

Managing Credit Union Compliance / Legal Risks (Applying & Using Common Sense)

Presented by

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Purpose of Today's Session:

Who, What, When, Where, How & Why?



Consider Expanding Your Horizon.

I 100% Represent Only Credit Unions. But ---

OFFICE OF THE COMPTROLLER OF THE CURRENCY
FDIC FEDERAL DEPOSIT INSURANCE CORPORATION
cfpb Consumer Financial Protection Bureau
Government of Canada / Gouvernement du Canada
Office of the Superintendent of Financial Institutions
THE DEPARTMENT OF THE TREASURY 1789
FINANCIAL CRIMES ENFORCEMENT NETWORK
FEDERAL RESERVE SYSTEM
American Bankers Association



Be Aware of the Environment:

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Consumer Attorneys ASSOCIATION OF LOS ANGELES
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CLASS ACTION

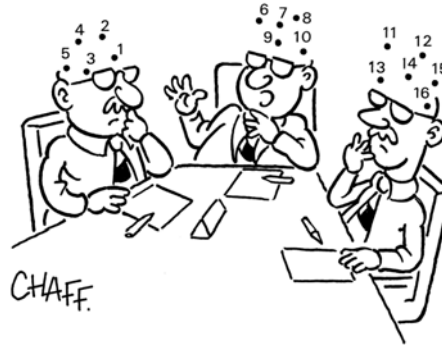
A BANK'S LIABILITY IF YOU WERE ROBBED OR ASSAULTED AT AN ATM

precluding bringing your province tortfeasors representative damages settlements litigation civil



A couple of problems - A:

Pieces Parts --



"Some joined up thinking is what we need!"



A couple of problems - B:

Lack of a Plan--



A couple of problems - C:

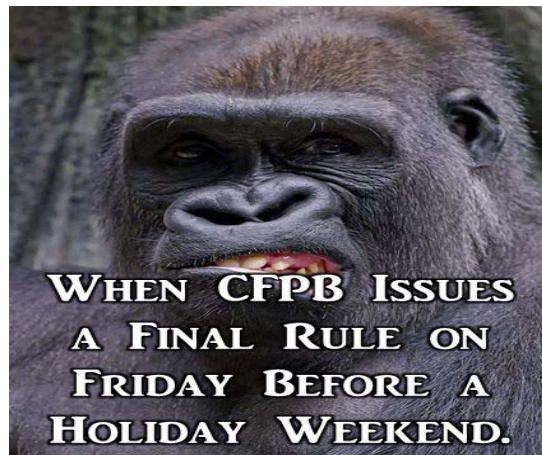
Who is Directing – The Problem with Legal Counsel:

Pooh – Eeyore, why are you in such a bad mood

Eeyore – I’ve got a nail in my butt.



Speaking Frankly on the OLD FASHIONED Legal System--



An Example:



A couple of problems - D:

EVERYONE has to be on board with ERM to get good results.



Learning to Grade Risk and Allocate Resources Accordingly:

Next week's WebEx: How to Survive Your First Five Years as a Credit Union Compliance Officer.



Compliance Officer Essentials for the First Five Years.



Learning to Grade Risk and Allocate Resources Accordingly II:



Learning to Grade Risk and Allocate Resources Accordingly III:



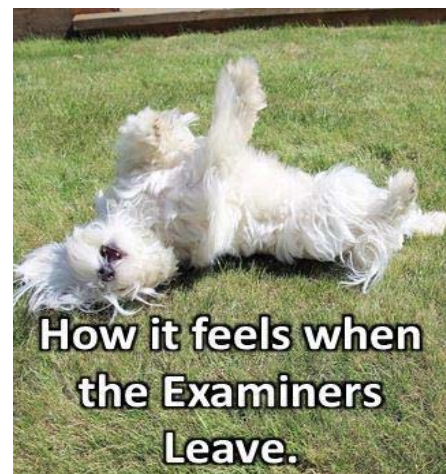
Learning to Grade Risk and Allocate Resources Accordingly IV:



Extra Note: Consider Risk and the Allocation of Responsibility.



Let's Apply this to Some Sample Areas before we turn to today's issues:




A Simple – Low Risk Matter I:



NAVY FEDERAL
Credit Union

[Privacy](#) | [Security](#) | [Accessibility](#) | [Browser Support](#) | [Site Map](#)

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 Navy Federal Credit Union is federally insured by NCUA.  Equal Housing Lender | Equal Opportunity Employer



A Simple – Low Risk Matter II:

Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA






National Credit Union Administration, a U.S. Government Agency



What's the Right Answer?



