**FINAL REGULATIONS/RULES**

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| **Effective Date** | **Regulation** | **Citation** | **Summary** |
| 07/01/2017 | [OREGON – Semi-Annual Escrow Rate Adjustment](https://nwcompliance.org/oregon-semi-annual-escrow-rate-adjustment-3/) | ORS 86.245 | Credit unions are not required to pay interest on escrow accounts from July 1, 2017 – 12/31/2017, because the T-Bill rate was too low to establish a minimum. Credit unions can pay interest, and should verify with their terms and conditions whether they disclose that they will. |
| 07/01/2018 | [WASHINGTON – E-Notaries are coming](https://nwcompliance.org/e-notaries-coming-washington/) | SB 5081 | Washington State passed Substitute Senate Bill 5081, dealing with notarial acts. The bill adopts (mostly) the Revised Uniform Law on Notarial Acts (RULONA). Included in the bill is a provision for electronic notaries. The effective date of the changes is July 1, 2018. |
| 09/30/2017 | [New Call Report form](https://www.ncua.gov/regulation-supervision/Pages/documents/effective-20170930-form-5300-instructions.pdf) |  | The MBL rule creates a distinction between MBLs and commercial loans. The Instructions also explain that the reporting of commercial loans will be broken down into subcategories such as: Construction and development loans; Loans secured by farmland;  Secured by multifamily residential property; Secured by owner-occupied, nonfarm nonresidential property; Secured by nonowner-occupied, nonfarm nonresidential property; Real estate-secured commercial loans; Loans to finance agricultural production and other loans to farmers' commercial and industrial loans; Unsecured commercial loans; Unsecured revolving lines of credit granted for commercial purposes; and  Total commercial loans to members. For member business loans, credit unions will only report the net member business loan balance (NMBLB) and the NMBLB comprised of 1- to 4-family residential properties. |
| 07/05/2017 | [FHLB Membership for Non-Federally-Insured Credit Unions](https://www.federalregister.gov/documents/2017/06/05/2017-11207/federal-home-loan-bank-membership-for-non-federally-insured-credit-unions) | 82 FR 25717 | The Federal Housing Finance Agency (FHFA or Agency) is adopting a final rule revising its regulation governing Federal Home Loan Bank (Bank) membership to implement  section 82001 of the Fixing America’s Surface Transportation Act (FAST Act), which amended the Federal Home Loan Bank Act (Bank Act) to authorize certain credit unions without Federal share insurance to become Bank members. |
| 07/31/2017 | [Safe Harbor – Involuntary Liquidation](https://www.federalregister.gov/documents/2017/06/30/2017-13636/safe-harbor?utm_campaign=subscription%20mailing%20list&utm_source=federalregister.gov&utm_medium=email) | 82 FR 29699 | The NCUA issued this final rule to amend its regulations regarding the treatment by the Board, as liquidating agent or conservator of a federally insured credit union, of financial assets transferred by the credit union in connection with a securitization or a participation. The final rule replaces NCUA's current safe harbor for financial assets transferred in connection with securitizations and participations in which the financial assets were transferred in compliance with the existing regulation, and defines the conditions for safe harbor protection for securitizations and participations for which transfers of financial assets would be made after 07/31/2017. |
| 07/01/2018 | [Availability of Funds and Collection of Checks Regulation CC](https://www.federalregister.gov/documents/2017/06/15/2017-11379/availability-of-funds-and-collection-of-checks?utm_campaign=subscription%20mailing%20list&utm_source=federalregister.gov&utm_medium=email) | 82 FR 27552 | Expands Subpart C to include remote deposited checks, and contains indemnities and warranties regarding RDC. |
| 06/26/2017 | [Reserve Requirements - Regulation D](https://www.federalregister.gov/documents/2017/06/26/2017-13107/regulation-d-reserve-requirements-of-depository-institutions) | 82 FR 28757 | Interest rates on both the IORR (Interest on Reserve Requirements) and the IOER (Interest on Excess Reserves) is now 1.25%. |

