



We Remember 9.11.01

## Compliance eNewsletter

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### InfoSight News



**International Credit Union Day®**  
**Thursday, October 15, 2020**

International Credit Union (ICU) Day® celebrates the spirit of the global credit union movement. The day is recognized to reflect upon the credit union movement's history, promote its achievements, recognize hard work and share member experiences. International Credit Union (ICU) Day® has been celebrated on the third Thursday of October since 1948.

The ultimate goal is to raise awareness about the tremendous work that credit unions and other financial cooperatives are doing around the world and give members the opportunity to get more engaged. The day of festivities for credit unions and financial cooperatives globally includes fundraisers, open houses, contests, picnics, volunteering and parades.

On October 15, 2020, join your global credit union family as we celebrate the 72nd anniversary of ICU Day®!

This year's theme is "**Inspiring hope for a global community,**" and [promotional materials are available.](#)

International Credit Union Day is brought to you by World Council of Credit Unions, Inc. and Credit Union National Association (CUNA). This year's event is proudly supported by [Harland Clarke.](#)

### Compliance and Advocacy News & Highlights

## FinCEN Ending AML Exemption for Financial Institutions Without Federal Regulator

FinCEN has published [85 FR 57129] a [Final Rule](#) in a recent Federal Register that will remove the anti-money laundering program exemption for banks that lack a Federal functional regulator, including, but not limited to, private banks, non-federally insured credit unions, and certain trust companies.

The [recent press release](#) indicates that the final rule requires minimum standards for anti-money laundering programs for banks without a Federal functional regulator to ensure that all banks, regardless of whether they are subject to Federal regulation and oversight, are required to establish and implement anti-money laundering programs, and extends customer identification program requirements and beneficial ownership requirements to those banks not already subject to these requirements.

The rule will be effective November 16, 2020 but carries a compliance date of March 15, 2021.

[CUNA's CompBlog has additional information.](#)

*Source: FinCEN/CUNA*

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## NCUA: Second Streamlined CDFI Round Now Open

The National Credit Union Administration opened its second application round for eligible credit unions that want to qualify to use the agency's streamlined process for Community Development Financial Institution certification. Federally insured, low-income-designated credit unions can find all the necessary information about CDFI qualification in [the NCUA's online program guide](#). The application round closes on Oct. 17.

To qualify, eligible credit unions should submit their loan-origination data to the NCUA by email to [CURECDFI@ncua.gov](mailto:CURECDFI@ncua.gov) using the agency's secured email encryption system and complete [an online Participation Form](#).

The Office of Credit Union Resources and Expansion will analyze each applicant credit union's products, services, and other indicators to determine whether it qualifies for the streamlined application process. The NCUA will provide qualified credit unions with the necessary information to complete and submit the streamlined certification application to the CDFI Fund, which will make the final determination on certification.

Credit unions that do not qualify for the streamline process may still use [the standard CDFI certification application](#). The streamlined application process, developed by the NCUA and the CDFI Fund, has helped 58 credit unions obtain CDFI certification.

Credit unions that obtain certification may apply for the CDFI Fund's training and competitive award programs. These resources can enhance credit unions' capacity to provide insured,

affordable financial services to unserved or underserved communities. The [Fund's webpage](#) has complete information.

*Source: NCUA*

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## CFPB Outlines Proposals for Small Business Lending Data

The Consumer Financial Protection Bureau has [released](#) its [Outline of Proposals Under Consideration and Alternatives Considered](#) for Section 1071 of the Dodd-Frank Act governing small business lending data collection and reporting. The Bureau plans to convene a Small Business Advocacy Review panel in October 2020, to prepare a report that examines the impact of the potential rule on small businesses. The report, along with feedback received from small businesses, will be considered by the Bureau in its rulemaking to implement Section 1071.