Let's Take it Up a Notch to Privacy Required Elements I:

<p>Locations</p> <p>Careers</p> <p>Foundation</p> <p>Blog</p> <p>Contact</p>	<p>This credit union is federally insured by the National Credit Union Administration. Rates are current as of unless otherwise noted and are subject to change.</p> <p>APY = Annual Percentage Yield APR = Annual Percentage Rate</p> <p>Pentagon Federal Credit Union Routing # 256078446</p>	  
 		

© Pentagon Federal Credit Union PRIVACY POLICY SERVICE FEES SITE MAP MEMBERSHIP DISCLOSURES FORMS



Let's Take it Up a Notch to Privacy Required Elements II to Include UDAAP Consideration:



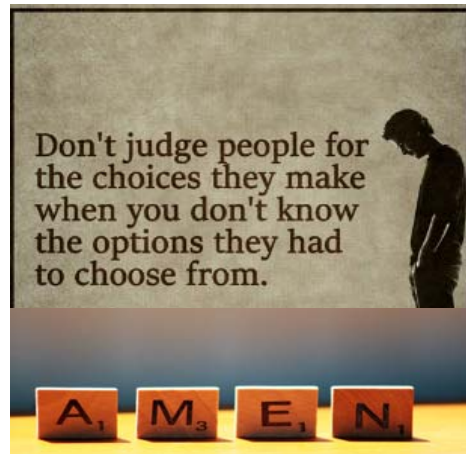
The screenshot shows the top of a website page for Peach State Federal Credit Union. At the top, a blue banner contains the text "PRIVACY POLICY" in white. Below this is a dark blue header area. On the left is the Peach State logo, which includes a peach illustration and the text "peach state FEDERAL CREDIT UNION A Smart Place to Bank". On the right side of the header, there are navigation links: "Locations & Hours", "Contact Us", "Forms & Resources", "Membership", and "About Us". Below these links are social media icons for search, RSS, Facebook, Twitter, LinkedIn, YouTube, and Instagram. Further down, the routing number "261174759" is displayed. At the bottom of the header, there are more navigation links: "Accounts", "Loans", "Business", "Services", and "Community".

What's the Right Answer?

The screenshot shows the top navigation bar of the SRP Federal Credit Union website. The background is green. On the left is the SRP logo with "FEDERAL CREDIT UNION" underneath. To the right of the logo are navigation links: "About Us", "Locations", "Contact Us", "FAQ", "Privacy Notice", and "Careers". The "Privacy Notice" link is highlighted with a red hand-drawn box. To the right of these links is a search bar with the text "Search..." and a magnifying glass icon, followed by a "LOGIN" button with a person icon.



**Sometimes it's a lot harder --
Discussion of One Client's ARM
Problems**



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Discussion of One Client's ARM
Problems**



The Legal SAFE HARBOUR:

Notice and:

\$6,435,000.00

**HOLY
CRUD!**



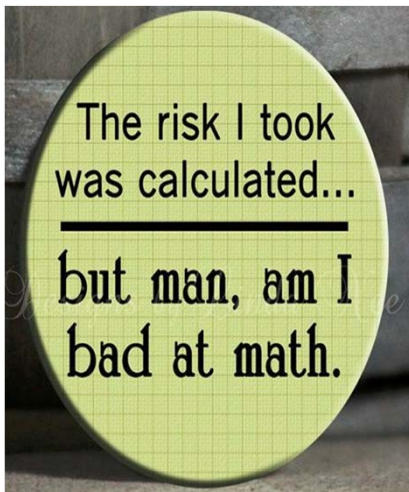
Really Hard II:



**Now Let's Discuss
Options
(Pros/Cons); Risks,
Rewards,
Exposures,
Reputation, Etc.,**



Really Hard III:



First – when leaving the safe harbour you must accept that there is risk.

The risks are dependent on a myriad of factors.

Sometimes risks may be speculative and difficult to measure.



Really Hard IV:

Option Two: Ostrich Defense



I see nothing...



Sometimes it Works -
Sometimes it Does Not.



Really Hard V:



If you take a risky course be sure to discuss what happens if it does not work.

Be ready to implement a mitigation plan.



Really Hard VI:



Thinking Outside the Box?

When there is no good answer - what do you do?



Really Hard VII:



Sometimes an Option may not be 100% Legal Per Se.

