**FINAL REGULATIONS/RULES**

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| **Effective Date** | **Regulation** | **Citation** | **Summary** |
|  | Inflation Adjustments |  | Available [here](https://nwcuc.com/wp-content/uploads/2016/07/Inflation-Adjustments.docx) |
| 12/15/2020 | Current Expected Credit Losses (CECL) Accounting Standards |  | Under CECL, the allowance for credit losses is a valuation account, measured as the difference between the assets’ amortized cost basis and the net amount expected to be collected on the financial assets (i.e. lifetime credit losses). To estimate expected credit losses, credit unions will use a broader range of data than under existing U.S. GAAP. This includes information about past events, current conditions, and reasonable forecasts in assessing the collectability of the cash flows. Expected credit losses will be measured on a collective basis when similar risks exist within the loan portfolio.  |

**PROPOSED REGULATIONS**

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| **Comments Due** | **Regulation** | **Citation** | **Summary** |
| 09/14/2016 | Payday, Vehicle Title, and Certain High-Cost Installment Loans ([1](https://nwcuc.com/proposed-payday-loan-rule-part-1/),[2](https://nwcuc.com/proposed-payday-loan-rule-part-2/),[3](https://nwcuc.com/proposed-payday-loan-rule-part-3/)) | TBD | The Proposed Rule will require the credit union to presume that the consumer does not have the ability to repay a covered loan, and then prove that they do before making a covered loan. Making covered loans without reasonably determining that the consumer will have the ability to repay the loan are abusive and unfair practices, with very limited exceptions. A “covered loan” means closed-end or open-end credit that is extended to a consumer primarily for personal, family, or household purposes that is not excluded by the rule. Specifically, covered loans are:* Short-term loans of 45 days or less, including payday loans, deposit advance products, vehicle title loans, installment loans, and open-end lines of credit; and
* Longer-term loans greater than 45 days that have an all-in APR greater than 36% (total cost of credit) and either are repaid directly from the consumers account (leveraged payment method) or direct access to the consumer’s paycheck, or are secured by the consumer’s vehicle.
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**RESOURCES/GUIDANCE**

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| **Guidance** | **Summary** |
| [Consumer Compliance Outlook – Card Disputes](https://nwcuc.com/consumer-compliance-outlook-card-disputes/) | The issue contains an informative article discussing when Regulation E and Regulation Z come into play in regards to consumers disputing transactions with merchants. |
| [FFIEC Statement on Safeguarding the Cybersecurity of Interbank Messaging and Payment Networks](https://nwcuc.com/ffiec-issues-statement-safeguarding-cybersecurity-interbank-messaging-payment-networks/) | Credit unions should review their risk management practices (including services provided to clients) and refer to the appropriate FFIEC IT Examination Handbook booklets referenced in this statement for information on regulatory expectations regarding IT risk management. Credit unions should also review and adhere to the technical guidance issued by payments and settlement networks for managing and controlling risks to critical systems. The joint statement notes that recent cyber attacks have targeted interbank messaging and wholesale payment functions at financial institutions to originate unauthorized transactions. These unauthorized transactions may subject a bank that originates such transactions to losses and compliance risk. This statement does not contain new regulatory expectations. It is intended to alert financial institutions to specific risk mitigation techniques related to cyber attacks exploiting vulnerabilities and unauthorized entry through trusted client terminals running messaging and payment networks. |
| [CFPB Supervisory Highlights](http://www.consumerfinance.gov/policy-compliance/guidance/supervision-examinations/supervisory-highlights-mortgage-servicing-special-edition-issue-11/) | The 11th Supervisory Highlights focuses on mortgage servicing, and the deficiencies identified during examinations – loss mitigation acknowledgement notices, loss mitigation offers and related communications, loan modification denial notices, policies and procedures, and servicing transfers. |
| [CFPB Supervisory Highlights](https://nwcuc.com/cfpb-supervisory-highlights/) | The CFPB released its 10th Supervisory Highlights, which focuses on consumer reporting, mortgage origination, fair lending, debt collection, remittances and student loan servicing. |

The NCUA released a Request for Information regarding modernizing the [Call Report](https://nwcuc.com/call-report-modernization-request-information/). Responses must be received by August 15, 2016. The RFI requests assistance in identifying the interrelated considerations and challenges associated with improving the Call Report and Profile.

NCUA is also looking at adding “S” to the CAMEL rating system, for “sensitivity to market risk.” Currently, the NCUA assesses interest rate risk as part of the Liquidity rating, however Examination and Insurance staff believe the changing size and complexity of the credit union system warrants its adoption. Federal banking supervisors already include “S” in the rating system. NCUA is planning to release a proposal by the end of third quarter, with a possible implementation in 2018.