



Important Compliance Dates as of June 2019

Deadline	Brief Summary and Compliance Resources
<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 <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>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 31, 2018.</i></p> <p>Final Regulation – 19-EF-03</p> <p>Compliance Blog – 2/4/19, 5/8/19</p>
<p>January 1, 2019</p> <p>Federal Reserve</p> <p>12 CFR Part 229</p>	<p>The final rule adopts a presumption of alteration for disputes over whether a substitute check or electronic check contains an alteration or is derived from an original check that was issued with an unauthorized signature of the drawer (e.g., a forgery). The presumption may be overcome by a preponderance of the evidence which establishes that a substitute check or electronic check does not contain an alteration or is derived from an original check that was issued with an unauthorized signature of the drawer. If the original check is made available for examination by all banks involved in the dispute, the presumption shall no longer apply. The final rule also modifies the terms “alteration” and “unauthorized signature” to now be consistent with their respective definitions in the Uniform Commercial Code (UCC).</p> <p>Final Regulation – 18-EF-13</p> <p>Compliance Blog – 9/24/18</p>
<p>February 15, 2019</p> <p>VA</p> <p>38 CFR Part 36</p>	<p>The Department of Veterans Affairs (VA) published an interim final rule amending its regulations regarding VA-guaranteed or insured cash-out refinance loans as required by § 309 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155). The interim final rule: 1) defines the parameters of when the VA will permit cash-out refinance loans; and 2) includes the criteria for net tangible benefit, recoupment and seasoning requirements.</p> <p>Note: <i>This interim final rule is applicable to credit unions that refinance VA loans.</i></p> <p>Final Regulation – 19-EF-02</p>

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<p>April 1, 2019 CFPB 12 CFR Parts 1005 and 1026</p>	<p>The bureau issued a final rule proposing new federal consumer protections for the prepaid market under Regulations E and Z. The final rule and its 2018 amendments modified general Regulation E requirements to create: new disclosures; error resolution procedures; consumer liability limits for unauthorized transactions; fee limits; and additional requirements for accounts with overdraft or credit features. A prepaid account issuer is required to post its prepaid account agreements on its website and submit such agreements, which must satisfy the rule's form and content requirements, to the CFPB for posting on its website. Share insurance is not a requirement to offer prepaid account products but a credit union is required to disclose when a prepaid account is not set up to be eligible for National Credit Union Share Insurance Fund pass-through share insurance. Most overdraft services offered on prepaid accounts are considered "open-end credit" under Regulation Z so are subject to Regulation Z's credit card rules and disclosure requirements for open-end (not home-secured) consumer credit plans. On January 25, 2018, the bureau issued a final rule amending the 2016 prepaid accounts rule and extending the overall effective date to April 1, 2019.</p> <p>Final Regulation – 16-EF-10, 18-EF-02</p> <p>Compliance Blog – 11/30/16, 2/1/17, 7/3/17, 2/7/18, 3/11/19</p> <p>Compliance Monitor – February 2017, March 2019</p>
<p>April 24, 2019 NCUA 12 CFR Part 701</p>	<p>NCUA's amended final rule on loans to members and lines of credit to members makes three principal changes by: 1) identifying in one section the various maturity limits currently applicable to federal credit union loans; 2) clarifying that the maturity for a "new loan" under generally accepted accounting principles (GAAP) is calculated from the new date of origination; and 3) more clearly expressing the limits in place for loans to a single borrower or group of associated borrowers. The preamble indicates these are only clarifying and technical changes. The final rule states the NCUA Board has no authority to alter the general 15-year maturity limit prescribed by the Federal Credit Union Act but it also notes the Board has taken comments regarding the 40-year maturity limit applicable to long-term residential real estate loans and the 20-year maturity limit applicable to covered home improvement, mobile home and second mortgage loans "under advisement" and is considering whether to issue a proposed rule at a later date.</p> <p>Final Regulation – 19-EF-06</p> <p>Compliance Blog – 3/29/19</p>

