



# Important Compliance Dates

## January 2018

Deadline	Brief Summary and Compliance Resources
<p style="text-align: center;"><b>January 1, 2018</b> CFPB <a href="#">12 CFR Part 1003</a> – Phase II</p>	<p>The CFPB 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>Phase II - A credit union will not report HMDA data unless it meets the asset-size, location, federally related, and loan activity tests and it originates 25 or more covered closed-end mortgage loans or 100 or more covered open-end lines of credit in each of the two preceding calendar years. Also credit unions will need to begin collecting HMDA data for “covered loans,” which will include most closed and open-end dwelling-secured credit. Data collection will also include collecting on all 38 data points.</p> <p><b>Note:</b> <i>The CFPB finalized technical corrections to the HMDA rule in September 2017. The rule temporarily increases the open-end transactional coverage threshold to 500 or more open-end lines of credit for two years (calendar years 2018 and 2019). Only financial institutions that meet the threshold for two years in a row are required to collect data in the following calendar years.</i></p> <p>Final Regulations – <a href="#">15-EF-17</a>, <a href="#">17-EF-08</a> Compliance Blog – <a href="#">HMDA/Regulation C</a> NAFCU Resources - <a href="http://www.nafcu.org/hmda/">http://www.nafcu.org/hmda/</a></p>
<p style="text-align: center;"><b>January 1, 2018</b> CFPB <a href="#">12 CFR Part 1002</a></p>	<p>CFPB final rule amending the Equal Credit Opportunity Act (Regulation B) to facilitate compliance with the Home Mortgage Disclosure Act (Regulation C) 2015 final rule and transition to the redesigned Uniform Residential Loan Application (URLA). The rule adds certain model forms and removes the 2004 version of the URLA from Regulation B. It amends Regulation B and its commentary to assist in the collection and retention of information about the ethnicity, sex and race of certain mortgage applicants. The rule will permit credit unions making mortgage loans subject to section 1002.13 of Regulation B to collect an applicant’s information using either the aggregate ethnicity and race categories or disaggregated ethnicity and race categories and subcategories, as outlined in appendix B to Regulation C as amended by the 2015 HMDA final rule. It <b>does not require</b> that a credit union, not a HMDA reporter, to change its section 1002.13 compliance practices but allows it to adopt the above voluntary practices for collecting applicant information.</p> <p><b>Note:</b> <i>February 2020 mandatory date for URLA form removal.</i></p> <p>Final Regulation – <a href="#">17-EF-13</a></p>

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<p align="center"><b>January 19, 2018</b></p> <p align="center">NCUA</p> <p align="center"><a href="#">12 CFR Part 701</a></p>	<p>This NCUA final rule amends its Chartering and Field of Membership Manual to redefine "in danger of insolvency" for emergency mergers. The new definition lengthens by six months the forecast horizons for two of the three net worth categories that a credit union is required to fall into over a period of time to be considered "in danger of insolvency." The time period in which a credit union's projected net worth either renders it insolvent or drops below two percent is extended from 24 to 30 months and from 12 to 18 months, respectively. The final rule also adds a fourth category to the three existing net worth categories to include credit unions granted or having received assistance under Section 208 of the Federal Credit Union Act in the preceding 15 months prior to the NCUA regional office's determination that the credit union is in danger of insolvency.</p> <p>Final Regulation - <a href="#">18-EF-01</a></p>
<p align="center"><b>March 16, 2018</b></p> <p align="center">NACHA</p> <p align="center"><a href="#">Same Day ACH</a> – Phase 3</p>	<p>Changes NACHA's operating guidelines to enable same-day processing of virtually any ACH payment under \$25,000. All receiving financial institutions (RDFIs) will be required to receive same-day ACH payments and RDFIs will be mandated to make funds available from same-day ACH credits (such as payroll direct deposits) to depositors by 5:00pm at the RDFI's local time. Each originating financial institution (ODFIs) must pay the RDFI a same-day entry fee of 5.2 cents for each same-day transaction it processes. These changes will be phased-in through three phases beginning in September 2016.</p> <p>NACHA recommends that the ACH operator implement two daily settlement windows for processing same day transactions: 1) a morning submission deadline at 10:30am ET, with settlement occurring at 1:00pm ET and 2) an afternoon submission deadline at 3:00pm ET, with settlement occurring at 5:00pm ET.</p> <p>Phase 3 - RDFIs should be prepared to also receive debit entries as same day entries.</p> <p>Final Regulation – <a href="#">15-EF-05</a></p> <p>Compliance Blog – <a href="#">5/29/15</a></p>

