

InfoSight Newsletter

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Highlights

**Rather have food stuck in your braces than
update your Business Continuity Plan?**



RecoveryPro makes updates easy!

RecoveryPro provides the blueprint for your credit union's emergency preparedness, ensuring effective incident response and recovery from an unexpected event. The secure, web-based platform allows authorized staff to review and update plan content at any time, with easy-to-use editing tools and content guidance so you can adapt and adjust your plan to any changes in your operations. RecoveryPro can't help with food stuck in your teeth, but the convenience and ease of making plan updates will keep you smiling!

[New InfoSight Content- New Compliance Videos!](#)

We are excited to announce two new compliance videos in InfoSight! The first video provides a second quarter compliance update with related InfoSight resources. The second video provides a summary of the transition away from LIBOR. Credit unions can find these videos directly from their InfoSight dashboard under the "Compliance Videos" link.

Compliance and Advocacy News & Highlights

CFPB: Permissible Purposes for Pulling and Using Credit Reports

The [CFPB recently announced](#) its issuance of a legal interpretation to ensure that companies that use and share credit reports and background reports have a permissible purpose under the Fair Credit Reporting Act. The [CFPB's new Advisory Opinion](#) makes clear that credit reporting companies and users of credit reports have specific obligations to protect the public's data privacy. The advisory also reminds covered entities of potential criminal liability for certain misconduct. Key points in the CFPB's opinion include—

- Insufficient matching procedures can result in credit reporting companies providing reports to entities without a permissible purpose, which would violate consumers' privacy rights
- It is unlawful to provide credit reports of multiple people as "possible matches"
- Disclaimers about insufficient matching procedures do not cure permissible purpose violations
- Users of credit reports must ensure that they do not violate a person's privacy by obtaining a credit report when they lack a permissible purpose for doing so

The Advisory Opinion also outlines some of the criminal liability provisions in the Fair Credit Reporting Act. Covered entities can face criminal liability for obtaining a background report on an individual under false pretenses or by providing a background report to an unauthorized individual. For example, Section 620 of the Fair Credit Reporting Act imposes criminal liability on any officer or employee of a consumer reporting agency who knowingly and willfully provides information concerning an individual from the agency's files to an unauthorized person. Violators can face criminal penalties and imprisonment.

Source: CFPB

Joint Statement on Customer Due Diligence

The NCUA has joined other agencies in issuing a "[Joint Statement on the Risk-Based Approach to Assessing Customer Relationships and Conducting Customer Due Diligence](#)." Among the highlights of the statement are:

- The Agencies are reinforcing a longstanding position that no customer type presents a single level of uniform risk or a particular risk profile related to money laundering (ML), terrorist financing (TF), or other illicit financial activity.
- Customer relationships present varying levels of ML, TF, and other illicit financial activity risks and the potential risk to a bank depends on the presence or absence of numerous factors, including facts and circumstances specific to the customer relationship. Banks must apply a risk-based approach to CDD when developing the risk profiles of their customers.
- Banks that operate in compliance with applicable Bank Secrecy Act/anti-money laundering (BSA/AML) legal and regulatory requirements, and effectively manage and mitigate risks related to the unique characteristics of customer relationships, are neither prohibited nor discouraged from providing banking services to customers of any specific class or type.

- The Agencies do not direct banks to open, close, or maintain specific accounts as a general matter. The Agencies continue to encourage banks to manage customer relationships and mitigate risks based on customer relationships, rather than decline to provide banking services to entire categories of customers.

This statement applies to all customer types referenced in the Federal Financial Institutions Examination Council (FFIEC) BSA/AML Examination Manual as well as those customer types not specifically addressed in this manual. The FFIEC BSA/AML Examination Manual, including sections on certain customer types, provides guidance to examiners for carrying out BSA/AML examinations and assessing a bank's compliance with the BSA; it does not establish requirements for banks. Further, the inclusion of sections on specific customer types in this manual is not intended to signal that certain customer types should be considered uniformly higher risk.

Source: NCUA

FHA Mortgage Eligibility Expanded For COVID-19 Affected Borrowers

The [Federal Housing Administration has announced](#) new flexibility for lenders when qualifying borrowers who experienced previous employment gaps or loss of income due to the COVID-19 pandemic. The FHA defines a COVID-19 related economic event as a temporary loss of employment, temporary reduction of income, or temporary reduction of hours worked during the Presidentially Declared COVID-19 National Emergency. The guidance announced today includes provisions for salaried and non-salaried wage earners and addresses the needs of those who are employed full-time, self-employed, employed part-time, earn bonus or tip income, and/or earn commission income. FHA lenders should refer to [Mortgagee Letter 2022-09](#) for further information.

Source: FHA

Articles of Interest:

- [FinCEN Requests Comments on Renewal of the OMB Control Number for Bank Secrecy Act Regulations](#)
- [Hud, VA Announce \\$10.4 Million Funding Opportunity For Rehabilitation Of Low-Income Veterans' Homes](#)

CUNA's Advocacy Resources:

- [Happenings in Washington \(Removing Barriers Blog\)](#)

WOCCU (World Council of Credit Unions Advocacy) Advocacy Resources:

- [Telegraph](#) – Current advocacy news world-wide.
- [Advocate Blog](#) – Check out recent updates!

- *September 5th, 2022: **Labor Day - Federal Holiday***
- *September 16th, 2022: **NACHA – Micro-Entry Rule – Phase I***
- *October 1st, 2022: **CFPB – General Qualified Mortgage Loan Amendments***
- *October 10th, 2022: **Columbus Day - Federal Holiday (also recognized: Indigenous Peoples' Day)***