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| **Reminders** | **Summary** |
| [ITIN Expirations](https://www.irs.gov/uac/newsroom/irs-now-accepting-renewal-applications-for-itins-set-to-expire-by-end-of-2017) | ITINs that have not been used on a federal tax return at least once in the last three consecutive years will expire Dec. 31, 2017, and ITINs with middle digits 70, 71, 72 or 80 will also expire at the end of the year. |
| [.creditunion domain](https://www.cuna.org/registry/) | CUNA has announced that credit unions are now able to register and identify themselves and their websites with a new domain, “.creditunion.” The domain names will be awarded on a first-come, first-served basis and are available exclusively to currently operating, natural-person U.S. credit unions. The website register.creditunion has useful additional information about the steps a credit union will need to take to secure a .creditunion domain for themselves. |

**PROPOSED REGULATIONS**

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| **Comments Due** | **Regulation** | **Citation** | **Summary** |
| 08/14/2017 | [Prepaid Rule (Regulations E & Z)](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/20170615_cfpb_NPRM_Prepaid-Accounts-Amendments.pdf) | 82 FR 29630 | The CFPB issued proposed changes to the prepaid accounts final rule published last November. The final rule requires financial institutions to limit consumers’ losses when funds are stolen or cards are lost, investigate and resolve errors, provide free and easy access to account information, and give prepaid consumers new “Know Before You Owe” disclosures.  The final rule also generally requires companies to offer protections similar to those for credit cards if consumers are allowed to use credit on their accounts to pay for transactions that they lack the money to cover.  The proposal would make changes with respect to application of credit-related provisions to digital wallets that can store funds, error resolution and limitations on liability for unverified prepaid accounts, and other clarifications and minor adjustments. |
| 08/07/2017 | [Supervisory Review Committee; Procedures for Appealing Material Supervisory Determinations](https://www.federalregister.gov/documents/2017/06/07/2017-11320/supervisory-review-committee-procedures-for-appealing-material-supervisory-determinations) | 82 FR 26391 | The NCUA issued a proposed rule to amend its procedures for appealing material supervisory determinations. The proposed rule would: (1) Expand the number of material supervisory determinations appealable to the SRC; (2) create an optional intermediate level of review before an appeal is brought to the SRC; and (3) change the nature and composition of the SRC. The proposed rule would be codified as Subpart A to part 746. |
| 08/07/2017 | [Appeals Procedures](https://www.federalregister.gov/documents/2017/06/07/2017-11319/appeals-procedures) | 82 FR 26378 | The NCUA proposes to adopt procedures to govern appeals to the Board that would apply to agency regulations that currently have their own embedded appeals provisions and will replace those current provisions. The procedures would apply in cases in which a decision rendered by a regional director or other program office director is subject to appeal to the Board. The proposed procedures are intended to result in greater efficiency, consistency, and better understanding of the way in which matters under covered regulations may be appealed to the Board. |
| 08/07/2017 | [Bylaws; Bank Conversions and Mergers; and Voluntary Mergers of Federally Insured Credit Unions](https://www.federalregister.gov/documents/2017/06/08/2017-11331/bylaws-bank-conversions-and-mergers-and-voluntary-mergers-of-federally-insured-credit-unions) | 82 FR 26605 | The NCUA proposes to revise the procedures a federal credit union (FCU) must follow to merge voluntarily with another credit union. The proposed changes: Revise and clarify the contents and format of the member notice; require merging FCUs to disclose all merger-related financial arrangements for covered persons; increase the minimum member notice period; and provide procedures to allow reasonable member-to-member communications regarding the proposed merger. The proposed changes also make conforming amendments to NCUA regulations governing termination of federal share insurance when the continuing credit union is not an FCU. |
| 08/01/2017 | [Availability of Funds and Collection of Checks Regulation CC](https://www.federalregister.gov/documents/2017/06/02/2017-11380/availability-of-funds-and-collection-of-checks) | 82 FR 25539 | The Board is proposing to amend Regulation CC to address situations where there is a dispute as to whether a check has been altered or is a forgery, and the original paper check is not available for inspection. The proposed rule would adopt a presumption of alteration for any dispute over whether the dollar amount or the payee on a substitute check or electronic check has been altered or whether the substitute check or electronic check is derived from an original check that is a forgery. This rule is intended to provide clarity as to the burden of proof in these situations. |

