



# Important Compliance Dates as of September 2019

Deadline	Brief Summary and Compliance Resources
<p><b>July 1, 2019</b></p> <p>NCUA et al <a href="#">12 CFR Part 760</a></p>	<p>This final rule implements the flood insurance provisions of the Biggier-Waters Flood Insurance Reform Act of 2012 by requiring credit unions to accept policies that meet the statutory definition of “private flood insurance.” It may include a compliance aid to help credit unions determine whether a policy meets the definition of private flood insurance. In general, a credit union may determine a policy meets the definition of private flood insurance without further review if this compliance aid endorsement is included as part of the policy: “This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation.” The final rule also permits a credit union to exercise its discretion to accept flood insurance policies issued by private insurers and plans issued by mutual aid societies that do not meet the statutory definition of private flood insurance, provided that certain conditions are met.</p> <p>Final Regulation – <a href="#">19-EF-04</a></p> <p>Compliance Blog – <a href="#">2/15/19</a></p>
<p><b>August 19, 2019</b></p> <p>CFPB <a href="#">12 CFR Part 1041</a></p>	<p>The final rule requires lenders to reasonably assess a consumer’s reasonable ability-to-repay (ATR) two types of consumer loan products: “short-term loans” and “longer-term balloon-payment loans.” A higher rate, longer-term product is also a covered loan, but the lender is only required to comply with payment withdrawal restrictions and disclosure and record retention requirements. The rule did not incorporate the proposed requirements that would have infringed upon NCUA’s PAL program. Federal credit unions’ statutory right of offset to collect against an outstanding balance on a covered loan is explicitly permitted in the final rule. Certain loan products, such as purchase money security interests in vehicles, home mortgages, credit cards, student debt, and overdraft services are excluded from coverage. It also exempts “accommodation loans,” so long as the lender does not originate more than 2,500 covered loans in a calendar year or did not derive more than 10 percent of its receipts from covered loans. On August 6, 2019, the U.S. District Court for the Western District of Texas issued a stay of this compliance deadline so it may not go into effect before the underlying lawsuit is resolved or the stay is lifted.</p> <p>Final Regulation – <a href="#">17-EF-10</a></p> <p>Compliance Blog – <a href="#">10/23/17</a>, <a href="#">8/19/19</a></p>

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<p align="center"><b>September 3, 2019</b> CFPB, Federal Reserve <a href="#">12 CFR Part 1030</a>, <a href="#">12 CFR Part 229</a></p>	<p>On July 3, 2019, the agencies jointly published a final rule to amend Regulation CC. The rule implements a statutory requirement to adjust the dollar amounts in the Expedited Funds Availability Act (EFA Act) every five years by the aggregate annual percentage increase in the Consumer Price Index for Wage Earners and Clerical Workers (CPI-W) rounded to the nearest multiple of \$25. It rule implements Section 208 of the Economic Growth, Regulatory Relief and Consumer Protection Act (EGRRCPA) which extended coverage of the EFA Act to U.S. territories. The rule includes technical, non-substantive changes to the bureau's Regulation DD to ensure consistency with the final amendments to Regulation CC and correct a technical error contained in certain formulas. Despite being open for comment in the proposal, the amendments to Regulation CC that the Federal Reserve originally proposed in 2011 are not addressed in this final rule.</p> <p><b>Note:</b> <i>The effective date for technical corrections and implementation of the EGRRCPA amendments is September 3, 2019, while the effective date for the inflation adjustments is July 1, 2020.</i></p> <p>Final Regulation – <a href="#">19-EF-08</a> Compliance Blog – <a href="#">6/28/19</a></p>
<p align="center"><b>October 15, 2019</b> FHFA <a href="#">12 CFR Part 12154</a></p>	<p>This final rule implements changes made by Section 310 of the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 (EGRRCPA). Section 310 amended the charter acts for Fannie Mae and Freddie Mac, the government-sponsored enterprises (GSEs), and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 to create new requirements for the validation and approval of third-party credit score models to be used by the GSEs. The final rule adopts, largely as proposed, a four-phase process for the GSEs to validate and approve credit score models: 1) Credit Score Solicitation; 2) Submission and Initial Review of Applications; 3) Credit Score Assessment; and 4) Enterprise Business Assessment. Although the validation and approval of a new credit score model to be used by the GSEs may take several years, a credit union may wish to consider whether its membership would be better served by using a credit score model other than Classic FICO for mortgages it plans to sell to the GSEs. The use of alternative credit score models could increase access to credit for some borrowers, especially those in underserved areas and who may have limited credit history.</p> <p>Final Regulation – <a href="#">19-EF-11</a></p>

