



October 2015

Dear CU PolicyPro Client,

Just when we thought we could take a slight breather from all of our painful preparation and hard work from the Integrated Mortgage Disclosures, the CFPB decided to finalize the much-anticipated changes to the Home Mortgage Disclosure Act (HMDA). The only good thing about the [797 pages of HMDA changes](#) is that for the most part, credit unions will not have to report on these new data points and products until [January 2018](#).

Released the same day as the HMDA final rule, the NCUA thought it would be a good idea to publish their [final rule on Risk-Based Capital](#) (RBC). For your reading pleasure, there are 424 pages in this final rule. The revisions to RBC will only apply to credit unions with assets over \$100 million. This final rule is effective on January 1, 2019.

As we did for the changes to the Integrated Mortgage Disclosures, we will work on providing your credit union with revised policies prior to this due date in order for your credit union to prepare and obtain the required Board policy approval.

These changes may seem far away now, but unfortunately, they will be here before we know it!

On a technical note, we have had many support requests asking about the correct URL for CU PolicyPro. One of the older URLs for CU PolicyPro recently expired and will give an error if you try to connect; so please check and if necessary, update your bookmarks! The correct link for CU PolicyPro is <http://policypro.leagueinfosight.com>.

Finally, keep an out eye for a fresh new look coming to CU PolicyPro in the next couple of months!

In this edition:

- Monthly OPS Notes Release: Home Mortgage Disclosure Act (HMDA)
- Content FAQs
- CU PolicyPro Survey
- Technical FAQ
- Questions?

Monthly OPS Notes Release: Home Mortgage Disclosure Act (HMDA)

Generally speaking, the [effective date of the HMDA](#) rule is January 2018. This means that credit unions need to have their systems in place in **order to capture the new data points starting on January 1, 2018**. Credit unions will first report the new data on their LAR due in **March 2019**.

Here is a general summary of the data points that your lending system will need to collect in 2017 (1003.4(a)):

- A. Universal Loan Identifier (ULI) – must begin with the credit union’s legal entity identifier (LEI) – then include up to 23 additional characters (without any information that can be used to identify the applicant) and ending with a two-character check digit.
- B. Date application was received.
1. Whether the loan is insured by FHA, VA, etc.
 2. Home purchase, home improvement, refinance, cash out refinance, or for purpose other than home purchase, home improvement, refinance or cash out refinance.
 3. Pre-approval requested
 4. Construction method (site built, manufactured home)
 5. Principal or second residence – or investment property
 6. Amount of covered loan or amount applied for.
 7. The action taken by the credit union (accepted, denied, purchased, etc.)
 8. The date the action was taken
 9. Property information: address and if in MSA or MD, state, county and census tract
 10. Applicant information: ethnicity, race and sex (collected by visual observation or surname), age and gross annual income relied on in processing the application
 11. Type of entity purchasing a covered loan that the credit union originates or purchases and sells within the same calendar year.
 12. Difference between APR and APOR
 13. Whether it is a HOEPA loan
 14. Lien status
 15. Credit score
 16. Principal reason for denial
 17. Amount of total loan costs or total points and fees charged (if not subject to closing disclosure requirements)
 18. Total of all itemized amounts that are borrower-paid at or before closing
 19. Points paid to the creditor to reduce the interest rate, expressed in dollars
 20. Lender credits
 21. Interest rate
 22. The term in months of any prepayment penalty
 23. Ratio of borrower’s total monthly debt to income relied on in making the credit decision
 24. Ratio of the total amount of debt secured by the property to the value of the property relied on in making the credit decision
 25. Scheduled number of months after the legal obligation will mature or terminate
 26. Number of months until the first date the interest rate may change
 27. Whether contract includes balloon payment, interest only payments or negative amortization
 28. Value of property securing the loan
 29. Secured by a manufactured home and/or land
 30. For manufactured home whether the borrower owns the land or leases
 31. Number of dwelling units related to the property securing the loan
 32. If multifamily dwelling – number of units that are income restricted
 33. Whether the application was submitted directly to the credit union and was the obligation initially payable to the credit union
 34. The NMLS number for the MLO
 35. Name of automated underwriting system used
 36. Indication if a reverse mortgage
 37. Indication if an open-end line of credit
 38. Indication if covered loan is made primarily for business or commercial purpose

Content FAQs

Q. Our credit union doesn’t have an office in a Metropolitan Statistical Area (MSA). Are we still excluded from HMDA reporting under the new rule?

A. Yes! According to the definitions section of the new rule, credit unions that on the preceding December 31st did not have a branch in an MSA are not considered a “depository financial institution” under the rule and are therefore exempt from the reporting requirements. Lucky you!

Q. Are Home Equity Lines of Credit (HELOCs) still optional for reporting?

A. No, the reporting of HELOCs is no longer optional. The final rule adopts a “dwelling secured standard for all loans or lines of credit that are for personal, family or household purpose.” This may make it easier for some credit unions, knowing that if the dwelling is securing the loan, it is now considered HMDA reportable.

Q. Are we required to report on home improvement loans under the new rule?

A. No, the final rule excludes the coverage of home improvements loans that are not secured by a dwelling. So, home improvement loans that are unsecured or secured by some other collateral will not be included on the credit union’s Loan Application Register (LAR).

CU PolicyPro Survey

Thank you to everyone who took our CU PolicyPro survey! We were very happy to see a high level of overall product satisfaction (4.4/5.0) and an even higher satisfaction rating for the Quality of Policies/Content (4.6/5.0). One of the comments that we received over and over was that users had not been trained or needed more training on CU PolicyPro. Did you know that on demand video training is available to help you learn to use CU PolicyPro? You can access it here: <http://www.leagueinfosight.com/Training>. A series of 9 short videos will help you learn the best practices for using CU PolicyPro and make managing your policies within the system a much easier process. We are also looking at some technical enhancements to the system for 2016 as well as some additional training opportunities. Please feel free to let us know if you have additional comments or suggestions! Email your feedback to polycysupport@cusolutionsgroup.com. We will continue to look at your suggestions and the survey results to try to address any concerns.

Technical FAQ

Q: How can I print just the table of contents for my Working Manual?

A: The system doesn’t have a way to just print a table of contents on its own. The easiest way to get a Table of Contents (TOC) is to publish the ENTIRE manual (remember the published manual produces both the TOC and the policies themselves), view the published manual and go to FILE > PRINT PREVIEW and determine what pages include the TOC. For most clients, the TOC will start on page 3 and go to page 4, 5 or 6, depending on the number of policies included in the manual. Once you know the page range that includes the TOC, you can print just this page range – to a printer for a hard copy or print to PDF and select the page range with just the TOC on it. If you don’t have the ability to print to PDF, you can send a request to the support staff at polycysupport@cusolutionsgroup.com and let us know that you would like a PDF version of the Table of Contents and which published manual contains the TOC that you would like printed.

If you need more information or have additional questions, please contact the CU PolicyPro support team at polycysupport@cusolutionsgroup.com.

Questions?

If this information was forwarded to you, and you'd like to be on the distribution list to receive information and updates related to CU PolicyPro, or if you have any questions regarding the CU PolicyPro content, or questions on how to use the system, please contact polycysupport@cusolutionsgroup.com.

Thanks and have a great weekend!