**RESOURCES/GUIDANCE**

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| **Guidance** | **Summary** |
| [Fair Lending Report](https://www.federalregister.gov/documents/2017/06/01/2017-11318/fair-lending-report-of-the-consumer-financial-protection-bureau-april-2017?utm_campaign=subscription%20mailing%20list&utm_source=federalregister.gov&utm_medium=email) | The CFPB issued its fair lending report which describes the bureau’s fair lending activities in prioritization, supervision, enforcement, rulemaking, interagency coordination, and outreach for 2016. |
| [Consumer Compliance Outlook](C://Users/jimm/Desktop/CCOI12017.pdf) | The issue covers combating elder financial abuse, finance charges for closed-end credit, the new Uniform Consumer Compliance Rating System, and regulatory updates. |
| [FTC’s Financial Acts Enforcement Report](https://www.ftc.gov/reports/ftc-enforcement-activities-related-compliance-regulation-z-truth-lending-act-regulation-m-0) | The report covers the FTC’s enforcement activities in 2016 relating to compliance with Regulation Z, Regulation M, and Regulation E. |
| [FAQs on President Trump’s Cuba Announcement](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_faqs_20170616.pdf) | OFAC has posted new frequently asked questions to address the changes to United States policy toward Cuba. The new policy channels commercial activities away from the Cuban military; tightens travel restrictions on U.S. tourism to Cuba; and reaffirms the U.S. statutory embargo of Cuba. Changes will not be effective until the Treasury issues new regulations. |
| [FTC’s update to COPPA Compliance](https://www.ftc.gov/news-events/blogs/business-blog/2017/06/ftc-updates-coppa-compliance-plan-business?utm_source=govdelivery) | The FTC updated their guidance regarding complying with the Children’s Online Privacy Protection Act. |
| Updates to credit reporting | Medical debts will not be reported until after 180-day "waiting period" to allow insurance payments to be applied. The CRAs will also remove from credit reports previously reported medical collections that have been or are being paid by insurance. Data furnishers will be prohibited from reporting authorized users without a date of birth and the CRAs will reject data that does not comply with this requirement. Data furnishers will be required to report a delete for accounts that are being paid or were paid in full through medical insurance. The CRAs will eliminate the reporting of debts that did not arise from a contract or agreement by the consumer to pay, such as traffic tickets or fines. |
| [Interpretive Letter I-17-02](http://www.dfi.wa.gov/sites/default/files/credit-unions/interpretive-letters/I-17-02.pdf) | The DCU released an Interpretive Letter outlining the requirements for state credit unions to keep and maintain Interest on Real Estate Trust Accounts. |
| [Prepaid Rule – small entity compliance guide](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201706_cfpb_prepaid-small-entity-compliance-guide.pdf?utm_campaign=ABA-Newsbytes-061617-HTML&utm_medium=email&utm_source=Eloqua) | The CFPB updated its compliance guide for the Prepaid Rule, which is effective April 1, 2018. |
| [OCC Supplement to Third-Party Oversight Guidance](https://www.occ.gov/news-issuances/bulletins/2017/bulletin-2017-21.html) | The Office of the Comptroller of the Currency (OCC) is issuing frequently asked questions (FAQ) to supplement OCC Bulletin 2013-29, “Third-Party Relationships: Risk Management Guidance,” issued October 30, 2013. The bulletin answers 14 frequently asked questions. |