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May 1, 2019 CFPB 12 CFR Part 1005	<p>Deadline for prepaid issuers to submit account agreements through Collect, the bureau's electronic submission system. All prepaid account agreements offered as of April 1 must be submitted to Collect by May 1; after that, submissions must be made to the bureau within 30 days whenever a new agreement is offered, a previously submitted agreement is amended, or a previously submitted agreement is no longer offered. The bureau offers various resources for prepaid issuers, including a user guide, quick reference FAQs and webinar.</p>
May 6, 2019 FHFA 12 CFR Part 1248	<p>This final rule is intended to improve the liquidity of the Fannie Mae and Freddie Mac, collectively the government-sponsored enterprises (GSEs), to-be-announced (TBA) eligible mortgage-backed securities (MBS). It requires the GSEs to maintain policies that promote aligned investor cash flows for both the current TBA-eligible MBS and the Uniform Mortgage-Backed Security (UMBS) once implemented. The UMBS is a common, fungible MBS that will be eligible for trading in the TBA market for fixed-rate mortgage loans backed by one-to-four unit (single-family) properties and issued as of June 3, 2019.</p> <p>Note: <i>The rule primarily sets new rules for the GSEs but does impact credit unions. The adoption of a fungible UMBS could: 1) increase competition between the GSEs due to equalized pricing, which would likely decrease costs for credit union lenders; 2) increase liquidity in the secondary mortgage market, meaning the GSEs could purchase more eligible mortgage loans from credit unions; and 3) lower barriers to entry for potential new market participants if the housing finance system is reformed, which would also likely decrease costs for credit unions.</i></p> <p>Final Regulation – 19-EF-05</p>
July 1, 2019 NCUA et al 12 CFR Part 760	<p>This final rule implements the flood insurance provisions of the Bigger-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 – 19-EF-04 Compliance Blog – 2/15/19</p>

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<p>August 19, 2019</p> <p>CFPB 12 CFR Part 1041</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.</p> <p>Note: On 2/6/19, the bureau released two NPRs to reconsider the rule's mandatory underwriting requirements and to delay the compliance date to November 19, 2020.</p> <p>Final Regulation – 17-EF-10 Compliance Blog – 10/23/17</p>
<p>January 1, 2020</p> <p>CFPB 12 CFR Part 1003</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 – 15-EF-17 Compliance Blog – HMDA/Regulation C, 4/11/18 NAFCU Resources – http://www.nafcu.org/hmda/</p>

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<p style="text-align: center;">January 1, 2020</p> <p style="text-align: center;">NCUA</p> <p style="text-align: center;">12 CFR Parts 700, 701, 702, 703, 713, 723, and 747</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 supplemental final rule 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>Final Regulation – 15-EF-15</p> <p>Compliance Blog – Risk-Based Capital</p>
<p style="text-align: center;">Ongoing</p> <p style="text-align: center;">NIST</p> <p style="text-align: center;">Framework for Improving Critical Infrastructure Cybersecurity</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 – 14-EF-05</p>

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<p data-bbox="337 737 448 764">Ongoing</p> <p data-bbox="367 783 418 806">DOL</p> <p data-bbox="293 827 492 854">29 CFR Part 541</p>	<p data-bbox="630 539 1484 810">The Department of Labor (DOL) finalized overtime provisions of the Fair Labor Standards Act (FLSA) to allow any full-time salaried employees making less than \$913 per week, or \$47,476 annually, to be eligible for overtime protections. The final rule also set the highly compensated employee (HCE) annual compensation level to \$134,004. It allows for up to 10 percent of nondiscretionary commission, incentive pay or bonuses to be counted towards salary levels of exempt employees if paid on at least a quarterly basis. The salary and HCE pay levels will adjust automatically every three years, with the first adjustment taking effect on January 1, 2020. The final rule does not redefine the “duties test” for full time salaried employees.</p> <p data-bbox="630 829 1484 963">Note: <i>On August 31, 2017, the final rule was struck down by a federal district court. An appeal of that decision was filed, but is currently stayed, pending the outcome of a new rulemaking by DOL. A proposed rule was published on March 31, 2019, see the attached Pending Regulations Chart. The proposal includes a formal rescission of the 2016 final rule</i></p> <p data-bbox="630 982 935 1010">Final Regulation – 16-EF-08</p> <p data-bbox="630 1024 932 1052">Compliance Blog – 5/20/16</p>



Pending Regulations

(Proposed Regulations Not Yet Finalized)

Proposal	Agency	NAFCU Resources
12 CFR Parts 701-704,709, 712-715,721-723,740-741,746, 748-749 <i>Regulatory Reform Agenda</i>	NCUA	Regulatory Alert – 17-EA-24
12 CFR Part 701 <i>Payday Alternative Loans</i> RIN: 3133-AE84	NCUA	Regulatory Alert – 18-EA-21
24 CFR Part 100 <i>Reconsideration of HUD's Implementation of the Fair Housing Act's Disparate Impact Standard</i> RIN: 2529-ZA01	HUD	Regulatory Alert – 18-EA-22
12 CFR Parts 1206 and 1240 <i>Enterprise Capital Requirements</i> RIN: 2590-AA95	FHFA	Regulatory Alert – 18-EA-23
Accounting Standards Codification <i>Current Expected Credit Losses (CECL) Update</i>	FASB	Regulatory Alert – 18-EA-26



Pending Regulations

(Proposed Regulations Not Yet Finalized)

