



COMPLIANCE CALENDAR

IMPORTANT COMPLIANCE DATES AS OF MARCH 2020

DEADLINE	BRIEF SUMMARY AND COMPLIANCE RESOURCES
<p>DECEMBER 2, 2019</p> <p>NCUA</p> <p>12 CFR Part 701</p>	<p>NCUA final rule to amend its general lending provisions under Part 701 to add a regulatory framework for an additional PALs program, titled PALs II. PALs II does not replace PALs I, but is an additional small-dollar option for a federal credit union to provide. It provides more flexibility for federal credit unions, while maintaining consumer protections. PALs II provides an increased loan amount, maturity limit and no minimum membership requirement. It incorporates some features of PALs I including a limitation on rollovers and permissible fees. The final rule does not provide a framework for a PALs III at this time.</p> <p>Board action is required to update a federal credit union's lending policies to provide PALs II loans to members. In addition, loans made under the PALs II program are not guaranteed a safe harbor but may be structured in a way that meets the CFPB's requirements to be exempt from its payday lending regulation.</p> <p>Final Regulation – 19-EF-13</p>
<p>JANUARY 1, 2020</p> <p>NCUA</p> <p>12 CFR Part 715</p>	<p>A final rule amending Part 715 of NCUA's regulations regarding the responsibilities of a federally insured credit union to obtain a supervisory committee audit. It decommissions the Supervisory Committee Guide and replaces it with a simplified Appendix to Part 715; however, the guide will remain on the agency's website as a resource. The rule eliminates the "Report on Examination of Internal Controls Over Call Reporting" and "Balance Sheet Audit" options. It also removes the 120-day audit report deadline from the required terms for audit engagement letters with outside, compensated persons and replaces it with flexible language allowing a federally insured credit union to specify a target date of delivery.</p> <p>Final Regulation – 19-EF-15</p> <p>Compliance Blog – 9/27/19</p>
<p>JANUARY 1, 2020</p> <p>DOL</p> <p>29 CFR Part 541</p>	<p>This final rule includes a commitment to periodically review the standard salary threshold through formal require notice-and-comment rulemaking procedures. It does not institute any type of automatic adjustment to the salary threshold but the DOL declined to adopt a strict, four-year review cycle as proposed. The rule allows employers to use nondiscretionary bonuses and incentive payments (including commissions) that are paid annually or more frequently to satisfy up to 10 percent of the standard salary level. For the highly compensated employee (HCE) test, it adjusts the HCE total annual compensation level to \$107,432. The HCE test is premised on the belief that employees who earn at least a certain amount annually – an amount substantially higher than the annual equivalent of the standard salary level – are almost always found to meet all the other requirements for the overtime exemption.</p> <p>Final Regulation – 19-EF-14</p> <p>Compliance Blog – 3/15/19</p>

DEADLINE	BRIEF SUMMARY AND COMPLIANCE RESOURCES
JANUARY 2, 2020 NCUA 12 CFR Part 701 and 746	<p>A final rule amending NCUA’s standard federal credit union bylaws found in Appendix A to Part 701 of its regulations. It provides substantive changes and additional staff commentary. In addition, the final rule updates, clarifies, and removes outdated provisions. It does not simplify or streamline the expulsion process, but provides a provision for a “member in good standing” to facilitate a limitation of services policy. In addition, the final rule provides flexibility for meetings of members by allowing the option for hybrid (virtual and in-person) annual meetings. It also allows federal credit unions to establish membership through a share account or other account as determined by the credit union. NCUA’s rule also provides flexibility in removing a director or credit committee member for failing to attend regular meetings.</p> <p>Final Rule – 19-EF-16</p> <p>Compliance Blog – 11/16/18, 12/21/18, 9/23/19, 9/25/19, 10/9/19, 10/18/19, 10/25/19</p>
JANUARY 2, 2020 NCUA 12 CFR Chapter VII	<p>NCUA’s final Interpretive Ruling and Policy Statement (IRPS) regarding statutory prohibitions imposed by Section 205(d) of the Federal Credit Union Act (FCU Act) (“Second Chance IRPS”). The Second Chance IRPS amends and expand the current de minimis exception to reduce the scope and number of offenses that would require an application to the NCUA. Applications are no longer required for certain insufficient funds checks, small dollar simple theft, false identification, simple drug possession, and isolated minor offenses committed by covered persons as young adults. In addition, the IRPS grants NCUA the authority to delegate responsibility for reviewing certain applications to the Regional Director(s) and the Director of the Office of National Examinations and Supervision.</p> <p>Final Regulation – 19-EF-19</p>
JANUARY 29, 2020 NCUA 12 CFR Parts 701 and 741	<p>NCUA’s current regulations limit the total amount of nonmember shares a federally insured credit union may have to 20 percent of the credit union’s total shares, or \$3 million, whichever is greater; however, the federally insured credit union may request a waiver of this limit by submitting a written request to its regional director. This final rule eliminates the option of seeking a waiver in exchange for a higher limit and changes the way the limit is measured, however retains the alternative \$3 million limit. The rule requires a federally insured credit union to develop and maintain a written plan if its public unit and nonmember shares, taken together with borrowings, exceed 70 percent of paid-in and unimpaired capital and surplus. NCUA does not require the plans be submitted to the agency for prior approval. The rule also makes conforming amendments to NCUA’s rules for insurance (specifically, 12 CFR § 741.204), which applies to all federally insured credit unions, to reflect the new 50 percent limit and other requirements.</p> <p>Final Regulation – 19-EF-18</p>