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<p><b>October 22, 2019</b></p> <p>NCUA</p> <p><a href="#">12 CFR Part 722</a></p>	<p>NCUA's final rule amending its regulation requiring real estate appraisals for certain transactions. The rule increases the threshold at which appraisals are required for nonresidential real estate transactions to \$1 million from the current threshold of \$250,000. For non-residential real estate transactions exempt from the appraisal requirement as a result of the new threshold, a federally insured credit union is still required to obtain a written estimate of market value of the real estate collateral if it does not conduct a formal appraisal. Consistent with existing requirements, the rule does not require a formal appraisal for a transaction that involves an existing extension of credit. The final rule retains the current language in 12 CFR § 722.3(a)(5), which refers to an existing extension of credit. It also exempts certain federally related transactions involving real estate in a rural area and makes various structural changes and conforming amendments to improve ease of use.</p> <p>Final Regulation – <a href="#">19-EF-09</a></p> <p>Compliance Blog – <a href="#">9/20/18, 7/31/19</a></p>
<p><b>October 22, 2019</b></p> <p>NCUA</p> <p><a href="#">12 CFR Parts 704 and 713</a></p>	<p>This final rule requires a credit union's board of directors to review and approve all applications for fidelity bond purchase or renewal. The board must also pass a resolution approving the purchase or renewal, and designate a non-employee board member as a signatory. The designated signatory must rotate for each application for purchase or renewal. In addition, the final rule provides a one-year discovery period for a liquidating agent to file a fidelity bond claim following an involuntary liquidation with a four-month discovery period available upon a voluntary liquidation. The rule codifies a 2017 NCUA Office of General Counsel opinion permitting a natural person credit union's fidelity bond to include coverage for certain credit union service organizations (CUSOs). Lastly, it clarifies that NCUA must approve all bond forms. Approved bond forms will sunset after ten years. For those existing bond forms, all forms will expire after ten years, or as otherwise determined by the agency.</p> <p>Final Regulation – <a href="#">19-EF-10</a></p> <p>Compliance Blog – <a href="#">7/29/19</a></p>



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<p align="center"><b>January 1, 2020</b></p> <p align="center">CFPB <a href="#">12 CFR Part 1003</a></p>	<p>The bureau issued a final rule making several substantive revisions to Regulation C's reporting requirements under the Home Mortgage Disclosure Act (HMDA). With the changes, the class of covered transactions now includes most dwelling-secured open-end and closed-end lending, effectively mandating reporting on HELOCs. The final rule also expands the HMDA data set, requiring credit unions to report on a total of roughly 38 data points. The modified institutional coverage test will be implemented under a "phased in" schedule.</p> <p>Credit unions that reported at least 60,000 covered loans and applications, combined, in the preceding calendar year will be required to conduct quarterly data submissions.</p> <p>Final Regulation – <a href="#">15-EF-17</a></p> <p>Compliance Blog – <a href="#">HMDA/Regulation C, 4/11/18</a></p> <p>NAFCU Resources – <a href="http://www.nafcu.org/hmda/">http://www.nafcu.org/hmda/</a></p>
<p align="center"><b>January 1, 2020</b></p> <p align="center">NCUA <a href="#">12 CFR Parts 700, 701, 702, 703, 713, 723, and 747</a></p>	<p>NCUA's new final capital adequacy rules establish a new method for computing the agency's risk-based requirement that would include a risk-based capital (RBC) ratio measure for complex credit unions. The final rule sets forth ten categories of risk-weights for various types of assets based on the risk associated with particular investments. For example, cash would be assigned a zero percent risk weight while riskier assets such as mortgage servicing and CUSO activities would have substantially higher risk-weights. The final rule makes the following key changes to the agency's existing capital requirements: 1) establishes a new RBC ratio for federally insured natural person credit unions with over \$100 million in assets; changes the definition of "complex credit union," for the purposes of capital requirements, to include credit unions greater than \$500 million in assets; 2) establishes a RBC ratio of 10 percent for well-capitalized credit unions; 3) establishes a RBC ratio of 8 percent for adequately-capitalized credit unions; 4) revises existing risk weights to reflect recent changes made by other banking regulators under the Basel System; 5) requires higher minimum levels of capital for credit unions with concentrations of assets in real estate loans, commercial loans or non-current loans; and 6) sets forth how, through its supervisory authority, NCUA can address a credit union that does not hold capital that is commensurate with its risks. In October 2018, a <a href="#">supplemental final rule</a> was issued amending the 2015 risk-based capital rule by delaying the effective date of the rule until January 1, 2020, and raising the asset threshold for a complex credit union from \$100 million to \$500 million.</p> <p><b>Note:</b> <i>On June 26, 2019, NCUA published a proposal to delay the effective date of its October 2015 final rule regarding risk-based capital, along with its November 2018 supplemental final rule regarding risk-based capital, by two years until January 1, 2022.</i></p> <p>Final Regulation – <a href="#">15-EF-15</a></p> <p>Compliance Blog – <a href="#">Risk-Based Capital</a></p>

