

InfoSight Highlight

Representative Payees

A "representative payee" is a person who has contracted with the Social Security Administration (SSA) to act as a recipient for funds of a person who is incompetent because of age (i.e. under 18) or due to a mental or physical condition and is incapable of handling his or her own affairs. When benefit payments are required to be paid into a separate dedicated account, the representative payee is required to establish an account in a financial institution. This dedicated account may be in any of the following types of accounts:

- Share draft/checking
- Share/savings
- Money market

Dedicated accounts may not be in the form of share certificates/certificates of deposit.

A representative payee must use the payments received only for the use and benefit of the beneficiary in a manner and for the purposes he or she determines to be in the best interests of the beneficiary. The credit union is not responsible for monitoring the activity of the account or ensuring that withdrawals are used for any required purpose.

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

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

Compliance News

CFPB Information on Unauthorized Wells Fargo Accounts

The CFPB has posted an [article](#) with information for consumers who incurred fees as a result of an unauthorized Wells Fargo account. The CFPB suggests that customers of any bank or credit union should always closely monitor their accounts to make sure they don't see unauthorized products or account activity. If an unauthorized account is opened, notify the local bank branch or call the financial institution. If issues continue, they can submit a complaint to the CFPB, either online or by calling toll-free (855) 411-2372. Wells Fargo customers should not have to contact the bank to receive a refund of fees incurred as a result of the bank's recently revealed illegal conduct. Wells Fargo has already been ordered to identify affected consumers and make the required refunds.



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Compliance eNEWSLETTER
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Credit Union National Association

Compliance Video

CU Compliance Connection

Military Lending and 3rd Quarter 2016 Review

This 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](#).

Be sure to view this [video](#), where Glory LeDu, Manager of League System Relations, provides an overview of the compliance challenges your credit union is facing now in the 3rd quarter of 2016.

Compliance Video: Same Day ACH Preview

In this video, Amy Smith, VP and Executive Director of The Clearing House Payments Authority, provides background information on the current batch-and-forward ACH payment system and introduces the "Phased Approach"

NCUA Board Briefed on New Cyber Risks

At an [open meeting](#), the NCUA Board received a briefing from the regulator's Office of Examination and Insurance on the rapidly changing nature of cybersecurity. The Board was told the financial services sector is experiencing an "Uber moment," and technological innovation, the expansion of social networking and growing interconnectivity are fueling fundamental change in cybersecurity procedures and processes. That change carries with it more sophisticated risks and more numerous vulnerabilities for community-based financial institutions like credit unions. Potential effects on credit unions include higher mitigation costs and lower consumer confidence, as well as greater financial and legal risks. The agency maintains a [cybersecurity resources webpage](#) that offers extensive, detailed information on cybersecurity matters. Credit unions are encouraged to use this resource.

NACHA Announces Third-Party Sender Registration Rule

NACHA has announced that a new rule has been approved that will require Originating Depository Financial Institutions (ODFI) to identify and register their Third-Party Sender customers. The registration process will promote consistent customer due diligence among all ODIs, and serve as a tool to support NACHA's continuing efforts to maintain ACH Network quality. A Third-Party Sender is a processing intermediary between a financial institution and an end-user of ACH payments. The Third-Party Sender Registration Rule, which becomes effective September 29, 2017, will require ODIs to provide a limited set of initial, basic registration information, such as name of business and contact information, for each Third-Party Sender with which it maintains a relationship. ODIs that do not maintain any Third-Party Sender relationships will be required to provide a statement to that effect.

To help support the industry with managing and identifying Third-Party Sender relationships, NACHA has developed a number of tools and resources, including a [Third-Party Sender Identification Tool](#) and an [Operations Bulletin](#) that provides examples to help ACH participants properly categorize the parties in payment scenarios involving payment intermediaries, many of which are Third-Party Sender relationships.

Updated FATF-Identified Jurisdictions with AML/CFT Deficiencies

This past June, the Financial Action Task Force (FATF) updated its list of jurisdictions with strategic Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) deficiencies. These changes may affect U.S. financial institutions' obligations and risk-based approaches with respect to relevant jurisdictions. The FATF has identified the following jurisdictions as having deficiencies in their AML/CFT regimes: Afghanistan, Bosnia and Herzegovina, Guyana, Iraq, Lao PDR, Syria, Uganda, Vanuatu, and Yemen. These countries have developed an action plan with the FATF to correct these deficiencies. Myanmar (Burma) and Papua New Guinea have been removed from the FATF listing.

of the Same Day ACH program, which will begin in September of 2016. You will want to pay special attention to Amy's suggestion to review current ACH files you may be transmitting. View the video [here](#).

