



Compliance eNewsletter

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InfoSight News

Business Continuity Planning

Has your compliance department planned for worst-case scenarios? With all of your daily responsibilities and trying to keep on top of current regulatory changes, planning for potential problems may be on the backburner. However, this year's extensive flooding across the Midwest demonstrates the need to prioritize preparation for unfavorable situations. Make sure you're compliant with the **Business Continuity Planning** information in the Security Channel!

Compliance News

Update on Status of TX Federal District Court Payday Lending Rule Litigation Stay

On May 30, 2019, the Texas federal district court hearing the case filed by Community Financial Services Association of America, Ltd., and Consumer Service Alliance of Texas challenging the CFPB's Payday Lending Rule ordered the parties to submit a Joint Status Report, which was filed with the court on August 2, 2019.

The status report discusses that in February 2019, the CFPB issued two notices of proposed rulemaking seeking comment on whether to rescind the Mandatory Underwriting Provisions of the 2017 final rule and whether to delay compliance of those same provisions from August 19, 2019 to November 19, 2020. The status report further discusses that on June 6, 2019, the CFPB issued a final rule delaying the August 19, 2019 compliance date for the Mandatory Underwriting Provisions of the 2017 final rule to November 19, 2020 and that "the Bureau is continuing to make progress on its other rulemaking" to rescind the Mandatory Underwriting Provisions. The parties are not requesting that the court lift the stay of litigation or lift the stay of the compliance date at this time. Therefore, the Texas federal court stay of the entire rule and the August 19, 2019 compliance date remains in effect for credit unions under the jurisdiction of the Texas federal district court.

Source: CUNA Compliance Blog

Washington trucking company pays \$1.7M OFAC penalty

[OFAC has announced](#) that PACCAR Inc., Bellevue, Washington, has agreed to pay \$1,709,325 to settle potential civil liability for 63 apparent violations of the Iranian Transactions and Sanctions Regulations for selling or supplying 63 trucks to customers in Europe that it knew or had reason to know were ultimately intended for buyers in Iran. OFAC determined that PACCAR voluntarily disclosed the apparent violations, and that the apparent violations constitute a non-egregious case. The base penalty amount for the apparent violations is \$2,713,214.

Source: OFAC

CFPB settles ITT Ed Services loan program suit

The CFPB has announced a [proposed settlement](#) with ITT Educational Services, Inc., to resolve the Bureau's lawsuit, which alleges that ITT engaged in unfair and abusive practices in connection with its private loan program in violation of the Consumer Financial Protection Act of 2010. The suit, which was brought in 2014, alleges that ITT helped to create private loan programs for students at ITT Technical Institute, the school run by ITT until it filed for bankruptcy and ceased operations in 2016. The Bureau also alleges that ITT improperly induced students to take out those loans to pay the tuition amounts not covered by loans or other tuition assistance from the federal government. The Bureau's complaint also alleges that ITT knew that the student borrowers did not understand the terms and conditions of the loans and could not afford them, resulting in high default rates and other negative consequences. The proposed settlement includes a judgment against ITT for \$60 million and an injunction barring ITT from offering or providing student loans in the future.

Source: CFPB

Other Articles of Interest:

- [Alaska Credit Union Pulls the Plug on Pilot Pot Program](#)

Advocacy Highlight

[CUNA and Leagues write to Armed Services Committee leadership in expressing concern over Section 2821](#)

CUNA and credit union leagues from around the country [wrote to House and Senate Armed Services Committee leadership](#) expressing concern over a provision in the Senate-passed version of the National Defense Authorization Act (NDAA) for fiscal year 2020. The House version passed in July without the provision, the differences will be handled by conference committee after the August recess.

“The CUNA/League System and our credit union members are extremely concerned over Section 2821 of the Senate-passed NDAA that would provide rent-free access to military installations for more complex, profit-centered financial institutions. The House-passed NDAA contains no similar language. As conference negotiations begin, we urge all conferees to reject the inclusion of Section 2821.”

FedNow Ushers in New Era of Real Time Payments

The Federal Reserve Board ended months of speculation with a recent announcement that it plans to develop a “round-the-clock, real-time payment and settlement service.” Branded FedNow, the service will offer US financial institutions an alternative to the RTP rails launched by The Clearing House in late 2018.

According to the Fed, over 90 percent of the responses to its Request for Comment supported its participation in this arena. CUNA had submitted a comment letter endorsing the Fed’s entry, as did the Independent Community Bankers of America and the Merchant Advisory Group. [Here is more information.](#)

CUNA's Advocacy Resources

- [CUNA’s 2019 Advocacy Agenda](#)
- [Input to lawmakers and regulators](#)
- [CUNA Advocacy page](#)
- [CUNA’s Removing Barriers blog](#)
- [CUNA's Priorities](#)
- [Actions You Can Take](#)

Compliance Calendar

- September 2nd, 2019: Labor Day - Federal Holiday
- September 20th, 2019: Providing Faster Funds Availability (Effective Date)
- October 14th, 2019: Columbus Day - Federal Holiday
- October 22nd, 2019: Appraisals (NCUA)
- October 22nd, 2019: Fidelity Bonds (NCUA)

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