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<p align="center"><b>November 19, 2020</b> CFPB <a href="#">12 CFR Part 1041</a></p>	<p>The CFPB published a final rule delaying the compliance date for the mandatory underwriting provisions of the 2017 final rule governing Payday, Vehicle Title, and Certain High-Cost Installment Loans by fifteen months from August 19, 2019, to November 19, 2020. This final rule also makes conforming changes and corrections to address non-substantive errors.</p> <p><b>Note:</b> <i>This final rule only delays the mandatory underwriting provisions.</i></p> <p>Final Regulation – <a href="#">17-EF-10</a>, <a href="#">19-EF-07</a> Compliance Blog – <a href="#">10/23/17</a></p>
<p align="center"><b>Annual Filing Due Five Months after Fiscal Year End.</b> Treasury and IRS <a href="#">Section 4960 of the Internal Revenue Code</a></p>	<p>On December 31, 2018, the Treasury Department and Internal Revenue Service issued Notice 2019-09 to provide interim guidance about compliance with the requirements in section 4960 of the Internal Revenue Code added by the <i>Tax Cuts and Jobs Act</i> (TCJA). Under section 4960, organizations are required to pay excise taxes on excess remuneration and excess parachute payments made to covered employees. This applies to credit unions because credit unions fall under the definition of an Applicable Tax-Exempt Organization. Under the definitions outlined in the guidance, section 4960 could <i>potentially</i> also apply to a credit union service organization (CUSO) as a related organization. The interim guidance answers questions about how to report and pay the section 4960 excise tax. It is to be reported and paid using Form 4720, Return of Certain Excise Taxes Under Chapters 41 and 42 of the tax code. The regulators intend to issue proposed regulations in connection with section 4960.</p> <p><b>Note:</b> <i>Filing due by May 15, 2019, if a credit union was subject to the tax on compensation paid in 2018 and its fiscal year ended December 31, 2018.</i></p> <p>Final Regulation – <a href="#">19-EF-03</a> Compliance Blog – <a href="#">2/4/19</a>, <a href="#">5/8/19</a></p>
<p align="center"><b>Ongoing</b> NIST <a href="#">Framework for Improving Critical Infrastructure Cybersecurity</a></p>	<p>The National Institute of Standards and Technology released a voluntary framework for use to identify, assess and mitigate threats to cybersecurity infrastructure. The framework’s risk-based approach is designed to make cost-benefit assessments based on resource estimates (e.g., staffing, funding) to achieve cybersecurity goals in a cost-efficient manner and is broken into three main parts, the: Framework Core; Framework Implementation Tiers; and Framework Profiles. This is designed to be a “living document” that will be updated to keep pace with changes in technology and threats, and to incorporate lessons learned.</p> <p>Final Regulation – <a href="#">14-EF-05</a></p>

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## Pending Regulations

*(Proposed Regulations Not Yet Finalized)*

Proposal	Agency	NAFCU Resources
12 CFR Part 701 <i>Payday Alternative Loans</i> RIN: 3133-AE84	NCUA	Regulatory Alert – <a href="#">18-EA-21</a>
12 CFR Parts 1206 and 1240 <i>Enterprise Capital Requirements</i> RIN: 2590-AA95	FHFA	Regulatory Alert – <a href="#">18-EA-23</a>
12 CFR Chapter X <i>Policy to Encourage Trial Disclosure Programs</i>	CFPB	Regulatory Alert – <a href="#">18-EA-27</a>
13 CFR Parts 103, 120 and 121 <i>Express Loan Programs; Affiliation Standards</i> RIN: 3245-AG74	SBA	Regulatory Alert – <a href="#">18-EA-30</a>
12 CFR Part 701 <i>Federal Credit Union Bylaws</i> RIN: 3313-AE86	NCUA	Regulatory Alert – <a href="#">18-EA-33</a> Compliance Blog – <a href="#">11/16/18</a> , <a href="#">12/21/18</a>
12 CFR Part 715 <i>Supervisory Committee Audits and Verifications</i> RIN 3133-AE91	NCUA	Regulatory Alert – <a href="#">19-EA-05</a>