DEADLINE	BRIEF SUMMARY AND COMPLIANCE RESOURCES
FEBRUARY 28, 2020 DOD 32 CFR 232	<p>Department of Defense (DOD) issued an interpretive rule for the Military Lending Act (MLA) in which DOD reverted its question and answer number 2 (Q&A #2) to the version that was initially published in 2016. A December 14, 2017 Interpretive Rule amended the original guidance, and discussed when credit is extended for the purpose of purchasing a motor vehicle or personal property and the creditor simultaneously extends credit in an amount greater than the purchase price of the motor vehicle or personal property. The MLA limits the military annual percentage rate (MAPR) that a creditor may charge to a maximum of 36 percent, requires certain disclosures, and provides other substantive consumer protections on “consumer credit” extended to servicemembers and their families. In withdrawing this amended question and answer, DOD is reverting back to the original Q&A #2 published in the August 26, 2016 Interpretive Rule. DOD is also adding a new question and answer to address questions about the use of Individual Taxpayer Identification Numbers to identify covered borrowers in the MLA database.</p> <p>Final Regulation – Compliance Blog – 03/04/2020</p>
NOVEMBER 19, 2020 CFPB 12 CFR Part 1041	<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>Note: <i>This final rule only delays the mandatory underwriting provisions.</i></p> <p>Final Regulation – 17-EF-10, 19-EF-07 Compliance Blog – 10/23/17, 8/19/19</p>
JANUARY 1, 2022 CFPB 12 CFR Part 1003	<p>The CFPB’s final rule extends to January 1, 2022, the current temporary threshold of 500 open-end lines of credit for reporting data about open-end lines of credit. The rule also incorporates into Regulation C the interpretations and procedures from the August 2018 interpretive and procedural rule the bureau issued (2018 HMDA Rule) to implement and clarify the HMDA partial exemptions created by the Economic Growth, Regulatory Relief and Consumer Protection Act. The CFPB will defer action on permanent increases to the transactional and institutional coverage thresholds. It anticipates that it will issue a separate final rule in 2020 addressing the coverage thresholds for closed-end mortgage loans and open-end lines of credit that will become effective on January 1, 2022.</p> <p>Final Regulation – 15-EF-17, 19-EF-17 Compliance Blog – HMDA/Regulation C, 4/11/18, 10/30/19 NAFCU Resources – http://www.nafcu.org/hmda/</p>

