



## Compliance eNewsletter

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### InfoSight News

#### Don't Miss an Important Date!

One of the great resources on your **InfoSight dashboard** is the Compliance Calendar. Upcoming events are highlighted, but did you know you can also review events that have passed? Check out this valuable resource today to be sure you're prepared for what's ahead!

### Compliance and Advocacy News & Highlights

#### CFPB Settles with Company Over False Loan Ads

In a recent [press release](#), the CFPB has issued a [consent order](#) against Go Direct Lenders, Inc., a California corporation licensed as a mortgage broker or lender in about 11 states. The Bureau found that Go Direct sent consumers numerous mailers for VA-guaranteed mortgages that contained false, misleading, and inaccurate statements or that lacked required disclosures, in violation of the Consumer Financial Protection Act's prohibition against deceptive acts and practices, the Mortgage Acts and Practices – Advertising Rule (MAP Rule), and Regulation Z.

Specifically, the Bureau found that Go Direct advertisements:

- misrepresented the credit terms of the advertised mortgage loan by stating credit terms that the company was not actually prepared to offer to the consumer, including advertising a lower annual percentage rate than it was prepared to offer
- made misrepresentations about the applicable fees in connection with the advertised mortgage
- misleadingly described variable-rate loans as "fixed" rate loans, when in fact the rate was adjustable and could increase over time
- falsely stated or implied that an appraisal, assets, and income documentation were not required to qualify for certain loans and that consumers with FICO scores as low as 500 would qualify for the advertised rates
- falsely represented that it had records showing that the value of the consumer's property had increased over the past year by a specific percentage
- created the false impression that Go Direct was affiliated with the government by using words, phrases, images, or design characteristics that are associated with the VA or the Internal Revenue Service

- failed to properly disclose, when required by Regulation Z, credit terms for the advertised mortgage, such as the consumer's repayment obligations over the full term of the loan.

The consent order requires Go Direct to pay a civil money penalty of \$150,000 and imposes requirements to prevent future violations.

*Source: CFPB*

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## Statement on Due Diligence and PEPs

FinCEN and the prudential financial institution regulators (Fed, FDIC, NCUA and OCC) have issued a "[Joint Statement on Bank Secrecy Act Due Diligence Requirements for Customers Who May Be Considered Politically Exposed Persons](#)" to clarify that Bank Secrecy Act (BSA) due diligence requirements for customers who may be considered "politically exposed persons" (PEPs) should be commensurate with the risks posed by the PEP relationship.

The term PEP is commonly used to refer to foreign individuals who are or have been entrusted with a prominent public function, as well as their immediate family members and close associates. By virtue of this public position or relationship, these individuals may present a higher risk that their funds may be the proceeds of corruption or other illicit activity. The Agencies do not interpret the term "politically exposed persons" to include U.S. public officials.

*Source: FinCEN*

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## CFPB posts 2021 HMDA FIG and Supplemental Guide

The CFPB has published its [HMDA Filing Instructions Guide \(FIG\)](#) for data collected in 2021 and its [Supplemental Guide for Quarterly Filers for 2021](#). Both of these resources, along with other filer resources, are available on the [FFIEC Home Mortgage Disclosure Act](#) webpage.

The Bureau also reminded filers in an August 21 email that, as of March 26, 2020, and until further notice, the Bureau does not intend to cite in an examination or initiate an enforcement action against any institution for failure to report its HMDA data quarterly, as noted in its [Statement on Supervisory and Enforcement Practices Regarding Quarterly Reporting Under the Home Mortgage Disclosure Act](#).

*Source: CFPB*

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## TD Bank in \$122M Settlement for OD Fee and FCRA Violations

The CFPB [recently announced](#) a settlement with TD Bank, N.A., regarding its marketing and sale of its optional overdraft service, Debit Card Advance (DCA). TD Bank operates about 1,250 locations throughout much of the eastern part of the country. The Bureau found that TD Bank's overdraft enrollment practices violated the Electronic Fund Transfer Act and Regulation E by

charging consumers overdraft fees for ATM and one-time debit card transactions without obtaining their affirmative consent, and that TD Bank engaged in deceptive and abusive acts or practices in violation of the Consumer Financial Protection Act of 2010.

The Bureau also found that TD Bank engaged in practices prohibited by the Fair Credit Reporting Act and its implementing Regulation V.

The consent order requires TD Bank to provide an estimated \$97 million in restitution to about 1.42 million consumers and to pay a civil money penalty of \$25 million.

*Source: CFPB*

### Articles of Interest:

- [NCUA Webinar on 9/15/2020 Will Discuss Credit Union, NeighborWorks Partnerships](#)
- [Navy Federal Credit Union Wins Appeal in Dispute Over Federal Court Access](#)

### CUNA's Advocacy Resources:

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

### WOCCU Advocacy Resources:

- [Telegraph](#)
- [Advocate Blog](#)

## Compliance Calendar

- September 7th, 2020: Labor Day - Federal Holiday
- October 12th, 2020: Columbus Day - Federal Holiday
- October 25th, 2020: **5300 Call Report Due to NCUA**
- November 11th, 2020: Veterans Day - Federal Holiday
- November 19th, 2020: **Payday Lending, Vehicle Title, and Certain High-Cost Installment Loans (CFPB)**