

# Inf✓Sight Newsletter

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## Highlights



The Holiday Season has begun!

Between all the preparation and planning, this time of year can leave your team buzzing with excitement and anticipation for holiday parties and events! But when the unexpected happens, excitement can turn to stress, and anticipation to unwelcome surprises. So, when it comes to workflow interruptions, RecoveryPro is here to help you prepare and plan for the unexpected! Visit [RecoveryPro](#) today to learn how we make preparation and planning easy and stress-free, so you can focus on the fun!

## Content Update! – CECL

Last week we reported that InfoSight added a new Person-to-Person (P2P) Transactions topic...

This week InfoSight added another new topic: Current Expected Credit Loss (CECL). The new accounting standard becomes effective after December 15, 2022, and will impact the March 31, 2023 call report. This topic provides a general overview of CECL and aggregates the many resources available to assist credit unions.

In addition, there are three new RISK Alerts from CUNA Mutual Group now available! Check out the new content today!

## New Compliance Video!

The 2022 Q3 Compliance Update video is now available on InfoSight! This video provides information on Deposit Accounts, Lending, Credit Union Operations, and resources available in InfoSight to help you stay compliant with these changes and updates. [Visit InfoSight today](#) to stay on top of federal and state regulatory changes!

## Compliance and Advocacy News & Highlights

### CFPB Issues Guidance to Help Banks Avoid Charging Illegal Junk Fees on Deposit Accounts

The Consumer Financial Protection Bureau (CFPB) issued guidance about two junk fee practices that are likely unfair and unlawful under existing law. The first, surprise overdraft fees, includes overdraft fees charged when consumers had enough money in their account to cover a debit charge at the time the bank authorizes it. The second is the practice of indiscriminately charging depositor fees to every person who deposits a check that bounces. The penalty is an unexpected shock to depositors who thought they were increasing their funds.

“Americans are willing to pay for legitimate services at a competitive price, but are frustrated when they are hit with junk fees for unexpected or unwanted services that have no value to them,” said CFPB Director Rohit Chopra. “We are providing guidance on existing law that will help law-abiding businesses seeking to fairly compete and the families they serve.”

Overdraft and depositor fees likely violate the Consumer Financial Protection Act prohibition on unfair practices when consumers cannot reasonably avoid them.

#### Surprise Depositor Fees

When a consumer deposits a check that bounces, banks sometimes charge a fee to the depositor, usually in the range of \$10 to \$19. However, a person trying to deposit a check has no idea or control over whether the check will clear, and sometimes, that person is the victim of check fraud. In fact, there are many reasons deposited checks can bounce, and the most common reason is that the check originator does not have enough money available in their account. Charging a fee to the depositor penalizes the person who could not anticipate the check would bounce, while doing nothing to deter the originator from writing bad checks.

## Surprise Overdraft Fees

An overdraft fee can become a surprise fee when the customer doesn't reasonably expect their actions to incur an overdraft fee. For instance, even if a person closely monitors their account balances and carefully manages their spending to avoid overdraft fees, they can easily incur penalties when financial institutions employ processes that are unintelligible or manipulative.

## Junk Fee Initiative

In January 2022, the CFPB launched an initiative to scrutinize back-end junk fees that cost Americans billions of dollars. Tens of thousands of people responded to a CFPB [Request for Information](#) with their stories and complaints about unnecessary fees in banking. Since then, the CFPB has taken [action](#) to constrain "pay-to-pay" fees, and has [announced](#) a rulemaking proceeding on credit card late fees. In the last year, the CFPB has also published [several research reports on overdraft fees](#) and an [analysis](#) of college banking products.

The CFPB has observed that financial institutions have started to compete more when it comes to fees. Earlier this year [multiple banks announced](#) they were eliminating overdraft fees or updating their policies to be more consumer friendly. And, in recent months, multiple large banks [announced](#) that they are eliminating non-sufficient fund fees on their checking accounts. The CFPB estimates that these changes mean \$3 billion in savings for consumers.

[Visit CFPB today, to learn more.](#)

*Source: CFPB*

## NCUA Releases 2021 Credit Union Diversity Self-Assessment Results

The National Credit Union Administration released the [Results](#) of the 2021 Credit Union Diversity Self-Assessment (CUDSA). The NCUA administers the voluntary [CUDSA](#) as a tool to help federally insured credit unions assess, guide, and monitor their diversity, equity, and inclusion (DEI) efforts and compare their progress with peer organizations.

"For the U.S. credit union system to succeed and achieve its full potential, diversity, equity, inclusion, and belonging must be a strategic objective," said NCUA Chairman Todd M. Harper. "We have, across the system, seen improvements in DEI prioritization and performance in recent years, but we must strive to continue that progress. The CUDSA is a positive way for credit unions to embrace DEI principles. The 2021 assessment results provide credit unions with valuable information to measure and better manage their DEI progress."

Among the highlights for 2021, 61 percent of responding credit unions reported a leadership and organizational commitment to diversity, 56 percent reported taking steps to implement employment practices to demonstrate that commitment, and 31 percent reported monitoring and assessing their diversity policies and practices. Also, for 2021, CUDSA submissions increased by 28.3 percent. As in previous years' assessments, supplier diversity and transparency of diversity and inclusion practices remained areas for improvement.

The CUDSA helps credit unions evaluate their DEI practices against five core standards:

- Organization commitment to diversity and inclusion;

- Workforce profile and employment practices;
- Supplier diversity;
- Practices to promote transparency; and
- Approach to self-assessment.

Since the CUDSA launched in 2016 to comply with [Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010](#), approximately 400 discrete credit unions have submitted the self-assessment to the NCUA's Office of Minority and Women Inclusion for at least one year. Historically, credit unions that submitted the self-assessment in two or more consecutive years have shown marked improvement in their diversity-related policies and practices over time. The CUDSA is not part of the examination process and completing the self-assessment does not affect a credit union's CAMELS rating.

[To read the full article, please visit NCUA.](#)

*Source: NCUA*

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## NCUA Board Announces 2023 Meeting Schedule

The National Credit Union Administration Board today released its monthly meeting schedule for 2023.

The Board meeting calendar is posted to the NCUA's [public website](#) along with the agendas, which are available one week in advance of each open Board meeting. Copies of Board memorandums and other documents related to the items considered are available online at the start of each meeting.

All open Board meetings will take place at the NCUA's central office located at 1775 Duke St., Alexandria, Virginia, and livestreamed through the NCUA website.

[For more information on these updates, visit NCUA.](#)

*Source: NCUA*

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### *Articles of Interest:*

- [CFPB Kicks Off Personal Financial Data Rights Rulemaking](#)
- [Federal Reserve – Consumer Compliance Outlook – Third Issue 2022](#)
- [ACH Network Moves 7.6 Billion Payments in Third Quarter of 2022; Strong Growth Continues for Same Day ACH](#)

### *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!](#)

## Compliance Calendar

- *November 11th, 2022: Veterans Day - Federal Holiday*
- *November 24th, 2022: Thanksgiving Day - Federal Holiday*
- *December 26th, 2022: Christmas Day - Federal Holiday (observed)*
- *January 1st, 2023: [Annual Updates](#)*
- *January 1st, 2023: [Current Expected Credit Losses \(FASB/NCUA\)](#)*