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<p style="text-align: center;"><b>April 1, 2018</b> CFPB <a href="#">12 CFR Parts 1005 and 1026</a></p>	<p>The CFPB issued a final rule proposing new federal consumer protections for the prepaid market under Regulations E and Z. The final rule modifies 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. 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.</p> <p><i>The requirement in § 1005.19(b) to submit prepaid account agreements to the CFPB is delayed until October 1, 2018.</i></p> <p><b>Note:</b> On April 20, 2017, the bureau announced a six month delay of the original effective date of October 1, 2017. On December 21, 2017, the CFPB also stated it plans to release a final rule in early 2018 and that further extensions of the effective date are likely to occur.</p> <p>Final Regulation – <a href="#">16-EF-10</a> Compliance Blog – <a href="#">11/30/16</a>, <a href="#">2/1/17</a> Compliance Monitor – <a href="#">February 2017</a></p>
<p style="text-align: center;"><b>May 11, 2018</b> FinCEN <a href="#">31 CFR Parts 1010, 1020, 1023, 1024, and 1026</a></p>	<p>FinCEN's final customer due diligence requires credit unions to identify and verify the beneficial owner(s) of legal entity accounts, subject to certain exceptions. Previously, a credit union was only required to know the identity of each of its legal entity customers, but not necessarily its beneficial, natural person owners. Beneficial owners include each natural person who directly or indirectly has a 25 percent or more equity interest in the legal entity customer, as well as single individuals that have "significant responsibility to control, manage, or direct a legal entity customer," such as a CEO, COO or CFO. Credit unions will be required to obtain a certification form from a legal entity customer upon account opening that identifies natural person beneficial owners, or by receiving the information required by the form. The rule also expressly codifies already existing requirements promulgated under the Bank Secrecy Act that had been implicitly required under anti-money laundering procedures.</p> <p><i>The rule is effective July 11, 2016, with a compliance applicability date of May 11, 2018.</i></p> <p>Final Regulation – <a href="#">16-EF-07</a> BSA Blast – <a href="#">July 2016</a> Compliance Blog – <a href="#">8/18/14</a>, <a href="#">1/4/16</a>, <a href="#">5/9/16</a>, <a href="#">10/16/17</a>, <a href="#">11/6/17</a></p>

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<p align="center"><b>July 1, 2018</b></p> <p align="center">Federal Reserve <a href="#">12 CFR Part 229</a></p>	<p>The Federal Reserve Board issued a final rule to amend subparts A, C, D, and the official staff commentary to Regulation CC. The final rule modifies the current check collection and return requirements to reflect today's virtually all-electronic check collection and return environment and to encourage all depository banks to receive, and paying banks to send, returned checks electronically. It requires all returned checks, both paper and electronic, to satisfy a stricter version of the "two-day test" with check returns governed by a new condition for expeditious-return. The terms "electronic check" and "electronic returned check" are defined as an electronic image or electronic information related to a check or returned check. The final rule makes no changes to the current same-day settlement rule for paper checks. It applies Regulation CC's existing check warranties under subpart C to checks collected electronically, and has adopted new warranties and indemnities related to checks collected and returned electronically and to electronically-created items.</p> <p>Final Regulation – <a href="#">17-EF-04</a></p> <p>Compliance Blog – <a href="#">6/5/17</a>, <a href="#">6/14/17</a></p>
<p align="center"><b>January 1, 2019</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 \$100 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.</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 style="text-align: center;"><b>July 1, 2019</b> DoL <a href="#">29 CFR Part 541</a></p>	<p>The Department of Labor (DoL) issued a final rule defining what communications constitute “investment advice” that then give rise to a “fiduciary duty” and investment advice responsibilities under the ERISA retirement law. It requires those providing advice on individual retirement accounts (IRAs) to abide by a fiduciary standard if receiving compensation or a commission. Under this standard, advisers cannot receive commission compensation unless agreeing to a “best interest contract” defined in the rule subjecting them to legal liability for fiduciary violations. Any individual receiving compensation for making investment recommendations that are individualized or specifically directed to a particular plan sponsor running a retirement plan, plan participant or IRA owner for consideration in making an investment decision is a fiduciary and will be covered by the rule. It includes an exemption stating that education is not included in the definition of retirement investment advice. As such, advisers and plan sponsors can continue to provide general education on retirement saving without triggering fiduciary duties under the rule.</p> <p>If a credit union offers investment adviser services through a third-party arrangement or through a CUSO, and that credit union receives compensation for those referrals, it may be subject to this final regulation.</p> <p><b>Note:</b> <i>The rule was partially implemented on June 9, 2017; however, many of the substantive requirements of the rule have been delayed until July 1, 2019. The <a href="#">final rule</a> regarding the delay contains more information.</i></p> <p>Final Regulation – <a href="#">16-EF-06</a></p> <p>Compliance Blog – <a href="#">5/13/16</a>, <a href="#">6/27/16</a>, <a href="#">8/11/17</a></p> <p><i>Compliance Monitor</i> – <a href="#">September 2016</a></p>
<p style="text-align: center;"><b>August 19, 2019</b> 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.</p> <p>Final Regulation – <a href="#">17-EF-10</a></p> <p>Compliance Blog – <a href="#">10/23/17</a></p>

