



InfoSight Highlight

PolicyPro Update

The 4th quarter PolicyPro update was issued in December 2015. If you haven't had a chance to check it out yet, **seventeen policies were updated and two policies were deleted from the master manual content.**

Many of the policy revisions this quarter are related to annual indexed changes that are part of regulation, including the changes made to Health Savings Accounts, Credit Cards and the Home Ownership Equity Protection Act (HOEPA). Changes also become effective on January 1, 2016, on the expansion of exemptions for Small Creditors under Regulation Z and the Ability to Repay rules. Additional policy revisions made include more detailed information regarding the coverage of the Telephone Consumer Protection Act based on the Federal Communication Commission's Declaratory Ruling and Order.

For more information, please start with the "[Update Overview](#)."

Note: It is important to note that when updates are made to the Master Manual, these updates do not automatically go into your Working Manual. We do not want to take the chance of overwriting your content, or putting in content that may not apply to your credit union.

Compliance News

Operating Fee Scale Reduced for 2016

NCUA informs federal credit unions in **Letter to Federal Credit Unions 16-FCU-01** that a majority of the NCUA Board has voted to *reduce* the 2016 Operating Fee Scale by 0.47 percent for natural-person federal credit unions with assets over \$1 million.

A majority of the NCUA Board has also voted to extend the Operating Fee exemption for federal credit unions with assets of less than \$1 million. As a result, these smallest federal credit unions will not be charged any Operating Fee for a fourth consecutive year.

The letter also includes a [chart](#) that will help credit unions calculate the exact dollar amount of their credit union's Operating Fee.



InfoSight
Compliance eNEWSLETTER
February 16, 2016
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Credit Union National Association

Compliance Calendar

March 13

Daylight Savings Time Begins

April 22

5300 Call Report Due to NCUA

May 30

Memorial Day - Federal
Holiday

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

Compliance Training

February 16, 2016

[Telephone Consumer
Protection Act: What You Need
to Know About the New
Requirements](#) - Webinar
3:00 – 4:30 p.m. EST

Question: When will NCUA bill credit unions for the 2016 Operating Fee?

Answer: In **March**, federal credit unions with assets greater than \$1 million will receive an invoice for their 2016 Operating Fee.

At the same time, all federally insured credit unions will receive notice of any amount needed to adjust their Share Insurance Fund capitalization deposit to one percent of insured shares, as required by the Federal Credit Union Act.

- Your Operating Fee will be based on assets reported as of December 31, 2015.
- Your capitalization deposit may adjust up or down, based on the insured shares reported as of December 31, 2015.

NCUA will combine your Operating Fee and capitalization deposit adjustment into a single invoice for which payment will be **due April 15, 2016**.

Question: How do I make the payment to NCUA?

Answer: For federal credit unions signed up to pay via **Pay.gov**, no further action is required. **Payment will occur automatically** on the due date.

Other federal credit unions will need to **send payment by April 15, 2016, according to the instructions included with the invoice**.

Credit unions that have questions regarding this letter should contact NCUA's Office of the Chief Financial Officer at ocfomail@ncua.gov.

\$10.00 GRMA Fee Reminder

The GRMA \$10.00 per loan fees required by O.C.G.A. Section 7-1-1011(b)(2) and Department Rule 80-5-1-.04 are due by no later than **March 1, 2016**, for mortgage loans closed during the period of July 1, 2015 through December 31, 2015.

On December 29, 2015, the Department sent an e-mail reminder notice to the contact person that submitted the prior semi-annual report through

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

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

the Department's online reporting and payment site. For state-chartered institutions and Georgia mortgage licensees, the Department also sent a similar notification to the primary institution/licensee contact.

To avoid fines for failure to remit GRMA fees when due, reporting and payment must be completed online by the deadlines established in Rule 80-5-1-.04. Refer to the Department's Frequently Asked Questions document for further information about the reporting and remittance requirements for GRMA per loan fees.

Collecting agents submitting GRMA fees after the due date or for prior semiannual periods must complete and mail a paper form, along with their payment to the Department, using the fillable PDF form.

Inclement Weather Closing Reminder

As a reminder, Georgia state-chartered financial institution offices directly affected by severe weather conditions may close under the conditions set forth in Department Rule 80-5-2-.02. Current regulations provide that financial institution management may exercise its own discretion, with notification to the Department, in closing any institution for one business day, with renewal for successive days, upon management's determination that the safety of customers/members, employees or assets would be in jeopardy due to civil disorder, fire, acts of God, or similar circumstances which render the institution unable to conduct business in a safe manner.

