
Summary of Content Changes

2017.1 Update – January 2017

General Notes

As is typical for our New Year update, many of the policy revisions for this update are related to annual indexed changes that are part of regulation, including the changes made to Health Savings Accounts, Credit Cards, the Home Ownership Equity Protection Act (HOEPA), and the Ability-to-Repay rules.

Additionally, we also made policy revisions in light of the CFPB's recent [enforcement action](#) against a credit union for practices found to be unfair, deceptive and/or abusive related to debt collection.

Credit unions should also note that the NCUA's revisions to the member business lending rules become **effective on January 1, 2017**. Revisions were made to policy 7420 Member Business Loans/Commercial Lending to comply with these changes in the 2016 – 3rd Q Update.

Policy Updates Summary

Policy 2213 – Trust Accounts

2017-1

Policy 2213 was updated to include additional types of trust accounts and their respective definitions. Additionally, more information was added regarding the eligibility of a trust as a member and the membership requirements. (Recommended)

Policy 2214 – Health Savings Accounts

2017-1

Each year the [IRS changes](#) the contribution limits that can be made to health savings accounts for both individuals and family. Those changes for 2017 are reflected in the policy revisions. (Required)

Policy 2290 – Wire Transfers

2017-1

The Wire Transfers Policy was updated to reflect the regulatory requirement of allowing a member 60 days from receipt of their periodic statement to report an unauthorized transfer before incurring liability (1005.33(f)).

1005.33(f)

(3) *Unauthorized remittance transfers*. If an alleged error involves an unauthorized electronic fund transfer for payment in connection with a remittance transfer, §§1005.6 and 1005.11 apply with respect to the account-holding institution. If an alleged error involves an unauthorized use of a credit account for payment in connection with a remittance transfer, the provisions of Regulation Z, 12 CFR 1026.12(b), if applicable, and §1026.13, apply with respect to the creditor.

(Recommended)

Policy 3165 – Loan Workouts & Nonaccrual Standards

2017-1

This policy was revised to correct the requirement to not authorize additional advances to fund unpaid interest and fees under the appropriate “open-end loan” reference in Section 3, B, i. (Recommended)

Policy 7350 – Ability to Repay

2017-1

Policy 7350 was revised to comply with the annual changes made to the [points and fee thresholds](#) based on the Consumer Price Index. (Required)

Policy 7351 – Small Creditor Ability to Repay

2017-1

Similar to Policy 7350, this policy was also revised to comply with the annual changes made to the [points and fee thresholds](#) based on the Consumer Price Index. (Required)

Policy 7370 – HOEPA Rule Requirement

2017-1

The [thresholds for determining if a loan is covered under HOEPA](#) were also adjusted for January 1, 2017 and these amounts were updated in the policy accordingly. (Required)

Policy 7510 – Collection Process

2017-1

In light of the CFPB’s recent [enforcement action](#) against a credit union for practices found to be unfair, deceptive and/or abusive related to debt collection, we have made revisions to this policy. Specifically, we added more detail surrounding language that should be excluded from collections letters and notices, limitations on account restrictions and parameters around communications containing potential legal action. (Recommended)

Policy 7520 – Collections Staff Members and Responsibilities

2017-1

In light of the CFPB’s recent [enforcement action](#) against a credit union for practices found to be unfair, deceptive and/or abusive related to debt collection, we have made revisions to this policy. Specifically, we included provisions on training/education, disciplinary action for violations of policy and also the prohibition of insinuating the credit union provides any form of credit “repair” services. (Recommended)

Policy 9120 – Fair Debt Collection Practices Act

2017-1

In light of the CFPB’s recent enforcement action against a credit union for practices found to be unfair, deceptive and/or abusive related to debt collection, we have made revisions to this policy, inclusive of the applicability and [examples of prohibited activities](#) for credit unions collecting their own debts. (Recommended)

Policy 9200 – Home Mortgage Disclosure Act – Regulation C

2017-1

Significant amendments to the [Home Mortgage Disclosure Act \(HMDA\)](#) become effective in January, 2018 including the types of institutions covered, types of transactions that are covered, specific information that covered institutions are required to collect, record and report and the processing for reporting and disclosing data. *However, there is one provision of HMDA that becomes effective on January 1, 2017* and that is the definition of a financial institution. That new definition has been incorporated in the updated Policy 9200. The asset size threshold for coverage has not changed for 2017 and remains at \$44 million. (Required)

Policy 9220 – Home Ownership and Equity Protection Act

2017-1

Similar to the changes made to Policy 7370, this policy was also revised to adjust the [thresholds for determining if a loan is covered under HOEPA](#), effective *January 1, 2017*. (Required)

Policy 9420 – Monetary Control Act – Regulation D

2017-1

Thresholds are changed annually to reflect the [annual indexing of the reserve requirement](#) exemption amount. The policy has been revised to reflect those changes within the policy and effective for 2016. (Required)

Policy 10001 – Record Retention Table 1 – Corporate Records

2017-1

The record retention table for Corporate Records was revised with the correct citations for the permanent record retention of Supervisory Committee audit reports and associated records of account verifications. The retention for the “Supervisory Committee Records of Account Verification” was changed from “until next verification” to “permanent to correspond with [Appendix A](#) of Part 749 in NCUA’s rules.” NCUA rules ([715.8](#)) related to the record retention for the Supervisory Committee indicates their requirement to retain the records of each verification of members’ passbooks and accounts until it completes the next verification. However, the credit union must retain those records permanently according to Part 749. (Required)