutions preparing their systems to file HMDA data with the CFPB
- [Frequently Asked Questions about the changes in filing procedures](#)

Comment Calls

CFPB Arbitration Rule

The Consumer Financial Protection Bureau (CFPB) is proposing sweeping changes to the use of pre-dispute arbitration clauses. Congress directed the CFPB to study pre-dispute arbitration agreements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). In 2015, the CFPB published and delivered to Congress a [study of arbitration](#). In the Dodd-Frank Act, Congress also authorized the Bureau, after completing the study to issue regulations restricting or prohibiting the use of arbitration agreements. Despite conflicting findings in the study, some of which show that consumers receive little or no relief from class action litigation, and that there are benefits to arbitration, the CFPB is moving forward with a rulemaking, which eliminates the use of class action waivers in mandatory arbitration agreements. In October 2015, the CFPB published Small Business Regulatory Enforcement Fairness Act (SBREFA) proposals in conjunction with a [Small Business Review panel](#).

GCUA would like to know your thoughts and/or concerns with this proposal. Please email Selina Gambrell at selinag@gcua.org by **August 2nd**.

Small-Dollar Payday, Vehicle Title and Certain High-Cost Installment Loans

On June 2, in conjunction with a field hearing in Kansas City, Missouri, the CFPB released a more than 1,300-page rule for Payday, Vehicle Title, and Certain High-Cost Installment Loans. The CFPB released the Small Business Regulatory Enforcement Fairness Act (SBREFA) proposals, prior to a Small Businesses Review Panel, for this rule more than a year ago. We have concerns that the rule will sweep in consumer-friendly credit union small-dollar loan products.

While the CFPB's proposed rule addresses some of the concerns raised by CUNA and credit unions prior to its release, and purports to exempt the National Credit Unions Administration's (NCUA) Payday Alternative Loan (PAL) program as requested, in actuality it adds many new regulatory and compliance burdens for federal and state-chartered credit unions working to underwrite consumer friendly small-dollar options. The added requirements and changes to the PAL program eliminate flexibility in offering these loans, and will likely make many credit unions reevaluate their participation in the program. The rule also does not account for the diverse and unique structure of consumer-friendly small-dollar loans offered at state-chartered credit unions. To read CUNA's summary of the proposal [click here](#). GCUA would like to know your thoughts and/or concerns with this proposal. Please email Selina Gambrell at selinag@gcu.org by **August 15th**.

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 Affiliates 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@gcu.org.