Financial institutions closing due to severe weather should make every effort to reopen as quickly as possible to address the banking needs of Georgia citizens. Weather-related and other emergency closings should be communicated to the Department, preferably by e-mail to dbfcorp@dbf.state.ga.us, as soon as transmission of such notice is feasible. If notification to the Department by e-mail is not possible, communication of such closings may be made by telephone, fax or mail.

The Department reminds state chartered credit unions that there is no requirement for a prior posted notice of an emergency closing to members, as this would not be a practical requirement based on the nature of an emergency closing. However, if possible, posting such

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, 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-

notice is ideal. In addition, multiple successive day closings are permissible if a state of emergency is declared.

The Department would also like to remind Georgia state-chartered credit unions to ensure that their emergency contact information is current with the Department. Please note that the Department's emergency contact database allows a financial institution to store one primary and two alternate contacts. The Department recommends that one individual be assigned as administrator to manage the institution's contact information in the Department's system. Georgia state-chartered credit unions can update their information here: <https://bkgfin.dbf.state.ga.us/CUEmergCont.html>.

Federal credit unions do not have to notify NCUA Region III regarding closings.

Rule Corrections

Correction in Federal Register on NCUA's Final Rule on Capital Planning and Stress Testing: The final rule in the *Federal Register* on August 11, 2015, regarding the capital planning and stress testing provisions in NCUA's regulations has been corrected. This amendment corrects § 702.504(a) of NCUA's regulations by reinstating § 702.504(a)(2) which was inadvertently removed by the August 2015 final rule, specifically:

(2) A covered credit union's board of directors (or a designated committee of the board) must at least annually, and prior to the submission of the capital plan under paragraph (a)(1) of this section:

- (i) Review the credit union's process for assessing capital adequacy;
- (ii) Ensure that any deficiencies in the credit union's process for assessing capital adequacy are appropriately remedied; and
- (iii) Approve the credit union's capital plan.

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 - 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

Bureau Corrects TRID Tolerance Discussion Error: The Consumer Financial Protection Bureau (CFPB) has published in the *Federal Register* a [correction](#) to the Supplementary Information published on December 31, 2013, with the TRID Rule. Specifically, the correction affects a typographical error on page 79829 of Volume 78 of the *Federal Register*. In the first column, in the sentence containing “property insurance premiums, property taxes, homeowner's association dues, condominium fees, and cooperative fees,” the phrase “are subject to tolerances” should read “are not subject to tolerances.”

Your CU Should Know....

Executive Order Establishes Cybersecurity Commission: President Obama has issued an [Executive Order](#) establishing within the Department of Commerce the Commission on Enhancing National Cybersecurity, as part of a [Cybersecurity National Action Plan](#) (CNAP) to help government and businesses better protect Americans from cyber attacks. The CNAP would modernize federal IT infrastructure, add a new federal chief information security officer, promote multi-factor authentication, and establish a Federal Privacy Council to ensure that the federal government does a better job of protecting private data.

NCUA Twitter Chat on Savings Strategies: The Twitter chat on saving money and building financial security begins at **11:00 a.m. EST on February 16**. The Twitter chat precedes America Saves and Military Saves Week, which both run February 22–27. [NCUA's announcement](#) has more information on the upcoming Twitter chat as well as the two national save and build wealth campaigns.

HMDA Processing Tips: The FFIEC [CRA/HMDA Reporter Newsletter](#) has posted “[2016 CRA/HMDA Tips to a Successful Processing Season](#),” which includes guidance on how to have a successful 2016 data submission for calendar year 2015 data.

May 3, 2016
[Conducting the Annual Physical Security Review](#) – Webinar
3:00 – 4:30 p.m. EST

May 4, 2016
[Loan Participation Due Diligence: Practices, Documentation, Servicing & Risks](#) – Webinar
3:00 – 4:30 p.m. EST

May 10, 2016
[Succession Planning for the Board & Supervisory Committee](#) - Webinar
3:00 – 4:30 p.m. EST

May 11, 2016
[Business Accounts: Who is Authorized to Open, Close, Transact?](#) – Webinar
3:00 – 4:30 p.m. EST

May 12, 2016
[Managing the Force-Placed Insurance Process](#) - Webinar
3:00 – 4:30 p.m. EST

May 17, 2016
[Wire Transfer Compliance, Including International Remittances](#) – Webinar
3:00 – 4:30 p.m. EST

