

Compliance Resources for Your Credit Union

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SEPTEMBER 30, 2019

**InfoSight Compliance Newsletter
Vol. 13 Issue 37**

Created in Partnership with the Credit Union National Association and League InfoSight

Headline News

League Files Amicus Brief in State-Level FOM Case

Your League has filed to participate in a state-level field-of-membership case now before the State Corporation Commission. As part of our participation, we filed an amicus brief in support of the Bureau of Financial Institution's recent decision to allow Virginia Credit Union to serve members of the Medical Society of Virginia, a 10,000-member association offering support and services to medical professionals across the Commonwealth.

The Virginia Bankers Association and several of its member banks petitioned the State Corporation Commission to rehear and reconsider the decision of the Bureau of Financial Institutions to allow Virginia Credit Union to serve the group. The Commission granted the bankers' request

[League Events](#)

[League Webinars](#)

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to stay the expansion decision until the case is formally heard by the State Corporation Commission judges.

Your League is working closely with Virginia Credit Union in this case and we are committed to participating in the proceedings at the SCC. We feel strongly that an unfavorable decision in this case would establish a precedent that might well have a chilling effect on state-chartered, multiple-common-bond credit unions' pursuit of charter expansions.

What's more, laws granting authority to regulators to approve common-bond expansions for groups with more than 3,000 potential members in Virginia and at the federal level are very similar in both wording and intent, so we have legitimate concerns that a win for bankers at the state level could have repercussions at the federal level.

In our brief, we argue that BFI Commissioner Joe Face was within his authority to grant the charter expansion to Virginia Credit Union to serve the Medical Society of Virginia, refuting the arguments made by the bankers that they will be harmed by the decision and countering their assertions that the Commissioner's decision was "arbitrary and capricious."

View the documents:

- [Amicus Brief](#)
- [Notice of Participation](#)

League's Risk Conference Oct. 29 & 30

Join us in Richmond Oct. 29 and 30 for the League's Risk Management Conference (formerly the Compliance Conference).

Topics will include:

- Compliance Hot Topics
- Addressing and Avoiding Fraud Losses
- Multiple-Party Account Disputes
- Power of Attorney Abuse

League Employment Law Hotline

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- Combating the Financial Exploitation of the Elderly
- Cybersecurity Overview
- Social Media/Marketing Compliance
- Making BSA Training Fun
- Regulatory Update (Looking Ahead to 2020)
- Panel Discussion on Regulatory Affairs and Compliance and More!

Hotel

Embassy Suites Hotel & Executive Management Center,
2925 Emerywood Parkway, Richmond VA 23294.
Phone: 804.672.8585.

Discounted Room Rate: \$129. Let them know you're a VACUL Risk Conference participant for the discount, which is available until **Oct. 14**.

Register

[Register online here.](#) Note the discounts for multiple attendees from the same credit union!

[[LEARN MORE](#) | [REGISTER](#)]

New Topic in Loans and Leasing – Chattel Lien Non-Filing Insurance

A new topic, [Chattel Lien Non-Filing Insurance](#) has added to the Loans and Leasing channel. This policy insures the credit union against monetary loss caused by the credit union's legal inability to repossess mortgaged chattel property solely because of the failure to file or record the Security Agreement or lien instrument.

The non-filing insurance usually can be used when the borrower is a legal resident of another state.

[Check it out today!](#)

Compliance News



The banner features a collage of hands holding up a whiteboard with the words 'Risk Management' and 'COMPLIANCE' written on it. Other terms like 'Cybersecurity', 'Governance', 'Regulation', 'AWS', and 'Policies' are also visible. Below the collage is a red bar with the text 'League Risk Conference' in white. Underneath that is a tan bar with the dates 'October 29 & 30' and the location 'Richmond'. A list of topics follows: '- Cybersecurity', '- Data Privacy', '- Social Media Compliance', '- Marketing Compliance', '- Making BSA Training Fun', and '- Regulatory Update'. At the bottom is a green 'REGISTER' button with a white play button icon.