| [MBL FAQs](https://www.ncua.gov/newsroom/Pages/ncua-report/2017/second-quarter/questions-implementing-new-mbl-rule.aspx) | The NCUA released a FAQ resource regarding Member Business Lending rules. State chartered credit unions should follow their own state requirements. |
| [Updated FFIEC Cybersecurity Assessment Tool](https://www.ffiec.gov/cybersecurity.htm) | The Federal Financial Institutions Examination Council (FFIEC) has updated the Cybersecurity Assessment Tool to reflect changes to the FFIEC IT Examination Handbook. The assessment updates reflect changes to the FFIEC's Information Security and Management booklets. Additional response options included in the assessment now allow a credit union's management to include supplementary or complementary behaviors, practices and processes that represent current practices of the credit union in supporting its cybersecurity activity assessment. |
| [NCUA Legal Opinion Letter – Federal Credit Union’s Authority to Issue and Sell Securities](https://www.ncua.gov/regulation-supervision/Pages/rules/legal-opinions/2017/asset-securitization-authority.pdf) | NCUA opined that a federal credit union can issue and sell securities as long as it meets the three-pronged test detailed in 721.2 of NCUA's regulations that covers items considered incidental powers even though the activity is not considered preapproved under 721.3. The requirements for an activity to be considered an incidental power not expressly authorized as such, are met if the activity: (a) Is convenient or useful in carrying out the mission or business of credit unions consistent with the Federal Credit Union Act; (b) Is the functional equivalent or logical outgrowth of activities that are part of the mission or business of credit unions; and (c) Involves risks similar in nature to those already assumed as part of the business of credit unions. |
| [Cybersecurity 101 – A Resource Guide for Bank Executives](https://www.csbs.org/CyberSecurity/Documents/CSBS%20Cybersecurity%20101%20Resource%20Guide%20FINAL.pdf) | State bank regulators, jointly with the U.S. Secret Service, released banker best practices for managing risks related to certain cyber threats. |
| [Implementation of Servicing Rule Changes](https://www.federalregister.gov/documents/2017/06/30/2017-13799/policy-guidance-on-supervisory-and-enforcement-priorities-regarding-early-compliance-with-the-2016) | The CFPB published policy guidance concerning early compliance with the Bureau's 2016 amendments to the Servicing Rules under Regulations X and Z. Responding to industry concerns about mid-week effective dates (both the October 19, 2017, and April 19, 2018, effective dates of the amendments fall on a Thursday), the Bureau's guidance says the agency won't take action for violations of existing Regulation X or Regulation Z resulting from compliance with the amendments up to three days early. That will allow servicers to update their systems over the weekend prior to the effective dates, rather than mid-week. |
| [Appraiser Shortages](https://nwcompliance.org/availability-of-appraisers/) | The Advisory explains a credit union’s options in the event a certified or licensed appraiser is not available. In certain situations, the FIRREA permits credit unions to use appraisers who have obtained a temporary practice permit or a temporary waiver instead of a state certificate or license. The Advisory explains both the permit and the waiver. |

