



## Compliance eNewsletter

July 17, 2020 Vol. 14, Issue 27

### InfoSight News

**Content Update** - The **Fraud Alerts and Prevention** topic has been updated in the COVID-19 – Coronavirus channel to include information about Fraudulent SBA Disaster Relief Payments.

### Compliance and Advocacy News & Highlights

#### Final rule on small dollar lending issued

The CFPB has issued a [final rule](#) amending its Payday, Vehicle Title, and Certain High-Cost Installment Loans regulations at 12 CFR part 1041. The final rule, which will be effective 90 days after its *Federal Register* publication, rescinds the mandatory underwriting provisions of the 2017 rule but does not rescind or alter the payments provisions of the 2017 rule.

The Bureau had received a petition to commence a rulemaking to exclude debit and prepaid cards from the payments provisions of the small dollar lending rule, and the agency has denied that petition. The Bureau has also issued guidance clarifying the payments provisions' scope and assisting lenders in complying with those provisions.

In addition, the Bureau released a [ratification of the payment provisions](#) in light of the Supreme Court's recent decision in *Seila Law*. Although the payments provisions are currently stayed by court order, the Bureau will seek to have them go into effect with a reasonable period for entities to come into compliance.

Documents to review include the [Press release](#), the [Executive summary](#), the [Updated small entity compliance guide](#) (now a Compliance Aid) and the [Payday Lending Rule FAQs](#) (a Compliance Aid) on covered loans and payment transfers.

*Source: CFPB*

#### Amazon settles with OFAC

OFAC has [announced](#) a \$134,523 settlement with Amazon.com, Inc. to settle Amazon's potential civil liability for apparent violations of multiple OFAC sanctions programs.

As a result of deficiencies related to Amazon's sanctions screening processes, Amazon provided goods and services to persons sanctioned by OFAC; to persons located in the sanctioned region or countries of Crimea, Iran, and Syria; and to individuals located in or employed by the foreign missions of countries sanctioned by OFAC. Amazon also failed to timely report several hundred transactions conducted pursuant to a general license issued by OFAC that included a mandatory reporting requirement, thereby nullifying that authorization with respect to those transactions. The settlement amount reflects OFAC's determination that Amazon's apparent violations were non-egregious and voluntarily self-disclosed, and further reflects the significant remedial measures implemented by Amazon upon discovery of the apparent violations.

*Source: OFAC*

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## Chinese entity and officials sanctioned

The Treasury Department has [announced](#) that OFAC has sanctioned one Chinese government entity and four current or former government officials in connection with serious rights abuses against ethnic minorities in the Xinjiang Uyghur Autonomous Region (XUAR). The entity and officials are being designated for their connection to serious human rights abuse against ethnic minorities in Xinjiang, which reportedly include mass arbitrary detention and severe physical abuse, among other serious abuses targeting Uyghurs, a Turkic Muslim population indigenous to Xinjiang, and other ethnic minorities in the region. These designations are the latest U.S. government actions in an ongoing effort to deter human rights abuses in the Xinjiang region.

*Source: OFAC*

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## Some outstanding EIP checks cancelled by IRS

FRB Services has [posted a notice](#) that, effective July 6, 2020, the Treasury Department's Internal Revenue Service has announced the cancellation of outstanding Economic Impact Payment (EIP) checks issued to recipients who may not be eligible for such program payments, including those that may be deceased.

The Bureau of the Fiscal Service encourages financial institutions to determine the status of EIP checks by using either the Treasury Check Verification Application (TCVA) for single queries, or the Treasury Check Verification Service (TCVS) for bulk queries using an automated programming interface (API).

If a financial institution inadvertently negotiates a cancelled EIP check, Treasury will not request or demand recovery from financial institutions, unless there is an additional reason to do so, for example the check was not properly endorsed. Similarly, Treasury will not reclaim from financial institutions ACH payments made to recipients who may not be eligible for such payments under program specifications.

Source: FRB Services

## What is a Romance Scam??

A member comes to you and tells you they need to immediately wire money to someone they met online who needs funds for surgery. Or another member says a 'new online friend' was traveling here from another country and needs to get something back from Customs. Are these situations real? Does your member really believe the people making the requests? They could be the target of a "Romance Scam!" The Federal Trade Commission has [developed guidance](#) as well as methods for reporting a Romance Scam, which might be helpful to share within your credit union and to educate your members.

Source: FTC

## FTC Launches New Online Tool for Exploring Military Consumer Data

The Federal Trade Commission launched a new tool that explores data about problems military consumers may experience in the marketplace. For the first time, data about reports the FTC has received from active duty service members and veterans will be available online in an [interactive dashboard](#).

The [military dashboard](#), which is updated quarterly, has a drop-down feature that shows data for "active duty," "veterans and retirees," and "all military."

From 2015 through the first two quarters of 2020, reports received by the Consumer Sentinel Network showed the median fraud losses for veterans and retirees were \$750. For active duty military, the top reported scam type was government imposters, followed by unwanted telemarketing calls. In addition, for "all military"—which includes military families and reservists—65.5 percent of people who reported online shopping problems reported losing money. Many online shopping reports are about merchandise ordered online that never arrives.

The FTC uses the reports it receives through the Sentinel network as part of its law enforcement investigations, and the agency also shares these reports with more than 3,000 law enforcement users around the country. While the FTC does not resolve individual complaints, Sentinel reports are a vital part of the agency's law enforcement mission.

Source: FTC

## NCUA Issues Two legal Opinions

- [Automated Loan Underwriting System – Segregation of Duties for Loan Officers](#)
- [Reasonable Proximity Analysis – Field of Membership](#)

## CUNA's Advocacy Resources:

- [This week in Washington](#)
- [CUNA Advocacy Issues - COVID-19](#)

## Compliance Calendar

- July 21st, 2020: **Remittance Transfers (Regulation E)**
- July 26th, 2020: **5300 Call Report Due to NCUA**
- September 7th, 2020: Labor Day - Federal Holiday
- October 12th, 2020: Columbus Day - Federal Holiday
- October 25th, 2020: **5300 Call Report Due to NCUA**