Compliance Calendar

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

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

October 10, 2016:
Columbus Day - Federal Holiday

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

November 6, 2016:
Daylight Saving Time Ends

November 11, 2016:
Veterans' Day - Federal Holiday

November 24, 2016:
Thanksgiving Day - Federal Holiday

December 1, 2016:
Overtime Rule - Department of Labor

December 25, 2016:
Christmas Day - Federal Holiday

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

Compliance Training

September 27, 2016
[Cyber Series: Mobile Remote Deposit Strategies: Technology, Deployment Models & Risks](#)
Webinar
3:00 - 4:30 ET

[Click here for FIN-2016-A004: Advisory on the FATF-Identified Jurisdictions with AML/CFT Deficiencies.](#)

Q&A: Compliance With the FDCPA Under the CFPB's New Mortgage Servicing Rules

Q: I have a question about the new CFPB servicing rule. If I share information about a borrower's debt with a confirmed successor in interest, will I violate the Fair Debt Collection Practices Act (FDCPA)?

A: No. Although Section 805(b) of the FDCPA prohibits debt collectors from communicating with third parties in connection with a debt collection, the CFPB issued an interpretative final rule in connection with the mortgage servicing final rule that provides a safe harbor for servicers in three situations: (1) when communicating with a confirmed successor in interest about a mortgage loan secured by property in which the successor in interest has an ownership interest; (2) when providing a written early intervention notice to a borrower who has invoked the cease communication right under 805(c); and (3) when responding to borrower-initiated communications under section 805(c). Therefore, servicers do not have to worry about violating the FDCPA when complying with the mortgage servicing rules in Regulations X and Z. The full text of the interpretative final rule is available [here](#) and it becomes effective 12 months from the date of publication in the *Federal Register*, although the provisions relating to successors in interest become effective 18 months after publication in the *Federal Register*.

Your CU Should Know...

OFAC Ends Cote d'Ivoire Sanctions and Clarifies Burma Position

OFAC has announced the end of the Cote d'Ivoire sanctions program and listed nine entries (for six designated individuals) that have been removed from the SDN List. OFAC also posted a [new question to its FAQs on the Burmese Sanctions](#) to clarify the status of that program in light of President Obama's announcement he intends to rescind the Executive Order on which the Burmese Sanctions program is based.

Fair Housing Protection for Those with Limited English Proficiency

HUD has [announced](#) the issuance of "[Limited English Proficiency](#)" (LEP) guidance that addresses how the Fair Housing Act would apply to claims of housing discrimination brought by people because they do not speak, read, or write English proficiently. More than 25 million people in the United States do not communicate proficiently in English. Housing providers are prohibited from using limited English proficiency selectively or as an excuse for intentional housing discrimination. The law also prohibits landlords from using limited English proficiency in a way that causes an unjustified discriminatory effect.

CFPB Report on Undergraduate Student Debt by Race

The CFPB has posted an [article](#) discussing the percentage of fourth-year undergraduate students age 18 to 24 with student loan debt by race. The article reports federal government data shows that over 90 percent of African-American and 72 percent of Latino students leave college with student loan

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

October 3, 2016

[New CFPB Amended Mortgage
Servicing Rules: What You Must
Know Now & Why Advance
Planning is Critical](#)
Webinar
3:00 - 4:30 ET

October 4, 2016

[Handling Dormant Accounts,
Unclaimed Property &
Escheatment](#)
Webinar
3:00 - 4:30 ET

October 5, 2016

[Essential Compliance Regulations
for Deposit Operations](#)
Webinar
3:00 - 4:30 ET

October 6, 2016

[Avoiding the Top 10 Legal &
Compliance Mistakes in the E-
Statement Process](#)
Webinar
3:00 - 4:30 ET

October 9-12, 2016

CUNA HR Compliance School
[http://www.cuna.org/Events/CUNA-
HR-Compliance-School/Home/](http://www.cuna.org/Events/CUNA-
HR-Compliance-School/Home/)

October 11, 2016

[HMDA Roadmap Part 2:
Operations Systems, Audit &
Reporting Implications](#)
Webinar
3:00 - 4:30 ET

debt, compared to 66 percent of white students and 51 percent of Asian-American students. While Asian-American students may be less likely to borrow federal student loans, separate research has shown that Asian-American students who need to borrow more than \$30,000 may be more likely to rely on private student loans to finance their higher education - loans that offer fewer consumer protections for borrowers.