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| Oregon | | |
| [HB 2581](https://nwcompliance.org/oregon-proposed-hb-2581-access-device-security-breaches/) | Would require a person that possesses or has access to account information to report breach of security to the financial institution that issued financial access device. Person includes: an individual, a private or public corporation, partnership, cooperative, association, estate, limited liability company, organization or other entity. | Public hearing held (3/27) |
| [HB 2161](https://olis.leg.state.or.us/liz/2017R1/Measures/Overview/HB2161) | Included in the Bill are a provision allowing the expulsion of a member that creates undue risk of loss, the elimination of the requirement that the credit union’s board of directors meets 10 times a year, and changes the date for exercise by state credit unions of powers available to federal credit unions without director approval to January 1, 2017, from January 1, 2013. | **Enacted – Effective 01/01/2018** |
| [HB 2359](https://olis.leg.state.or.us/liz/2017R1/Measures/Overview/HB2359?pubDate=2017-02-27-08-36) | Removes requirement for beneficiary in trust deed to send, and Attorney General to receive, copy of notice that beneficiary has denied grantor's eligibility for foreclosure avoidance measure. | **Enacted** |
| [HB 2624](https://olis.leg.state.or.us/liz/2017R1/Measures/Overview/HB2624?pubDate=2017-02-27-08-36) | Exempts out-of-state banks, extranational institutions and foreign associations from requirement to file notice before dealing in notes secured by mortgages or trust deeds, if authorized to conduct banking business in this state by certificate of Department of Consumer and Business Services. | **Senate signed, House Speaker signed** |
| [HB 2622](https://olis.leg.state.or.us/liz/2017R1/Measures/Overview/HB2622?pubDate=2017-02-27-10-55) | Authorizes financial institution to refuse certain financial transactions when financial institution reasonably believes financial exploitation of vulnerable person may have occurred, may have been attempted or is being attempted. | **Enacted – Effective 06/14/2017** |
| [HB 2229](https://olis.leg.state.or.us/liz/2017R1/Measures/Overview/HB2229?pubDate=2017-02-27-16-59) | Requires school districts to offer instruction in financial literacy. | **Enacted** |
| [HB 2346](https://olis.leg.state.or.us/liz/2017R1/Measures/Overview/HB2346?pubDate=2017-02-22-09-10) | Directs insured institution or credit union to accept declaration rather than affidavit from Department of Human Services or Oregon Health Authority to pay claim on death of depositor. | **Enacted – Effective 01/01/2018** |
| [SB 113](https://olis.leg.state.or.us/liz/2017R1/Measures/Overview/SB113?pubDate=2017-03-02-11-25) | Provides that person identified in gift card as providing goods or services shall transfer to Department of State Lands remaining balance of gift card that cardholder has not used within five years after date of last transaction that used gift card for purchase. | **Referred to General Government and Accountability (1/17)** |
| [SB 254](https://olis.leg.state.or.us/liz/2017R1/Measures/Overview/SB254?pubDate=2017-03-02-11-25) | Requires financial institutions to participate in data match system established by Department of Revenue to identify assets held at financial institutions by delinquent debtors. | **On Governor’s desk awaiting signing** |
| Washington | | |
| [HB 1209](http://app.leg.wa.gov/billsummary?BillNumber=1209&Year=2017)  SB 5396 | Allow credit unions to accept public deposits that exceed the maximum deposit insured by the NCUA share insurance fund. | **SHB Passed House**  **Reintroduced in 3rd special session (06/21)** |
| [HB 1318](http://app.leg.wa.gov/billsummary?BillNumber=1318&Year=2017) | ~~Allow state-chartered credit unions to accept supplemental capital to build net worth.~~ | ~~In House Committee~~ |
| [SSB 5031](http://app.leg.wa.gov/billsummary?BillNumber=5031&Year=2017) | Brings virtual currency under the state’s Uniform Money Services Act | **Enacted – Effective 7/23/17** |
| [SB 5144](https://nwcompliance.org/washington-credit-union-act-update/) | Updates the Washington Credit Union Act. Corrects the use of “director” in the rule’s text, removes reference to membership shares, amends rules for special membership meetings, and adds new provisions to supervisory committee roles. | **Enacted – Effective 07/23/17** |
| [SB 5081](https://nwcompliance.org/e-notaries-coming-washington/) | Washington State passed Substitute Senate Bill 5081, dealing with notarial acts. The bill adopts (mostly) the Revised Uniform Law on Notarial Acts (RULONA). Included in the bill is a provision for electronic notaries. | **Enacted – Effective 07/01/18** |
| [SB 5343](http://app.leg.wa.gov/billsummary?BillNumber=5343&Year=2017) | Towing companies can now use first class mail to send impound notices, rather than certified, to registered and legal owners of impounded vehicles | **Enacted – 07/23/17** |
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**IMPORTANT DATES**

