
Summary of Content Changes

2014.2 Update – June 2014

General Notes

Note 1: Several policies in this updated with minor formatting changes, spelling or grammar corrections, changing items underlined for emphasis to bold, and/or updating policy references from “Section” to “Policy”. These instances are not individually noted in this summary, but are shown on the redlined version.

Note 2: Policies in CU PolicyPro are routinely reviewed. However, some policies do not require any changes, and therefore the “Model Policy Revised Date” does not change. Per credit union request, we are now adding a separate “Model Policy Reviewed Date” to those policies that are reviewed but do not require any content changes. We will add the separate “Reviewed” date **only** to those policies that were reviewed but not revised. As not all policies are reviewed in every update, this reviewed date will be added to the policies over time as they are reviewed going forward. For this update, the following policies were reviewed, but did not require a revision.

- Policy 1150 Field of Membership
- Policy 1160 Strategic Planning
- Policy 1230 Regulatory Compliance
- Policy 1235 Education & Volunteer Training Guidelines
- Policy 1400 Legal Counsel
- Policy 1510 Nepotism
- Policy 1520 Succession Planning
- Policy 1600 Code of Ethics and Diversity
- Policy 1610 Confidential Information
- Policy 1616 Anti-Phishing
- Policy 1620 Conflict of Interest
- Policy 1640 Credit Union Assets
- Policy 1680 Political Contributions
- Policy 1685 Software Licensing

Note 3: All new policies are listed first in this overview, then all other updated policies are shown.

NEW - Policy 1531 – Credit Union Use of Social Media

2014-2

This policy was developed based on guidance from the Federal Financial Examination Council (FFIEC) [Consumer Compliance Risk Management Guidance](#), the Credit Union Use of Social Media Policy provides guidance the credit union should follow when using social media outlets to communicate, advertise, or provide social media presence for the credit union. (New Policy)

NEW - Policy 1540 – Complaint Policy for Federally Chartered Credit Unions

2014-2

The Complaint Policy for Federally Chartered Credit Unions was created due to credit union requests and intensified examination focus on credit unions complaint handling processes. This policy was created based on guidance from the NCUA including: [NCUA Letter to Credit Unions 11-CU-17 – NCUA Office of Consumer Protection](#). (New Policy)

NEW - Policy 1541 – Complaint Policy for State Chartered Credit Unions

2014-2

The Complaint Policy for State Chartered Credit Unions was created due to credit union requests and intensified examination focus on credit unions complaint handling processes. This policy was created based on guidance from the NCUA including: [NCUA Letter to Credit Unions 11-CU-17 – NCUA Office of Consumer Protection](#). (New Policy)

NEW - Policy 2227 – Electronic Signatures

2014-2

The Electronic Signatures Policy is provided due to credit union requests. The purpose of this policy is to outline the Credit Union's requirements for the use of electronic signatures (e-signatures), electronic transactions (e-transactions), and electronic records (hereafter e-records) in conducting the Credit Union's business operations and providing documentation to members. The policy was created based on the [Electronic Signatures in Global and National Commerce Act \(E-Sign Act\)](#) and [Uniform Electronic Transactions Act \(UETA\)](#). (New Policy)

NEW - Policy 4350 – Cloud Computing

2014-2

The Cloud Computing Policy is being provided as more credit unions research the feasibility of using cloud computing technology to address data storage and access requirements. The policy was created based on the FFIEC guidance on [Outsourced Cloud Computing](#). (New Policy)

NEW - Policy 6215 – Derivative Investments

2014-2

The NCUA has enacted the [Derivatives Rule](#) to allow federally chartered credit unions to engage in limited derivatives activities for the purpose of mitigating interest rate risk. The policy is provided to meet the policy requirements of the new rule. (New Policy)

Policy 1170 – Equal Opportunity Statement

2014-2

This Equal Opportunity Statement has been amended to include the Equal Housing Act.
(Amendment)

Policy 1200 – Organization Policy

2014-2

A new section has been added including the Board of Directors responsibility for the general direction and control of the affairs of the credit union. (Amendment)

Policy 1205 – Board of Director’s Duties

2014-2

The Board of Director’s Duties Policy has been amended for grammatical and consistency changes. (Correction)

Policy 1210 – Compensation, Reimbursement and Indemnification

2014-2

Section 1 of the Compensation, Reimbursement and Indemnification Policy has been updated to include loan originator compensation requirements in new subsection B. This is based on the [CFPB’s Loan Originator Compensation Requirements](#) that amended Regulation Z (Truth in Lending). (Recommended)

Policy 1220 – Bond & Insurance Coverage

2014-2

Section 2(A) that provides guidance on bond coverage has been amended to include the requirement for fraud and dishonest coverage. The change was in response to credit union request. (Recommended)

Policy 1240 – Enterprise-Wide Risk Management

2014-2

The Enterprise Risk Management Policy has been amended for grammatical and consistency changes. (Correction)

Policy 1300 – Audits

2014-2

The Audits Policy has been amended for grammatical and consistency changes. (Correction)

Policy 1505 – Whistleblowing Protection

2014-2

The Whistleblowing Protection Policy has been amended for grammatical and consistency changes. (Correction)

