



## Compliance eNewsletter

February 28, 2020 Vol. 14, Issue 8

### InfoSight News

#### Compliance Updates

##### **New** Training Videos!

1st and 2nd Quarters of 2020 – This video features League InfoSight’s Glory LeDu discussing the CFPB Annual Updates, NCUA’s update to FCU Bylaws as well as the Second Chance IRPS and more; plus NACHA’s Same Day ACH Dollar Limit.

2020 – NCUA Supervisory Priorities – In this video, Glory LeDu covers the priorities the NCUA mentioned in their Letter to Credit Unions (20-CU-01) as well as resources available to credit unions to ensure compliance with Consumer Financial Protection regulations in these Priorities.

To view all the available videos, check out the Compliance Video link at the top of InfoSight!

### Compliance and Advocacy News & Highlights

#### CFPB and Two States Sue Loan Brokers

The Consumer Financial Protection Bureau has [announced](#) that the Bureau, the South Carolina Department of Consumer Affairs, and Arkansas Attorney General Leslie Rutledge have filed a lawsuit in federal district court in the District of South Carolina against Candy Kern-Fuller, Howard Sutter III, and Upstate Law Group LLC. The Bureau alleges that the defendants worked with a series of companies that brokered contracts offering high-interest credit to consumers, primarily disabled veterans, and violated the Consumer Financial Protection Act’s prohibition against deceptive acts or practices and against providing substantial assistance to deceptive and unfair acts or practices of others.

*Source: CFPB*

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[FTC issues ECOA report](#)

The Federal Trade Commission has [announced](#) it has provided the Consumer Financial Protection Bureau (CFPB) with its [annual summary](#) of its efforts in enforcing the Equal Credit Opportunity Act (ECOA).

The Commission is responsible for ECOA enforcement and education regarding most non-bank financial service providers. In its summary, FTC staff describes the Commission's work on ECOA-related issues, including activities addressed in research and policy development.

*Source: FTC*

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## February Meeting of the NCUA Board

The NCUA Board met February 20 for its monthly meeting. [Agenda items](#) included the quarterly share insurance fund report; a briefing on credit union mortgage rates; an interagency final interpretive rule and policy statement on allowances for credit losses; and a proposal on amendments to Part 704 of NCUAs Rules and Regulations, which covers corporate credit unions. Key highlights from the discussion on the final policy statement incorporating CECL, and the proposal on corporate credit unions follow:

- **Final IRPS on Allowances for Credit Losses:** The final interagency policy statement becomes applicable to an institution upon its adoption of FASB ASC Topic 326. The IRPS describes the measurement of expected credit losses in accordance with FASB ASC Topic 326; the design, documentation, and validation of expected credit loss estimation processes (including the internal controls over these processes); the maintenance of appropriate allowable credit losses; the responsibilities of boards and directors and management; and examiner reviews of allowable credit losses. The IRPS will be published in the Federal Register once it is approved by all four regulators (the Fed, FDIC, OCC, and NCUA).

Remember, credit unions have a delay for implementing CECL until January 2023. In the meantime, credit unions should take advantage of FASB training events and webinars on CECL. There is one event in [2020](#). Also, NCUA will be adding a new CECL resource page to [www.ncua.org](http://www.ncua.org) before the end of the first quarter. In addition, NCUA is working on a proposal addressing capital requirements and the impact CECL could have on net worth, since it was not addressed in the IRPS. You may recall that at the end of 2019, Chairman Hood confirmed that NCUA has the authority to phase in a "day one" adjustment to net worth that results from the implementation of FASB ASC Topic 326.

- **Corporate Credit Unions:** The proposal to amend NCUA's corporate credit union regulation (Part 704) includes: permitting a corporate credit union to make a minimal investment in a non-corporate CUSO; expanding the categories of senior staff positions at member credit unions who would be eligible to hold a position on a corporate credit union's board; removes requirements that must be held by the corporate credit union's ERM expert; makes clarifying amendments to the treatment of a corporate credit union's investment in a subordinated debt instrument of natural person credit unions (this is in anticipation of a final subordinated debt rule). The proposal is open for a 60-day comment period after the proposal's publication in the Federal Register.

*Source: NCUA*

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## CFPB Issues Notice of Proposed Rulemaking on Time-Barred Debt Disclosures

The CFPB has issued a [supplemental notice of proposed rulemaking](#) on the collection of time-barred debt. The Bureau proposes to prohibit collectors from using non-litigation means (such as calls) to collect on time-barred debt unless collectors disclose to consumers during the initial contact and on any required validation notice that the debt is time-barred. Consumer research conducted by the Bureau found that a time-barred debt disclosure helps consumers understand that they cannot be sued if they do not pay. That can help consumers make better informed decisions whether to pay the debt or not.

*Source: CFPB*

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### Article of Interest

- [Wells Fargo Agrees to Pay \\$3 Billion for Sales Conduct](#)
- [CFPB to hold Symposium: Consumer Access to Financial Records](#)

### Pending Comment Calls

- [Affirmatively Furthering Fair Housing](#)
- [Property Assessed Clean Energy \(PACE\) Program](#)

### CUNA's Advocacy Resources:

- [This Week in Washington](#) – CUNA GAC
- [CUNA Advocacy page](#)

## Compliance Calendar

- March 20th, 2020: Increasing the Same Day ACH Dollar Limit (Effective Date)
  - April 26th, 2020: 5300 Call Report Due to NCUA
  - May 25th, 2020: Memorial Day - Federal Holiday
  - June 30th, 2020: Supplementing Data Security Requirements (Effective Date)
  - July 1st, 2020: Regulation CC – Monetary Limit Threshold Changes
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