**Call Report due dates for 2017**: January 29, April 30, July 30, and October 29 (the last Sunday of the month following the quarter end).

**Military Lending Act** applies to credit cards: October 3, 2017

**COMPLIANCE MALPRACTICE AND OTHER STUFF**

The CFPB [issued consent orders](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/062017_cfpb_Fay_Servicing-consent_order.pdf) against Fay Servicing, and imposed a $1.15 million repayment to harmed borrowers. Fay Servicing did not inform borrowers of foreclosure protections, did not provide required notices informing borrowers of their options to save their homes, and moved forward with foreclosure processes in violation of mortgage servicing regulations.

Wells Fargo (yet again) [agreed to pay $14.8M](http://www.crosswellsfargotcpa.com/) to resolve Telephone Consumer Protection Act claims over alleged autodialed calls. Class members are likely to receive between $20 and $50, while counsel can request up to $4.5 million in fees and costs.

Mortgage servicer hit with $1.8 million CMP - The Federal Reserve Board has [announced](https://www.federalreserve.gov/newsevents/pressreleases/files/enf20170608a1.pdf) the termination of an enforcement action against EverBank Financial Corp. issued in April 2011 related to residential mortgage loan servicing and foreclosure processing. The Board also announced a $1.8 million civil money penalty against the company for its mortgage servicing deficiencies related to that enforcement action.

Bureau targeting credit card promo financing - The CFPB has posted an [article](https://www.consumerfinance.gov/about-us/blog/how-understand-special-promotional-financing-offers-credit-cards/) discussing how to understand special promotional financing offers on credit cards. The article explained the difference between zero-interest and deferred-interest promotions, how deferred interest is calculated, and what to consider when getting a card with a zero-interest or deferred-interest promotion. The CFPB has also [sent letters](https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-encourages-retail-credit-card-companies-consider-more-transparent-promotions/) to top retail credit card companies encouraging them to consider using more transparent promotions.

Breach of fiduciary duty and unsafe or unsound practices by sending unsecured email leads to a [civil money penalty of $8,000](https://buckleysandler.com/sites/default/files/Buckley%20Sandler%20InfoBytes%20-%20Consent%20Order%20in%20the%20Matter%20of%20Timothy%20Perry.pdf).

The US Appeals Court ruled that the Federal Reserve Bank cannot block access to Fourth Corner Credit Union, but Fourth Corner can only serve supporters of marijuana legalization – not licensed cannabis or hemp business as long as the Controlled Substances Act is intact.

Washington State [Senate Bill 5131](http://app.leg.wa.gov/billsummary?BillNumber=5131&Year=2017), effective 06/23/17, placed more restrictions on marijuana businesses. Included are restrictions on advertising (no more sign-flippers), timing requirements between licensing and opening a business, minimum age for retail workers, and requiring the state to study the possibility of recreational home growing. HB 2064, effective 07/23/17, removes hemp from the Uniform Controlled Substances Act.

**INTERESTING READS (what’s on my nightstand)**

[A Financial System That Creates Economic Opportunities – Banks and Credit Unions](https://www.treasury.gov/press-center/press-releases/Documents/A%20Financial%20System.pdf) The Treasury Department’s report to the president detailing its review of financial regulations and recommendations to reform regulatory oversight of deposit institutions.

The United Nations Office on Drugs and Crime [World Drug Report 2017](https://www.unodc.org/wdr2017/en/topics.html).

The Unbanking of America – How the New Middle Class Survives, Lisa Servon. This discusses why Americans are leaving the banking system for alternatives, such as payday lendors.

[Abacus: Small enough to Jail](http://www.abacusmovie.com/about) - Accused of mortgage fraud by Manhattan District Attorney Cyrus R. Vance, Jr., Abacus becomes the only U.S. bank to face criminal charges in the wake of the 2008 financial crisis. The indictment and subsequent trial forces the Sung family to defend themselves – and their bank’s legacy in the Chinatown community – over the course of a five-year legal battle.