

# InfoSight Newsletter

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## Highlights



The  
secret sauce  
for better  
credit union  
compliance

Amount Per Serving	
	% Daily Value
Requirements	100%
Summaries	100%
Checklists	100%
Laws & Regs	100%
Cost	\$0

Ingredients: CU industry expertise,  
up-to-date compliance information,  
state-specific information

Is your credit union taking advantage of the “secret sauce” that can help you “cook up” a great compliance program? Check out the “ingredients” in InfoSight today!

## InfoSight Content Updates

New **RISK Alerts** are now available from CUNA Mutual Group and are found on the **Resources** area:

- **New!** *Fraudulent Invoices Cause CU Losses (6/17/2021)*
- **New!** *Minimizing Negative Staff Impact When Getting Back To The Office (6/17/2021)*
- **New!** *Overdraft / NSF Fee Lawsuits Continue (6/15/2021)*

## Compliance and Advocacy News & Highlights

### Updates to FFIEC BSA/AML Exam Manual

The Federal Financial Institutions Examination Council (FFIEC) has released updates to four sections of the BSA/AML Examination Manual:

- [International Transportation of Currency or Monetary Instruments Reporting](#)
- [Purchase and Sale of Monetary Instruments Recordkeeping](#)
- [Reports of Foreign Financial Accounts](#)
- [Special Measures](#)

The FFIEC's [press release](#) indicates the updates should not be interpreted as new instructions or increased focus on certain areas; instead, they offer further transparency into the examination process and support risk-focused examination work.

The Manual provides instructions to examiners for assessing the adequacy of a bank's or credit union's BSA/AML compliance program and its compliance with BSA regulatory requirements. The Manual itself does not establish requirements for banks; such requirements are found in statutes and regulations.

*Source: FFIEC*

### NCUA to Host 2021 DEI Summit for Credit Union System Stakeholders

The [National Credit Union Administration has announced](#) it will host credit union leaders, credit union trade and support organizations, and diversity and inclusion professionals during the NCUA's second Diversity, Equity, and Inclusion (DEI) Summit. This three-day event will take place virtually Nov. 2–4, 2021.

The NCUA's 2021 DEI Summit will provide credit union industry professionals who are committed to advancing diversity, equity, and inclusion a forum to share best practices, address challenges to advancing diversity, and learn how the NCUA can support the industry in its efforts. To address today's most pressing diversity, equity, and inclusion issues, the theme of this year's event is "From Intention to Action."

“This will be a powerful and thought-provoking conversation on the business case for diversity, equity, and inclusion within the credit union system and beyond,” NCUA Chairman Todd M. Harper said. “Embracing the principles of diversity, equity, and inclusion is vital to the continued health and success of the credit union system because it leads to better consumer protection, greater innovation, improved solutions, and increased membership. I look forward to joining in this timely and critical conversation.”

*Source: NCUA*

## CFPB Statement on Juneteenth Holiday and Mortgage Closings

On Friday, June 18, 2021, CFPB Acting Director Dave Uejio issued the following statement: “President Biden’s signing of the Juneteenth National Independence Day Act into law yesterday afternoon is a cause for celebration. Juneteenth is a moment for us to commemorate the emancipation of those enslaved. I am proud that we as a country are taking concrete steps to recognize and heal from the legacy of slavery, even as I recognize that there is much more work to do.

“The CFPB, along with the other Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) regulators, is aware of concerns regarding implementation of the new Juneteenth Federal holiday, particularly as it relates to mortgage lender compliance with the Truth in Lending Act and TILA-RESPA Integrated Disclosure (TRID) timing requirements. The CFPB recognizes that some lenders did not have sufficient time after the Federal holiday declaration to consider whether and how to adjust closing timelines. The CFPB understands that some lenders may delay closings to accommodate the reissuance of disclosures adjusted for the new Federal holiday.

The CFPB notes that the TILA and TRID requirements generally protect creditors from liability for bona fide errors and permit redisclosure after closing to correct errors. Any guidance ultimately issued by the CFPB would take into account the limited implementation period before the holiday and would be issued after consultation with the other FIRREA regulators and the Conference of State Bank Supervisors (CSBS) to ensure consistency of interpretation for all regulated entities.”

*Source: CFPB*

## FHA Updates Student Loan Payment Calculations

The FHA recently announced updates to its student loan monthly payment calculations to take steps to remove barriers and provide more access to affordable single family FHA-insured mortgage financing for creditworthy individuals with student loan debt, which has a disproportionate impact on people of color. The updated policy more closely aligns FHA student loan debt calculation policies with other housing agencies, helping to streamline and simplify originations for borrowers with student loan debt obligations.

The policy updates published on Thursday evening for **FHA Single Family Title II** forward mortgages remove the current requirement that lenders calculate a borrower's student loan monthly payment of one percent of the outstanding student loan balance for student loans that are not fully amortizing

or are not in repayment. The new policy bases the monthly payment on the actual student loan payment, which is often lower, and helps home buyers who, with student debt, meet minimum eligibility requirements for an FHA-insured mortgage.

*Source: FHA*

## NCUA Upcoming Rulings

**Pending NCUA rulemaking of note includes:**

### **Capitalization of Interest in Connection with Loan Workouts and Modifications**

The NCUA intends to release a final rule to remove the prohibition against federally insured credit unions capitalization of interest in connection with loan workouts and modifications. The rule would require consumer protection and safety and soundness safeguards for credit unions engaging in the practice.

### **Risk-Based Net Worth – COVID-19 Regulatory Relief (Complex Credit Union Threshold)**

The NCUA is finalizing amendments to provide that any risk-based net worth requirement will apply only to federally insured credit unions with quarter-end assets that exceed \$500 million and a risk-based net worth requirement that exceeds six percent.

### **Loans in Areas Having Special Flood Hazards - Interagency FAQs**

The NCUA, along with the other federal regulators, are updating the Flood Insurance FAQs. The FAQs are being updated to include questions and answers on private flood insurance as well as escrowing of flood insurance premiums, the detached structure exemption, and force-placement procedures.

### **Transition to CECL**

The NCUA intends to issue final rules to address the implementation of the new current expected credit losses (CECL) methodology by federally insured credit unions. The rule is intended to temporarily mitigate the adverse consequences of the day-one capital adjustments required by CECL.

### **CAMELS Rating**

The NCUA plans on adding the 'S' (sensitivity to market risk) to their CAMEL exam ratings. The S component will enhance transparency and allow the NCUA and federally insured credit unions to better distinguish between liquidity risk and sensitivity to market risk.

*Source: Excerpted from an article submitted by David Curtis CUCE, Director Compliance Services, NWCUA*

## Articles of Interest

- [FFIEC Announces Availability of 2020 Data on Mortgage Lending](#)
- [FBI: Scams Target Older Victims](#)
- [June 18, 2021 NASCUS Report](#)
- [New IRS Tools to Manage Child Tax Credit Payments](#)
- [Fed Extends Comment Deadline on Debit Routing Proposal](#)

## CUNA's Advocacy Resources:

- [Happenings in Washington](#)

## WOCCU Advocacy Resources:

- [Telegraph](#) – the most recent newsletter on current advocacy issues
- [Advocate Blog](#) – International advocacy trends and issues

## Compliance Calendar

- June 30th, 2021: NACHA – Limitation on Warranty Claims
- June 30th, 2021: NACHA – Reversals
- July 5th, 2021: Independence Day - Federal Holiday (observed)
- July 29th, 2021: Reserve Requirements – Regulation D
- September 6th, 2021: Labor Day - Federal Holiday