Policy 1530 – Employee Use of Social Media (TITLE CHANGE ONLY)

2014-2

The title of Policy 1530 has been updated to identify that this policy is specific to a credit union's social media expectations and requirements that apply to employees. This was an update to the title only; no other content changes were made. Please note that due to the need to create more detailed social media use policy, a new policy, Policy 1531 – Credit Union Use of Social Media, was created to address a credit union's use of social media outlets. (Recommended)

Policy 1615 – Privacy

2014-2

Citations in the policy have been corrected to identify [Regulation P – Privacy of Consumer Financial Information](#) based on the transfer of the regulation to the Consumer Financial Protection Bureau and renumbering of the regulation. (Recommended)

Policy 1645 – Fraud

2014-2

Section 5 of the fraud policy has been amended to include the requirement that fraud will be reported on a Suspicious Activity Report. (Recommended)

Policy 1650 – Gifts, Bribes, or Kickbacks

2014-2

The Gifts, Bribes, or Kickbacks Policy has been amended to include specific information in the section on Solicitation and Gifts and Gratuities Guidelines to include the [Bank Bribery Act](#) acceptable gift threshold that should be established by the Credit Union. (Recommended)

Policy 2145 – Office of Foreign Asset Control

2014-2

Based on new [OFAC requirements](#), Section 2 of the Office of Foreign Asset Control Policy has been amended to include requirements to review the Foreign Sanctions Evaders List. (Required)

Policy 2620 – Remote Deposit Capture

2014-2

The General Policy Statement, Section 1(D)(ii)(2), and Section 2(D)(i) now include references to mobile access devices as well as transaction processing from a member's location. (Suggested)

Policy 4300 – Computer Security & Control

2014-2

A new section 1 D has been added to include additional protection of computers with the installation of firewalls limiting access to the internet, specific sites and outside systems to limit internal access to systems or information that does not benefit the operations of the Credit Union. Verbiage in the General Policy Statement and Section 6 have been updated for clarity and consistency. (Suggested)

Policy 5400 – Capital Management

2014-2

The definition of a complex credit union has been updated to \$50,000,000 to reflect the changes instituted by the National Credit Union Association (NCUA). (Recommended)

Policy 6210 – Authorized Investments

2014-2

A new section 1D has been added to include derivatives as an authorized investment for federally chartered credit unions and in Section 2 derivatives have been removed as an unauthorized investment for federally chartered credit unions. This is based on the [NCUA Guidance on Derivatives](#). (Suggested)

Policy 7301 – Registration of Mortgage Loan Originators (S.A.F.E. Act)

2014-2

The Registration of Mortgage Loan Originators (S.A.F.E. Act) Policy has been amended for grammatical and consistency changes. Additionally a correction has been made to update a reference in section 2(A)(iv) and in section 2(B)(i). (Correction)

Policy 7302 – Real Estate Appraisals

2014-2

The Real Estate Appraisals Policy has been amended to include more specific requirements for real estate appraisals on high priced mortgage loans exemptions based on the [Consumer Financial Protection Bureau's \(CFPB\) rules for appraisals for higher-priced mortgage loans](#). (Recommended)

Policy 7330 – Residential Real Estate Loans

2014-2

The reference to the Average Prime Rate Offer in Section 13(A) has been corrected to accurately reflect that it is available on the [Federal Financial Institutions Examination Council \(FFIEC\) website](#). (Required)

Policy 7332 – Loan Originator Compensation

2014-2

Section 4 has been amended to provide a three year record retention period, as required by the [CFPB Loan Originator Compensation Rules](#). (Required)

Policy 9120 – Fair Debt Collection Practices Act

2014-2

The Fair Debt Collection Practices Act Policy has been amended for grammatical and consistency changes. (Correction)

Policy 9200 – Home Mortgage Disclosure Act – Regulation C

2014-2

The [2014 exemption threshold for HMDA reporting](#) has been changed to \$43 million in Section 5(J)(iii)(1). Credit unions with assets of \$43 million or less as of 12/31/2013 are exempt from 2014 data collection. (Required)

Policy 10007 – Record Retention - Table 7 – Lending Records

2014-2

The Lending Records Record Retention Table has been amended to include additional retention requirements including: [Equal Credit Opportunity Act](#) documentation for 25 months; [Mortgage Loan Officer Compensation](#) agreements and records for 3 years; and [Real Estate Settlements Procedures Act](#) member disclosures for 1 year after mortgage discharge. The [Truth in Lending Act](#) disclosure statements, change in terms notices for open end loans and evidence assuring borrower's right of rescission has been amended to 5 years after consummation of the transaction.

NOTE: In March 2014, this entire table was reorganized to alphabetize the items in the table. However, several line items were inadvertently left out of the master version at that time. These items have been restored and are highlighted in the Redlined version. It is recommended that if this policy is being used by your credit union that you remove the old policy and completely replace it with the updated policy to ensure that you have the most current content as well as all of the new line items for this table.

(Recommended)

Policy 10009 – Record Retention - Table 9 – Personnel & Employment Records

2014-2

The [Mortgage Loan Officer Compensation](#) agreements requirements for record retention have been added to the Personnel & Employment Records Record Retention Table. (Recommended)