League Risk Conference

October 29 & 30
Richmond

- Cybersecurity
- Data Privacy
- Social Media Compliance
- Marketing Compliance
- Making BSA Training Fun
- Regulatory Update

REGISTER

CFPB Issues FAQs on SAFE Act Amendments

The Consumer Financial Protection Bureau (CFPB) has published four frequently asked questions about the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) of 2008, and the amendments made by enactment of S. 2155. These amendments are effective Nov. 24, and details can be found in a recent CUNA *CompBlog* [entry](#).

S. 2155 permits state-licensed mortgage loan originators (MLOs) licensed in one state to temporarily work in another state while waiting for licensing approval in the new state, if certain conditions are met.

It also provides registered MLOs who move from a credit union (or other depository institution) to a non-depository institution a grace period to complete the state's licensing requirements.

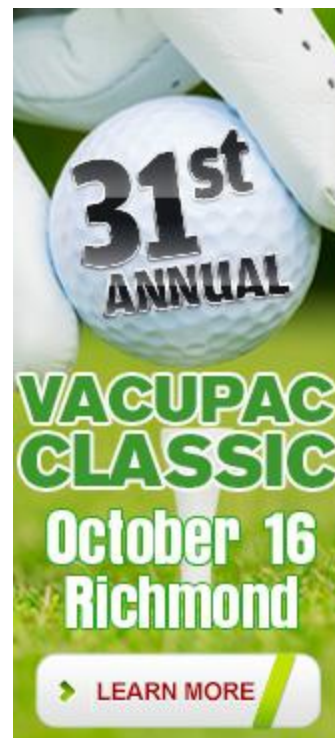
[\[READ MORE\]](#)

Bank Secrecy Act: GAO Study Says FIs A Bit Lost at Usefulness of Filed Reports

FinCEN and law enforcement agencies provided some metrics and institution-specific feedback on the usefulness of BSA reporting (such as suspicious activity reports) to the financial industry but not regularly or broadly, according to a GAO study.

Industry representatives told GAO that generating reports on suspicious activity can be labor-intensive, and that they would like more feedback on whether the reports they submitted were useful.

GAO makes four recommendations, including that FinCEN review options to consistently communicate summary data and regularly provide institution-specific feedback on its BSA reporting. FinCEN concurred with the recommendation



on summary data and agreed with the spirit of the recommendation on feedback. FinCEN raised concerns with the need for two other recommendations.

[\[LEARN MORE\]](#)

Reminder for the Annual Report of Blocked Property

[31 C.F.R. § 501.603](#) requires holders of blocked property to provide the Office of Foreign Assets Control (OFAC) with a comprehensive list of all blocked property held as of June 30 of the current year by September 30. Persons that do not hold blocked property as of June 30 do not need to file an Annual Report of Blocked Property (ARBP).

Please note that the term 'blocked property' only applies to property that is blocked pursuant to OFAC regulations.

Property that was unblocked by an OFAC general or specific license or was previously blocked pursuant to a sanctions program that was terminated on or before June 30, 2019, is not considered blocked property, and should not be reported in the ARBP.

Similarly, a restricted account of a person ordinarily resident in Iran is not blocked and should not be reported to OFAC in the ARBP, unless there is an interest in the account of a person whose property and interests in property are blocked pursuant to an applicable sanctions authority.

The annual reports must be filed using the new [spreadsheet form TD-F 90-22.50, Annual Report of Blocked Property](#). Completed forms should be sent to ofacreport@treasury.gov. Failure to submit a required ARBP by September 30 constitutes a violation of 31 C.F.R. Part 501 ("Reporting, Procedures and Penalties Regulations"). View [OFAC's Guidance on Filing the Annual Report of Blocked Property](#) for additional guidance.

Source: OFAC

FTC Staff Comments on CFPB Proposed FDCPA Rules

The Federal Trade Commission staff has submitted [comments to the CFBP](#) regarding proposed rules that implement the Fair Debt Collection Practices Act (FDCPA). Their comments included:

- changes that would improve the types of information debt collectors are required to provide to people from whom they are attempting to collect and how, when, and where collectors are allowed to make contact with consumers
- issues around debt that has passed the statute of limitations, the sale and transfer of debt, the collection of debts involving people who are deceased, and restrictions on the disclosure of information about debt to third parties

Source: FTC

Other Articles of Interest

- [CFPB Supervisory Highlights \(Summer, 2019\)](#)
- [Consumer Compliance Outlook \(Second Issue 2019\)](#)
- [FAQs About the FinCEN Suspicious Activity Report \(SAR\)](#)

Advocacy News

NCUA Adopts Rules on Audits, FCU Bylaws, and Payday Alternative Loans

Recently, the NCUA Board adopted final rules on supervisory committee audits, FCU bylaws, and Payday Alternative Loans, and received its quarterly briefing on the status of the Share Insurance Fund.