Proposal	Agency	NAFCU Resources
<p style="text-align: center;">12 CFR Chapter X</p> <p style="text-align: center;"><i>Policy to Encourage Trial Disclosure Programs</i></p>	CFPB	Regulatory Alert – 18-EA-27
<p style="text-align: center;">12 CFR Part 722</p> <p style="text-align: center;"><i>Real Estate Appraisals</i></p> <p style="text-align: center;">RIN: 3133-AE79</p>	NCUA	Regulatory Alert – 18-EA-29 Compliance Blog – 9/20/18
<p style="text-align: center;">13 CFR Parts 103, 120 and 121</p> <p style="text-align: center;"><i>Express Loan Programs; Affiliation Standards</i></p> <p style="text-align: center;">RIN: 3245-AG74</p>	SBA	Regulatory Alert – 18-EA-30
<p style="text-align: center;">12 CFR Chapter II</p> <p style="text-align: center;"><i>Interbank Settlement of Faster Payments</i></p>	Federal Reserve	Regulatory Alert – 18-EA-31
<p style="text-align: center;">12 CFR Part 701</p> <p style="text-align: center;"><i>Federal Credit Union Bylaws</i></p> <p style="text-align: center;">RIN: 3313-AE86</p>	NCUA	Regulatory Alert – 18-EA-33 Compliance Blog – 11/16/18 , 12/21/18
<p style="text-align: center;">12 CFR Parts 704 and 713</p> <p style="text-align: center;"><i>Fidelity Bonds</i></p> <p style="text-align: center;">RIN: 3133-AE87</p>	NCUA	Regulatory Alert – 18-EA-34

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Proposal	Agency	NAFCU Resources
12 CFR Part 1030 and Part 229 <i>Availability of Funds and Collection of Checks (Regulation CC)</i> RIN: 3170-AA31, 7100AF-28	CFPB, Federal Reserve	Regulatory Alert – 18-EA-35
12 CFR Part 1254 <i>Validation and Approval of Credit Score Models</i> RIN 2590-AA98	FHFA	Regulatory Alert – 18-EA-36
12 CFR Part 1041 <i>Payday, Vehicle Title, and Certain High-Cost Installment Loans</i> RIN 3170-AA80	CFPB	Regulatory Alert – 19-EA-03
12 CFR Part 1041 <i>Delay of Compliance Date - Payday, Vehicle Title, and Certain High-Cost Installment Loans</i> RIN 3170-AA80	CFPB	Regulatory Alert – 19-EA-04
12 CFR Part 715 <i>Supervisory Committee Audits and Verifications</i> RIN 3133-AE91	NCUA	Regulatory Alert – 19-EA-05



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Proposal	Agency	NAFCU Resources
<p style="text-align: center;">12 CFR Part 1026</p> <p style="text-align: center;"><i>Advance Notice of Proposed Rulemaking on Residential Property Assessed Clean Energy Financing</i></p> <p style="text-align: center;">RIN 3170-AA84</p>	CFPB	Regulatory Alert – 19-EA-06
<p style="text-align: center;">29 CFR Part 541</p> <p style="text-align: center;"><i>Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees – Overtime Rule</i></p> <p style="text-align: center;">RIN 1235-AA20</p>	DOL	Regulatory Alert – 19-EA-07 Compliance Blog – 3/15/19
<p style="text-align: center;">12 CFR Part 701</p> <p style="text-align: center;"><i>Compensation in Connection With Loans to Members and Lines of Credit to Members</i></p> <p style="text-align: center;">RIN 3133-AE97</p>	NCUA	Regulatory Alert – 19-EA-08 Compliance Blog – 5/20/19
<p style="text-align: center;">12 CFR Part 1005</p> <p style="text-align: center;"><i>Request for Information Regarding Potential Regulatory Changes to the Remittance Rule</i></p>	CFPB	Regulatory Alert – 19-EA-09
<p style="text-align: center;">12 CFR Part 1006</p> <p style="text-align: center;"><i>Debt Collection Practices (Regulation F)</i></p> <p style="text-align: center;">RIN 3170-AA41</p>	CFPB	Regulatory Alert – 19-EA-15

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Proposal	Agency	NAFCU Resources
<i>Modifications to Operating Hours for the Reserve Banks' National Settlement Service and Fedwire Funds Service</i>	Federal Reserve	Regulatory Alert – 19-EA-13
<i>Regulatory Flexibility Act Review of 2009 Overdraft Rule</i>	CFPB	Regulatory Alert – 19-EA-10
12 CFR Part 1003 <i>Home Mortgage Disclosure Data Points and Coverage</i> RIN 3170-AA97	CFPB	Regulatory Alert – 19-EA-11
12 CFR Part 1003 <i>Home Mortgage Disclosure (Regulation C)</i> RIN 3170-AA76	CFPB	Regulatory Alert – 19-EA-12

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