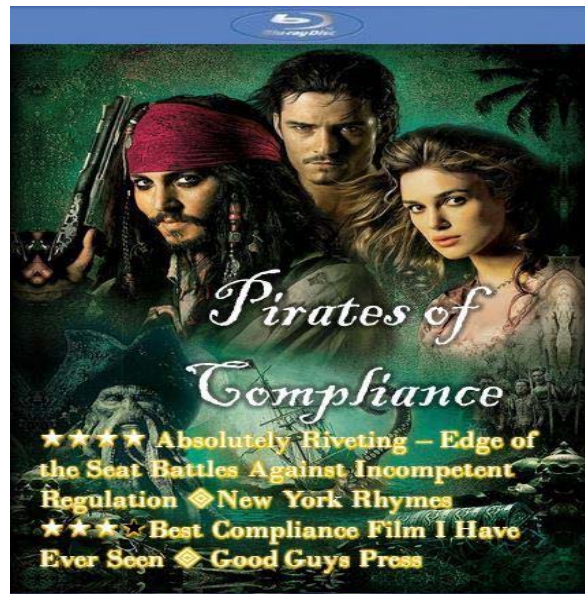
- Assess Options.
- Consider "Workabilty."
- More of Less Exposure?
- Ethics? What is Right?
- What's Your Duty?
- Reputation Risk – Other Factors – will they impact your reputation adversely?
- Beg for Mercy?
- Middle Ground?
- Are you making it worse?



Really Hard VIII: Decision-Maker:



Now Let's Think How We Apply this to Current Matters:



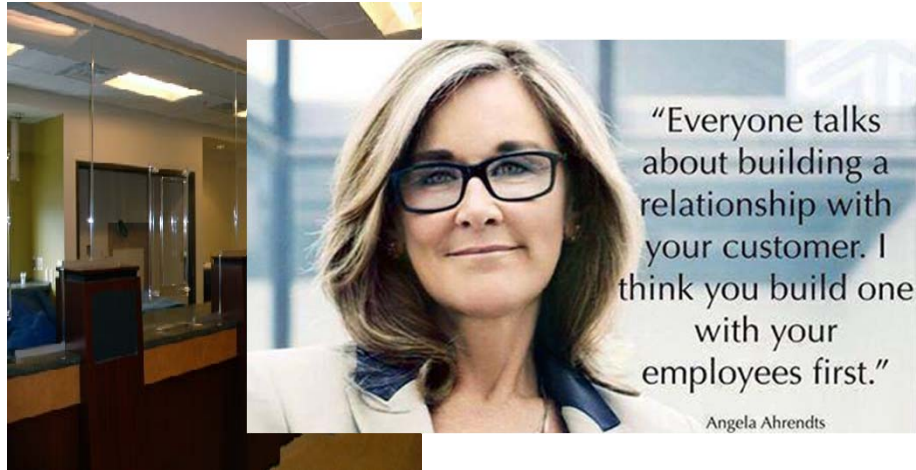
First – Plan – What’s the Regulator Up to?



Second– What are Real – Every Day Exposures?



Second– What are Real – Every Day Exposures II?



Second– What are Real – Every Day Exposures III?