[Here is the complete rundown](#) of the items covered at a meeting on September 19, 2019.

CFPB Retaining Controversial Public Consumer Complaint Database

The CFPB will keep its controversial consumer complaint database available to the public, despite criticism by credit unions, banks and the agency's former acting director, [according to an article in CU Times](#).

"Since its inception, the Consumer Complaint Database has not been without controversy," CFPB Director Kathy Kraninger said. She added when the bureau asked for feedback on the database, the agency received almost 26,000 comments.

NCUA's 'Second Chance' Proposal Would Reduce Regulatory Burden

CUNA [supports](#) NCUA's proposed "second chance" interpretive ruling and policy statement because it will effectively reduce regulatory burden. [Proposed](#) by Chairman Rodney Hood in July, the IRPS would amend and expand the current de minimis exception to reduce the scope and number of offenses that would require an application to the NCUA Board.

Specifically, the proposal would not require an application for certain insufficient funds checks, small-dollar simple theft, false identification, simple drug possession, and isolated minor offenses committed by covered persons as young adults.

[\[READ MORE\]](#)

CUNA's Advocacy Resources

- [This Week in Washington – September 23, 2019](#)
- [Input to lawmakers and regulators](#)
- [CUNA Advocacy page](#)
- [CUNA's Removing Barriers blog](#)
- [CUNA's Priorities](#)
- [Actions You Can Take](#)

Compliance Training & Education

League Training Calendar

OCT 2 [New BSA Officer Training Part 1: Compliance, Risk Assessment, CTRs, Exemptions, Forms & Regulator Expectations](#)

OCT 3 [SAR Hot Spots & New Guidance: Email Compromise, Hemp, Elder Abuse & More](#)

OCT 8 [Head Teller Training: Maximizing Teller Performance](#)

OCT 9 [When a Depositor Dies: Legal Requirements, Practical Issues & FAQs](#)

Oct 15 [Mortgage Lending Hot Spots Series: Demystifying Rules for TRID Tolerances](#)

OCT 17 [Advocacy Forum](#)

OCT 29-30 [Risk Conference](#)

CUNA Webinars

[CUNA has published a list of their free webinars for 2019!](#)

Compliance Videos

Compliance training educates your staff on the laws and/or regulations applicable to their role in the credit union. A proper understanding of compliance helps to minimize risk, maintain the credit union's reputation and provides a better environment for your staff and members.

Our [Compliance Connection channel](#) is a great resource to bring everyone up-to-speed on changes to laws and regulations, including when the changes take effect and what your credit union needs to do to be in compliance.

Compliance Calendar

Dates to Note

October 2019

- October 14th, 2019: Columbus Day - Federal Holiday
- October 22nd, 2019: [Appraisals \(NCUA\)](#)
- October 22nd, 2019: [Fidelity Bonds \(NCUA\)](#)

November 2019

- November 11th, 2019: Veterans Day - Federal Holiday
- November 24th, 2019: [SAFE Act. - MLO Registration](#)
- November 28th, 2019: Thanksgiving Day - Federal Holiday

December 2019

- December 25th, 2019: Christmas Day - Federal Holiday

January 2020

- January 1st, 2020: [HMDA Thresholds/Regulation C \(CFPB\)](#)
- January 1st, 2020: [Risk-Based Capital \(NCUA\)](#)

February 2020

- February 1st, 2020: [Updated URLA required for Fannie and Freddie](#)

March 2020

- March 20th, 2020: [Increasing the Same Day ACH Dollar Limit \(Effective Date\)](#)

June 2020

- June 30th, 2020: [Supplementing Data Security Requirements \(Effective Date\)](#)

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Compliance eNewsletter. A publication of the Virginia Credit Union League and InfoSight.

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