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Proposal	Agency	NAFCU Resources
<p>12 CFR Part 1026</p> <p><i>Advance Notice of Proposed Rulemaking on Residential Property Assessed Clean Energy Financing</i></p> <p>RIN 3170-AA84</p>	CFPB	Regulatory Alert – <a href="#">19-EA-06</a>
<p>29 CFR Part 541</p> <p><i>Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees – Overtime Rule</i></p> <p>RIN 1235-AA20</p>	DOL	Regulatory Alert – <a href="#">19-EA-07</a> Compliance Blog – <a href="#">3/15/19</a>
<p>12 CFR Part 701</p> <p><i>Compensation in Connection With Loans to Members and Lines of Credit to Members</i></p> <p>RIN 3133-AE97</p>	NCUA	Regulatory Alert – <a href="#">19-EA-08</a> Compliance Blog – <a href="#">5/20/19</a>
<p>12 CFR Part 1005</p> <p><i>Request for Information Regarding Potential Regulatory Changes to the Remittance Rule</i></p>	CFPB	Regulatory Alert – <a href="#">19-EA-09</a>
<p><i>Regulatory Flexibility Act Review of 2009 Overdraft Rule</i></p>	CFPB	Regulatory Alert – <a href="#">19-EA-10</a>



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Proposal	Agency	NAFCU Resources
<p style="text-align: center;">12 CFR Part 1003 <i>Home Mortgage Disclosure Data Points and Coverage</i> RIN 3170-AA97</p>	CFPB	Regulatory Alert – <a href="#">19-EA-11</a>
<p style="text-align: center;">12 CFR Part 1003 <i>Home Mortgage Disclosure (Regulation C)</i> RIN 3170-AA76</p>	CFPB	Regulatory Alert – <a href="#">19-EA-12</a>
<p style="text-align: center;"><i>Potential Modifications to the Federal Reserve Banks' National Settlement Service and Fedwire® Funds Service To Support Enhancements to the Same-Day ACH Service and Corresponding Changes to the Federal Reserve Policy on Payment System Risk, Request for Comments</i></p>	Federal Reserve	Regulatory Alert – <a href="#">19-EA-13</a>
<p style="text-align: center;">12 CFR Part 1006 <i>Debt Collection Practices (Regulation F)</i> RIN 3170-AA41</p>	CFPB	Regulatory Alert – <a href="#">19-EA-15</a> Compliance Blog – <a href="#">6/12/19</a>
<p style="text-align: center;">12 CFR Parts 701 and 741 <i>Public Unit and Nonmember Shares</i> RIN 3313-AF00</p>	NCUA	Regulatory Alert – <a href="#">19-EA-16</a>
<p style="text-align: center;">12 CFR Part 702 <i>Delay of Effective Date of the Risk-Based Capital Rules</i> RIN 3133-AF01</p>	NCUA	Regulatory Alert – <a href="#">19-EA-17</a>

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Proposal	Agency	NAFCU Resources
12 CFR Chapter VII <i>Exceptions to Employment Restrictions Under Section 205(d) of the Federal Credit Union Act (Second Chance IRPS)</i> RIN 3133–AF02	NCUA	Regulatory Alert – <a href="#">19-EA-18</a>
12 CFR Part 1026 <i>Qualified Mortgage Definition Under the Truth in Lending Act (Regulation Z)</i> RIN 3170–AA98	CFPB	Regulatory Alert – <a href="#">19-EA-19</a>
<i>Federal Reserve Actions to Support Interbank Settlement of Faster Payments</i>	Federal Reserve	Regulatory Alert – <a href="#">19-EA-20</a>
<i>Proposed Accounting Standards Update – Effective Dates</i>	FASB	Regulatory Alert – <a href="#">19-EA-21</a>
24 CFR Part 100 <i>Implementation of the Fair Housing Act’s Disparate Impact Standard</i> RIN 2529–AA98	HUD	Regulatory Alert – <a href="#">19-EA-22</a>

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