<https://www.dodgensecurity.com/atm-surveys/>

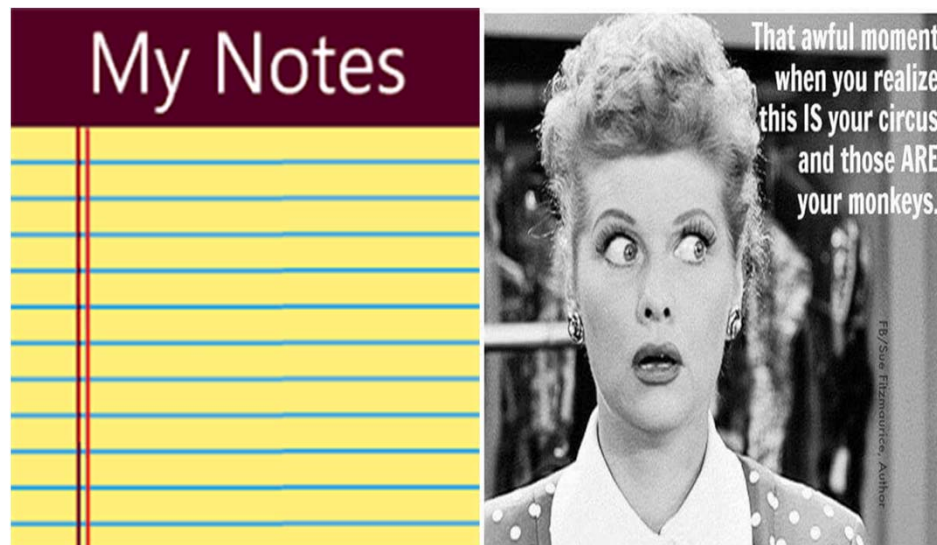
Three L's



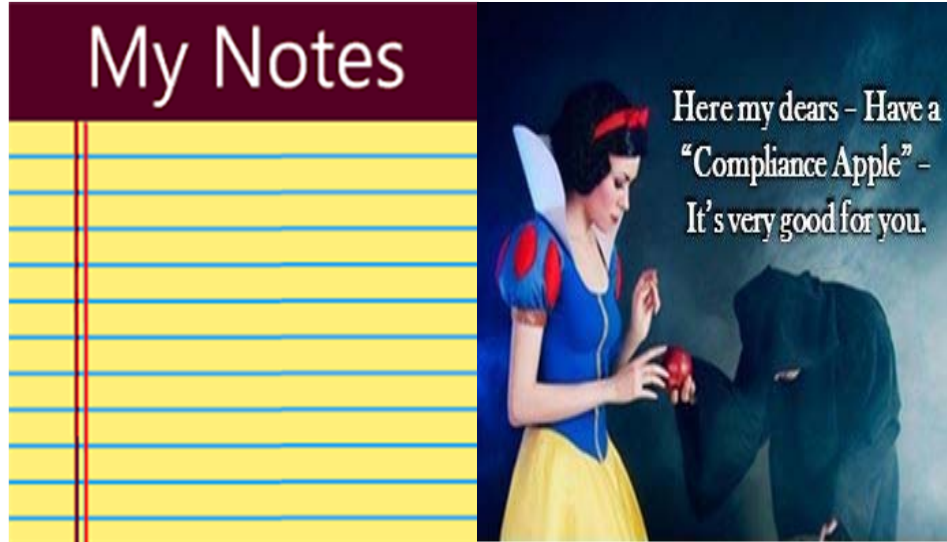
Where Are You Letting Your Guard Down?



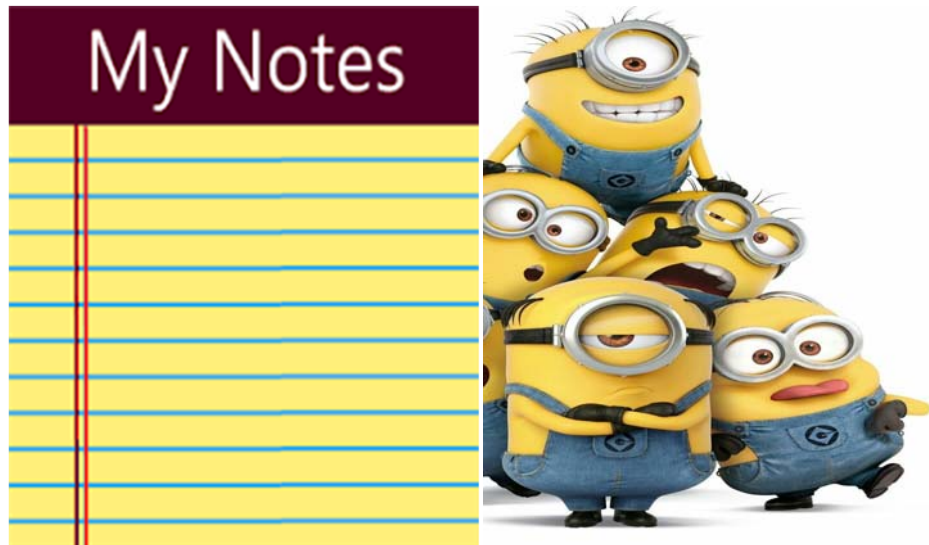
ODP Risk Management:



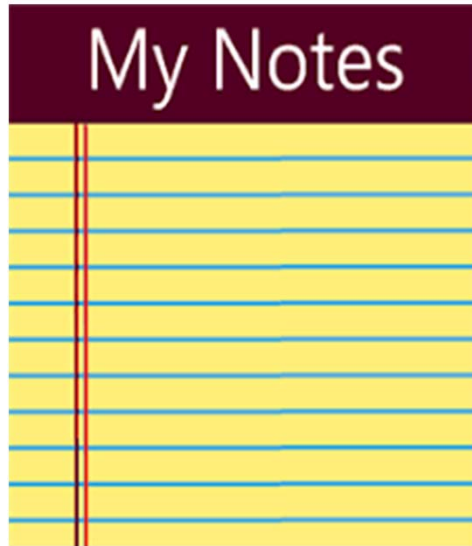
ADA Risk Management:



GDPR Risk Management:



Other Issues?



Follow Up?



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Shery & Jones / Sharing-
Listening-Learning-
Growing

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