May 24, 2016
[Understanding & Managing the CFPB Complaint Process](#) – Webinar
3:00 – 4:30 p.m. EST

May 25, 2016
[Developing Quality & Efficiency in Your IT Audit](#) –

Older Consumers are Repeat Fraud Targets: An [article on the CFPB Blog](#) exposes a financial scam that targets older consumers who have previously been victims of fraudulent money-making schemes. So-called asset recovery companies are contacting those past victims, promising to get refunds for a substantial fee, failing to deliver promised services, and leaving consumers financially worse off than before. Some of the warning signs include:

- Upfront fees to recover money
- Claims of insider information and connections
- Requests for secrecy

Is Your CU Compliant with the Mortgage Rules?: HSBC to Pay \$470M for Mortgage Abuses - The U.S. Department of Justice has [announced](#) that the Department of Housing and Urban Development, the CFPB, and the attorneys general of 49 states and the District of Columbia reached a \$470 million agreement with HSBC Bank USA NA and its affiliates (collectively, HSBC) to address mortgage origination, servicing and foreclosure abuses.

In conjunction with that agreement, the Board of Governors of the Federal Reserve System announced its assessment of a \$131 million penalty against HSBC North America Holdings, Inc., and HSBC Finance Corporation for deficiencies in residential mortgage loan servicing and foreclosure processing. The Board may remit (cancel) up to the full amount of this penalty to the extent HSBC satisfies the Department of Justice settlement or by providing funding for nonprofit housing counseling organizations. If HSBC does not satisfy the full \$131 million penalty amount within two years, the remaining amount must be paid to the U.S. Department of Treasury. Also...

CMPs Issued to U.S. Bank and Santander - The OCC has [announced](#) the termination of previously issued mortgage servicing-related consent orders against U.S. Bank National Association (U.S. Bank) and Santander Bank, N.A. (Santander), and assessed civil money penalties against the banks. The orders were terminated after the OCC determined the banks were complying with them. With the termination of the consent orders, the OCC assessed a \$10 million civil money penalty against U.S. Bank and a \$3.4 million civil money penalty against Santander.

Webinar

3:00 – 4:30 p.m. EST

BSA Training Opportunities
through GCUA

[Click here for details](#)

Comment Calls

NCUA Requests Comments on Operating Fee Schedule and Overhead Transfer Rate Methodology

Operating Fee Schedule: NCUA has issued a [request for comment](#) regarding the National Credit Union Administration's (NCUA) Operating Fee Schedule. The NCUA Operating Budget has two primary funding mechanisms: (1) An Overhead Transfer, which is funded by federal credit unions (FCUs) and federally insured state-chartered credit unions (FISCUs); and (2) annual Operating Fees, which are charged only to FCUs. The NCUA Board is seeking comments on the methodologies for both funding mechanisms.

This request focuses on the methodology NCUA uses to determine the aggregate amount of Operating Fees charged to federal credit unions, including the fee schedule that allocates the Operating Fees at different rates among FCUs according to asset size.

NCUA specifically requests comments on the following questions:

1. Are the asset determination thresholds reasonable; and
2. Is the method for forecasting projected asset growth for the credit union system reasonable?

Commenters are encouraged to provide the specific bases for the comments and recommendations as well as documentation to support any proposed adjustments or alternatives.

Overhead Transfer Rate Methodology: NCUA has also issued a [request for comment](#) regarding NCUA's Overhead Transfer Rate Methodology. This request for comment focuses on the methodology NCUA uses to determine the Overhead Transfer Rate (OTR). The Board applies the OTR to NCUA's Operating Budget to determine the portion of the budget that will be funded from the National Credit Union Share Insurance Fund (NCUSIF). The Board invites comments on all aspects of the OTR methodology and any alternatives commenters may offer. Areas the Board specifically seeks comments on include:

- Whether the OTR should continue to be determined using a formula-driven approach, or instead be set largely at the discretion of the Board;
- The definition NCUA uses for insurance-related activities;
- Adjustments or changes to the current calculation; and
- Alternate methodologies to arrive at an accurate and fair allocation of costs.

The Board encourages the public to provide the specific basis for their comments and recommendations, as well as documentation to support any proposed adjustments or alternatives.

GCUA would like to know your thoughts and/or concerns on NCUA's proposals. Please send your comments on these proposals to Selina Gambrell at selinag@gcua.org by **March 26, 2016**.

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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Email compliance@gcua.org.