FATF Releases Canada AML/CFT Report

The Financial Action Task Force (FATF) has [released](#) a report indicating that [Canada](#) has a strong anti-money laundering and combating the financing of terrorism (AML/CFT) regime which achieves good results in some areas but requires further improvements to be fully effective.

Whistleblower Gets \$4M

The Securities and Exchange Commission has [announced](#) the award of more than \$4 million to a whistleblower whose original information alerted the agency to a fraud. The agency's whistleblower program has awarded more than \$111 million to 34 individuals.

Comment Calls

Amendments to Federal Mortgage Disclosure Requirements Under Truth in Lending Act - TRID

CFPB has issued a [proposed rule](#) regarding Amendments to Federal Mortgage Disclosure Requirements under the Truth in Lending Act (Regulation Z). This Rule is commonly referred to as the "TRID" rule (TILA-RESPA Integrated Disclosures), "KBYO" (Know Before You Owe) Rule, or "TILA-RESPA" Rule, finalized in January 2015 and became effective October 3, 2015. This proposed rule attempts to remediate numerous operational and technical issues with the original TILA-RESPA rule but is not intended to open up the rule for significant policy changes.

The proposed amendments memorialize the Bureau's informal guidance on various issues and include clarifications and technical amendments. The Bureau is also proposing tolerance provisions for the total of payments, an adjustment to a partial exemption mainly affecting housing finance agencies and nonprofits, extension of coverage of the integrated disclosure requirements to all cooperative units, and guidance on sharing the disclosures with various parties involved in the mortgage origination process. 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 **October 5th**.

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

October 12, 2016

[Frontline Series: Skills & Tools for Improving Teller Performance](#)
Webinar

3:00 - 4:30 ET

October 13, 2016

[Proper Repossession, Notice & Sale of Non-Real Estate Collateral](#)
Webinar

3:00 - 4:30 ET

October 17, 2016

[Countdown to the New Overtime Rules: How to Bring Your Credit Union into Compliance by the December 1, 2016 Deadline](#)
Webinar

3:00 - 4:30 ET

October 18, 2016

[Liquidity Funding Concerns in a Rising Interest Rate Market](#)
Webinar

3:00 - 4:30 ET

October 19, 2016

[Understanding Title Insurance Policies, Commitments & ALTA Endorsements](#)
Webinar

3:00 - 4:30 ET

October 20, 2016

[Conducting the 2016 ACH Audit](#)
Webinar

3:00 - 4:30 ET

October 24, 2016

[New CFPB Amended Rules for Mortgage Foreclosure & Bankruptcy Protections: Preparing Now for the 2017 Effective Date](#)
Webinar

3:00 - 4:30 ET

November 2, 2016

[Notary Essentials & Legalities for Credit Unions](#)
Webinar

3:00 - 4:30 ET

November 3, 2016

[Cyber Series: Member](#)

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.

Authentication & Validation: The New Normal in Risk Mitigation
Webinar

3:00 - 4:30 ET

November 9, 2016

Form 1099 Reporting: Third-Party Vendors, Foreclosures, Debt Forgiveness & More

Webinar

3:00 - 4:30 ET

November 10, 2016

Audit Compliance Series: Developing a Risk-Based Compliance Audit Process for Deposits

Webinar

3:00 - 4:30 ET

November 14, 2016

Nonresident Alien Accounts: W-8s, W-8BENs, BSA, Rules & More

Webinar

3:00 - 4:30 ET

November 15, 2016

Recognizing & Responding to Elder Fraud: What Every Staff Member Should Know

Webinar

3:00 - 4:30 ET

November 16, 2016

Quarterly Supervisory Committee Series: What the Board Needs to Know to Manage IT

Webinar

3:00 - 4:30 ET

November 17, 2016

Handling ACH Exceptions & Returns: Unauthorized, Revoked, or Stop Payment?

Webinar

3:00 - 4:30 ET

November 22, 2016

Trust Accounts: Opening, Transacting, Deposit Insurance & More

Webinar

3:00 - 4:30 ET

November 29, 2016

Top 10 IRA Issues: Compliance,
Reporting, Death & Distributions
Webinar

3:00 - 4:30 ET

**BSA Training Opportunities
through GCUA**

[Click here for details](#)