Section 1071 requires financial institutions to collect certain data regarding applications for credit for women-owned, minority-owned, and small businesses, and to report that data to the Bureau on an annual basis. The Outline describes proposals that the Bureau is considering to implement [sic] Section 1071 along with the relevant law, the regulatory process, and an economic analysis of the potential impacts of the proposals on directly affected small entities.

Comments on the proposals under consideration should be received by the Bureau by December 14, 2020.

*Source: CFPB*

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## States All Compliant with REAL ID

The Department of Homeland Security [reports](#) that, after more than 15 years since Congress passed the REAL ID Act, all 50 states are now in full compliance issuing REAL ID driver's licenses and state identification cards, with most states becoming compliant in the last four years. To date, the 50 states have issued more than 105 million REAL ID-compliant cards, representing 38 percent of all individuals with driver's licenses or ID cards.

On October 1, 2021 – less than 13 months away – full enforcement of REAL ID will take effect at all federally regulated airports, federal facilities, and nuclear power plants.

The Department continues to urge Americans to obtain a REAL ID-compliant card or acceptable alternative, such as a U.S. passport or passport card prior to the October 1, 2021, enforcement deadline.

*Source: DHS*

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## Deutsche Bank settles OFAC violations

OFAC has [announced](#) two settlements totaling \$583,100 with Deutsche Bank Trust Company Americas regarding apparent violations of the Ukraine-Related Sanctions Regulations. OFAC determined that neither case was voluntarily self-disclosed to OFAC, but the apparent violations constitute non-egregious cases, and the bank cooperated during the investigation and made immediate corrections to its procedures to prevent future violations of the types cited. The maximum civil penalty amount for the apparent violations was over \$75.7 million.

*Source: OFAC*

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## ESIGN Modernization Markup, FHFA COVID-19 Hearing

The House and Senate were in session the week of 9/14, and the Senate Commerce Committee was scheduled to conduct a [markup Wednesday](#) of several bills, including the E-SIGN Modernization Act (S. 4159). The bill would remove the requirement in the Electronic Signatures in Global and National Commerce Act requiring consumers to reasonably demonstrate their ability to access information electronically prior to consenting to electronic records.

Other hearings included:

- Wednesday, noon (ET): House Financial Services Committee [hearing](#), “Prioritizing Fannie’s and Freddie’s Capital over America’s Homeowners and Renters? A Review of the Federal Housing Finance Agency’s Response to the COVID-19 Pandemic;” and
- Thursday, noon (ET): House Financial Services subcommittee on investor protection, entrepreneurship and capital markets [hearing](#), “Insider Trading and Stock Option Grants: An Examination of Corporate Integrity in the COVID-19 Pandemic.”

It should also be noted that the Senate did not pass its “skinny” COVID-19 relief bill last week, which puts in doubt whether Congress will take any action prior to the election to further address the pandemic or economic fallout. Discussions may continue between now and the end of the month and there may be attempts to move small pieces of recovery legislation, like Paycheck Protection Program loan forgiveness.

*Source: CUNA*

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## Articles of Interest:

- [Eight of 10 Credit Unions Unable to Conduct Critical Remote Functions During COVID](#)
- [Pandemic Spawns Peculiar Trends in Car Lending for Credit Unions](#)
- [NCUA Provides \\$3.7 Million in Grants and Loans to Help Credit Unions Meet COVID-19 Needs](#)

## CUNA's Advocacy Resources:

- [This week in Washington](#)

- [CUNA Advocacy Issues - COVID-19](#)

## WOCCU Advocacy Resources:

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

## Compliance Calendar

- October 12th, 2020: Columbus Day - Federal Holiday
- October 20th, 2020: **Payday Lending, Vehicle Title, and Certain High-Cost Installment Loans (CFPB)**
- October 25th, 2020: **5300 Call Report Due to NCUA**
- November 11th, 2020: Veterans Day - Federal Holiday
- November 26th, 2020: Thanksgiving Day - Federal Holiday