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<p><b>January 1, 2020</b> CFPB <a href="#">12 CFR Part 1003</a></p>	<p>The CFPB 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</a></p> <p>NAFCU Resources - <a href="http://www.nafcu.org/hmda/">http://www.nafcu.org/hmda/</a></p>
<p><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; the Framework Implementation Tiers; and the 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>
<p><b>Ongoing</b> DoL <a href="#">29 CFR Part 541</a></p>	<p>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><b>Note:</b> <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 the Department of Labor.</i></p> <p>Final Regulation – <a href="#">16-EF-08</a></p> <p>Compliance Blog – <a href="#">5/20/16</a></p>

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# Pending Regulations

## *(Proposed Regulations Not Yet Finalized)*

Proposal	Agency	NAFCU Resources
12 CFR Parts 741 and 751 <i>Incentive-Based Compensation Arrangements</i>	NCUA/ InterAgency	Regulatory Alert – <a href="#">16-EA-05</a>
12 CFR Part 1016 <i>Amendment to Annual Privacy Notice Requirement</i>	CFPB	Regulatory Alert – <a href="#">16-EA-09</a> Compliance Blog – <a href="#">7/22/16</a>
12 CFR Part 1070 <i>Amendments Relating to Disclosure of Records and Information</i>	CFPB	Regulatory Alert – <a href="#">16-EA-14</a>
12 CFR Part 701 <i>Chartering and Field of Membership Manual</i>	NCUA	Regulatory Alert – <a href="#">16-EA-15</a> Compliance Blog – <a href="#">11/16/16</a>
12 CFR Part 760 <i>Loans in Areas Having Special Flood Hazards–Private Flood Insurance</i>	NCUA	Regulatory Alert – <a href="#">16-EA-16</a>
31 CFR Part 210 <i>Federal Government Participation in the Automated Clearing House</i>	Treasury	Regulatory Alert – <a href="#">17-EA-01</a>
12 CFR Parts 701, 708a, and 708b <i>Bylaws; Bank Conversions and Mergers; and Voluntary Mergers of Federally Insured Credit Unions</i>	NCUA	Regulatory Alert – <a href="#">17-EA-12</a> Compliance Blog – <a href="#">5/31/17</a>

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## *(Proposed Regulations Not Yet Finalized)*

Proposal	Agency	NAFCU Resources
12 CFR Parts 1005 and 1026 <i>Amendments to Rules Concerning Prepaid Accounts Under the Electronic Fund Transfer Act (Regulation E) and the Truth in Lending Act (Regulation Z)</i>	CFPB	Regulatory Alert – <a href="#">17-EA-16</a> Compliance Blog – <a href="#">7/3/17</a>
12 CFR Part 1026 <i>Request for Information Regarding Ability-to-Repay/Qualified Mortgage Rule Assessment</i>	CFPB	Regulatory Alert – <a href="#">17-EA-17</a>
12 CFR Parts 701-704,709, 712-715,721-723,740-741,746, 748-749 <i>Regulatory Reform Agenda</i>	NCUA	Regulatory Alert – <a href="#">17-EA-24</a>
12 CFR Part 1026 <i>Amendments to Federal Mortgage Disclosure Requirements Under the Truth in Lending Act (Regulation Z)</i>	CFPB	Regulatory Alert – <a href="#">17-EA-26</a>
12 CFR Part 740 <i>Accuracy of Advertising and Notice of Insured Status</i>	NCUA	Regulatory Alert – <a href="#">17-EA-27</a>
12 CFR Part 702 <i>Capital Planning and Supervisory Stress Testing</i>	NCUA	Regulatory Alert – <a href="#">17-EA-28</a>