



Compliance eNewsletter

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InfoSight News

2021 RISK Alerts from CUNA Mutual Group

RISK Alerts from CUNA Mutual Group
are now available on InfoSight!



Stay up-to-date and in-the-know on the most
persistent recent risks to credit unions!

RISK Alerts are published just-in-time to make sure
you are on top of the most relevant topics.



**CUNA
MUTUAL
GROUP**

- **New!** *Preparing for the Risk of Deepfakes (2/1/2021)*
- *Don't Let Data Walk Out the Door (1/26/2021)*
- *New Twist to the Zelle Fraud Scam (1/19/2021)*
- *Employer Options As FFCRA Expires (1/12/2021)*

Be sure you don't miss a RISK Alert! Customize the **Recently Updated** box on your InfoSight dashboard to include notifications of new RISK Alerts! All of the RISK Alerts from CUNA Mutual

Group are listed and summarized on the **RISK Alerts and Resources** page. In addition, you will also see RISK Alerts included throughout InfoSight within the relevant topics.

Compliance and Advocacy News & Highlights

FinCEN Advisory on COVID-19 Fraud

[FinCEN Advisory FIN-2021-A001](#), on "COVID-19 Health Insurance- and Health Care-Related Fraud," was issued with descriptions of COVID-19-related fraud involving health care benefit programs and health insurance, associated financial red flag indicators, select case studies, and information on reporting suspicious activity. The Advisory provides 16 red flags that could indicate the following illicit activities: (1) additional, medically unnecessary service or billing schemes; (2) potential fraudulent businesses; (3) kickbacks and money laundering; and/or (4) fraudulently obtaining COVID-19 relief funds.

FinCEN requested that financial institutions reference this advisory in SAR field 2 (Filing Institution Note to FinCEN) and the narrative by including the key term "FIN-2021-A001" and select SAR field 34g (health care – public or private health insurance). Additional guidance for filing SARs appears near the end of the advisory.

Source: FinCEN

Fate of QM and Debt Collections Rules Uncertain

In a recent [letter to the CFPB's Division of Research, Markets, and Regulations \(RMR\)](#), Acting CFPB Director David Uejio directed the Division to "explore options for preserving the status quo with respect to QM and debt collection rules." Whether that direction may result in reconsideration of these recent Bureau rules is not clear.

Uejio also asked RMR to analyze data on housing insecurity, including foreclosures, mobile home repossessions and tenant evictions and on the most pressing consumer finance barriers to racial equity, and to resume HMDA quarterly reporting and CARD Act data collection, and efforts on section 1071 and PACE data collection.

The acting director also expressed concern over a potential foreclosure crisis when the COVID-19 forbearances end in March and April.

Source: CFPB

Procedural Guidance on Lender PPP Processing Fees

The SBA recently issued [Procedural Notice 5000-20091 "Second Updated Paycheck Protection Program Lender Processing Fee Payment and 1502 Reporting Process,"](#) an update to Procedural Notice 5000-20036, which informs PPP lenders of the reporting process through which they will report on PPP loans and collect the processing fee on fully disbursed loans that they are eligible

to receive. The update addresses changes made by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (P.L. 116-260), including new First Draw PPP Loans and Second Draw PPP Loans.

Source: SBA

Some Things CUs Should Know about Direct Deposit Tax Refunds

Eight out of ten taxpayers are expected to use direct deposit for their tax refunds this year. Members may direct their refunds to any of their checking or savings accounts that the credit union allows to accept such payments. Before tax season is in full swing, credit unions must consider the following:

- Which savings and/or checking account types will you allow your members' tax refunds to be directly deposited into – for example: individual checking and savings accounts, joint accounts, IRAs, HSAs, and/or Coverdell education savings accounts? Are there savings or checking accounts for which you will NOT accept these deposits? If so, are your members aware of this limitation?
- Will you allow joint refunds to be deposited into an individual's account?

What your members CANNOT do:

- Direct a refund into anyone else's account, unless it is a joint refund with a spouse, then it can be directed into the spouse's account;
- Directly deposit more than three refunds into a single account, or to a pre-paid card;
- Direct a tax refund deposit to make a payment on a loan account;
- Direct their refund to their tax preparer's account to pay their tax preparation fee.

What your members MUST do:

- Verify that you accept directly deposited tax refunds into the account they are directing the IRS to send their refunds;
- Verify that the account and routing numbers are accurately entered on their tax returns to ensure the funds will be deposited into the correct account;
- Verify that the directly deposited tax refund is going into an account in the member's own name, their spouses name, or both names, if it is a joint account.

Split Deposits: The IRS allows taxpayers to split direct deposit refunds among two or three different accounts, with up to three different financial institutions. The funds may be divided in any proportion requested by your member.

Where's My Refund? When members don't see their refunds in their accounts quickly, they often turn to the credit union to find answers. Refer your members to the IRS link "[Where's My Refund?](#)". Your members can check the status of their refund within 24 hours after the IRS receives an e-filed return or 4 weeks after a paper return is mailed.

Source: CUNA Compliance Blog

New Guide Helps Military Families with Financial Challenges

Military families face unique financial challenges, especially during the coronavirus pandemic. The new Your Money, Your Goals military guide provides resources to help military families overcome these challenges and improve their financial well-being. [Learn more about the guide and other resources to help military families.](#)

Source: CFPB

Upcoming Nacha rules changes

Nacha has posted a [Rules Outreach news item](#) to remind ACH ODFIs that R11 returns (authorized debit with error such as wrong date or amount) will become subject to the Nacha unauthorized entry fee beginning April 1, 2021.

On March 19, 2021, [access to Same Day ACH will expand](#) as ODFIs will be able to submit Same Day items for an additional two hours each business day. Also on March 19, 2021, Nacha's [WEB Debit Account Validation Rule](#) will become effective. This requirement applies to the Originator's first use of an account number, or changes to the account number, for WEB entries.

Source: NACHA

Articles of Interest

- [Credit Union Trade Groups Endorse Mortgage Plan](#)
- [Lingering Problems Causing Delays in Approval of PPP Loans: Trade Groups](#)
- [From the FTC: Top Frauds of 2020](#)
- [Scammers Are Scheming as Healthcare.Gov Reopens](#)
- [ICBA Renews Call for Re-Examination of Credit Union Tax Exemption](#)

CUNA's Advocacy Resources:

- [Happenings in Washington](#)

WOCCU Advocacy Resources:

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

Compliance Calendar

- February 15th, 2021: President's Day - Federal Holiday

- March 1st, 2021: **Mandatory Use of Updated the Uniform Residential Loan Application (URLA)**
- March 1st, 2021: **March 1, 2021 – HMDA submission deadline**
- March 1st, 2021: **CFPB – Seasoned Qualified Mortgage Addition**
- March 1st, 2021: **CFPB – General Qualified Mortgage Loan Amendments**