July, 2017

Dear CU PolicyPro Client,

We hope your summer is going well and you've been able to find some time to have fun and relax! Last month we released the 2nd Quarter Content Updates, so be sure to review those changes if you haven't yet had the chance. This is also a good time to login to CU PolicyPro and review the user list in the Administration area to be sure it is up to date.

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Monthly OPS Notes Release: What's Next?

We have written about most of these upcoming compliance changes in previous newsletters, but wanted to summarize them again for our users to make sure they are prepared for these changes and their policies are up to date.

- Same Day ACH (Phase 2) – **Effective September 15, 2017**

  Credit unions will be required to accept same-day ACH credits and debits on September 15th. Policy changes were made to Policy 2610 – ACH Operations, Policy 2611 – ACH Management and Policy 2612 – ACH Audit to reflect these changes.

- Military Lending Act – Credit Cards – **Effective October 3, 2017**

  Effective this October, credit unions will be required to calculate the Military Annual Percentage Rate (MAPR) for covered borrowers for credit cards. Changes were made to Policy 7213 – Military Personnel Loans to comply with these changes.

- Mortgage Servicing Rule Amendments – **Effective October 19, 2017 and April 19, 2018**

Policy 7360 – Mortgage Servicing Rules and Policy 7361 – Small Servicer Mortgage Servicing Rules were revised to incorporate the **first set of changes** to the CFPB's Mortgage Servicing rule amendments that become effective on October 19, 2017. Because of the substantial amount of changes, this policy was revised ahead of the effective date to assist credit unions, but shouldn't be adopted by the Board until the actual effective date.

Keep in mind, this policy will need to be revised again to also incorporate changes that become effective in April of next year. Those revisions are **NOT** included in the model policy at this time.

Credit unions should also be aware that in addition to **more** changes to the Mortgage Servicing policies, these other regulatory changes will also require us to update policies before the end of the year.

- [Home Mortgage Disclosure Act (HMDA)](#) – **Effective January 1, 2018**

Significant changes become effective on January 1, 2018 related to the applicability of HMDA to credit unions, the types of transactions subject to HMDA, the specific information that credit unions are required to collect, record and report, and the process for credit unions to report and disclose data.

- [Third-Party Sender Registration](#) – **Effective September 29, 2017 (implementation period through March 1, 2018)**

Credit unions will be required to register Third-Party Senders through NACHA or indicate they have no Third-Party Sender relationships. The effective date of this requirement is September 29th, but credit unions have until March 1, 2018 to implement this new process. Policy revisions will be forthcoming for those changes.

Content FAQ

Question: Why does the Mortgage Servicing Policy have to be updated twice? Can't all of the revisions be incorporated in to the model policy at the same time and we can comply with the new provisions ahead of April 19, 2018?

Answer: Unfortunately, when some regulations are finalized, implementation ahead of the effective date is not permissible. That is the case for the mortgage servicing changes related to the treatment and determination of a Successor in Interest. The CFPB's Small Entity Compliance Guide specifically indicates "The successor in interest provisions of the 2016 Mortgage Servicing Rules have an effective date of April 19, 2018. Until the effective date, servicers are required to comply with the existing successor in interest requirements." Therefore, we have to update the model policy twice in order to comply with the two separate effective dates and the inability to comply with the provisions ahead of the effective date.

Thankfully, this isn't always the case! As an example, model policy 2110 – Bank Secrecy Act/Anti-Money Laundering Program has already been updated to include the amendments made by FinCEN related to [customer due diligence](#) for legal entity members. This new rule requires the credit union to obtain specific information on the beneficial owners of the legal entities. This amendment actually became effective on July 11, 2016, but compliance isn't required until May 11, 2018. This allows credit unions to implement the changes at any time prior to May 11,

2018. Therefore, in order to assist credit unions, we were able to revise the policy ahead of the effective date and the credit union can adopt the new policy when they have prepared and executed the changes.

Technical FAQ

Question: We have several CU PolicyPro users but only two of us are receiving the monthly newsletter. Why is that and how can we get all of our users on the distribution list?

Answer: When a new CU PolicyPro implementation is set up, the primary admin is added to the newsletter distribution list, but because each credit union manages their own user list, we don't always know when additional users are added. To add additional users to the monthly newsletter distribution list, please send an email to policysupport@cusolutionsgroup.com and request those users be added. We will need their name, email and title. If you're not sure who is on the distribution list for your credit union, contact us and we can provide that list to you for review and update, if needed.

If you have any additional questions or need further assistance, you can contact us at policysupport@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 policysupport@cusolutionsgroup.com.

Thanks and have a great week!