DEADLINE	BRIEF SUMMARY AND COMPLIANCE RESOURCES
<p>JANUARY 1, 2022</p> <p>NCUA</p> <p>12 CFR Part 702</p>	<p>NCUA’s final rule delays the implementation date of its Risk Based Capital (RBC) rule by two years to January 1, 2022. In October 2015, the NCUA adopted the RBC rule for federally insured, natural-person credit unions. In October 2018, the NCUA finalized a supplemental final rule amending its 2015 RBC rule to delay the implementation date by one year to January 1, 2020 and increased the threshold level for coverage from \$100 million to \$500 million by amending the definition of a “complex” credit union. 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. During the delay period, the NCUA’s existing prompt corrective action (PCA) regulation will remain in effect. The NCUA will continue to enforce the capital standards currently in place and address any supervisory concerns through existing regulatory and supervisory mechanisms.</p> <p>Final Regulation – 19-EF-20</p> <p>Compliance Blog – Risk-Based Capital</p>
<p>ANNUAL FILING DUE FIVE MONTHS AFTER FISCAL YEAR END.</p> <p>Treasury and IRS</p> <p>Section 4960 of the Internal Revenue Code</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 Tax Cuts and Jobs Act (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 potentially 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>Note: <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</i></p> <p>Final Regulation – 19-EF-03</p> <p>Compliance Blog – 2/4/19, 5/8/19</p>



PENDING REGULATIONS

PROPOSED REGULATIONS NOT YET FINALIZED

PROPOSAL	AGENCY	NAFCU RESOURCES
<p>12 CFR Parts 1206 and 1240</p> <p><i>Enterprise Capital Requirements</i></p> <p>RIN: 2590-AA95</p>	FHFA	Regulatory Alert – 18-EA-23
<p>13 CFR Parts 103, 120 and 121</p> <p><i>Express Loan Programs; Affiliation Standards</i></p> <p>RIN: 3245-AG74</p>	SBA	Regulatory Alert – 18-EA-30
<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 – 19-EA-06
<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 – 19-EA-08 Compliance Blog – 5/20/19
<p>12 CFR Part 1005</p> <p><i>Request for Information Regarding Potential Regulatory Changes to the Remittance Rule</i></p>	CFPB	Regulatory Alert – 19-EA-09
<p><i>Regulatory Flexibility Act Review of 2009 Overdraft Rule</i></p>	CFPB	Regulatory Alert – 19-EA-10
<p>12 CFR Part 1003</p> <p><i>Home Mortgage Disclosure Data Points and Coverage</i></p> <p>RIN: 3170-AA97</p>	CFPB	Regulatory Alert – 19-EA-11
<p><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 – 19-EA-13

PROPOSAL	AGENCY	NAFCU RESOURCES
<p>12 CFR Part 1006</p> <p><i>Debt Collection Practices (Regulation F)</i></p> <p>RIN: 3170-AA41</p>	CFPB	Regulatory Alert – 19-EA-15 Compliance Blog – 6/12/19
<p>12 CFR Chapter VII</p> <p><i>Exceptions to Employment Restrictions Under Section 205(d) of the Federal Credit Union Act (Second Chance IRPS)</i></p> <p>RIN: 3133-AF02</p>	NCUA	Regulatory Alert – 19-EA-18
<p>12 CFR Part 1026</p> <p><i>Qualified Mortgage Definition Under the Truth in Lending Act (Regulation Z)</i></p> <p>RIN: 3170-AA98</p>	CFPB	Regulatory Alert – 19-EA-19
<p><i>Federal Reserve Actions to Support Interbank Settlement of Faster Payments</i></p>	Federal Reserve	Regulatory Alert – 19-EA-20
<p><i>Proposed Accounting Standards Update – Effective Dates</i></p>	FASB	Regulatory Alert – 19-EA-21
<p>24 CFR Part 100</p> <p><i>Implementation of the Fair Housing Act’s Disparate Impact Standard</i></p> <p>RIN: 2529-AA98</p>	HUD	Regulatory Alert – 19-EA-22
<p>12 CFR Part 701</p> <p><i>Chartering and Field of Membership</i></p> <p>RIN: 3133-AF06</p>	NCUA	Regulatory Alert – 19-EA-25
<p>12 CFR Part 708</p> <p><i>Combination Transactions with Non-Credit Unions; Credit Union Asset Acquisitions</i></p> <p>RIN: 3133-AF10</p>	NCUA	Regulatory Alert – 20-EA-01
<p>12 CFR Part 701, 702, 709, and 741</p> <p><i>Subordinated Debt</i></p> <p>RIN: 3133-AF08</p>	NCUA	Regulatory Alert – 20-EA-02