



2017 is Here...Time to Dive in!

A New Year and a New Plan

As we open our new year's calendar and take a deep breath, one might sit for a moment and think..."What do I need to do? How do I get started?" With so many responsibilities tugging at our sleeve, it is very important to take some time and think about your goals and your intentions.

In our Online Compliance Consulting Practice, planning ahead is key...for us and our clients. Creating an infrastructure, that's flexible, can assist you in accomplishing the many tasks that need your attention. In that regard, we offer the following helpful tips in moving ahead:

- **Compliance Management System (CMS) Planning** – Review your program and your compliance risk assessment; update and increase resources where needed. Consider weaknesses noted in previous exams and audits, as well as upcoming regulatory changes.
- **Compliance Committee** – Review membership and adjust as needed. Plan a New Year kick off meeting and **build important rapport**. This rapport is integral in establishing two-way communication between Compliance and the Business Line.

"Rapport is the ability to enter someone else's world, to make him feel that you understand him, that you have a strong common bond." – Tony Robbins
- **Compliance Schedule** – A compliance schedule can include a variety of items, such as: compliance committee meetings, Board updates, third party compliance reviews, internal reviews, and regulatory changes.
- **Compliance-Related Policies** – Policies are an important control. Ensure they are updated as needed.
- **Compliance Training** – Make a plan for 2017 – Who? What? When?

Online Compliance Consulting Update!

The Online Compliance Consulting Dashboard has been enhanced!

- **Knowledge Base Updates:**
 - ✓ NEW Compliance Alert – Regs E and Z Prepaid Accounts
 - ✓ NEW Q&As – Flood Insurance, HMDA and Fair Lending
 - ✓ December 2016 News
- **NEW Flood Resources**
- **NEW Thought Leadership Posts:** Regulatory Information, Overdraft Services Compliance, CRA and Vendor Due Diligence

To access this information and all other compliance features, go to:
<http://compliance.smslp.com/>



Access to our **2017 Compliance Program Checklists** is available to our Online Compliance Consulting Clients via the Online Compliance Dashboard.

2017 Penalty Adjustments

In last month's Compliance News, we included a list of various compliance-related threshold changes that need to be addressed within your compliance policies and procedures. This month, the CFPB published a new final rule communicating other adjustments. On January 15, 2017, new **civil penalty inflation adjustments** became effective and established the maximum amount of each civil money penalty within the CFPB's jurisdiction.

Adjustments impact various laws and acts, including **RESPA**, the **SAFE Act**, and **TILA**. For more information, the final rule may be found [here](#).

Priorities in the New Year

While Compliance Officers and industry stakeholders have always recognized the importance of **Fair Lending** laws, the CFPB's Fair Lending Team has been preparing for the new year and re-prioritizing their focus.



In a recent Blog post, the CFPB reflected over their last five years of fair lending-related work. As noted, their efforts have resulted in "over \$400 million in payments and credits to over 500,000 consumers who experienced discrimination."

As they continue to "identify new and emerging fair lending risks," they have outlined three areas that will receive increased focus. Those areas include:

- **Redlining** – evaluating whether lenders have avoided lending in minority neighborhoods.
- **Mortgage and Student Loan Servicing** – determining whether some borrowers have more difficulty working out a solution because of their race or ethnicity.
- **Small Business Lending** – ensuring fair access to credit for women-owned and minority-owned businesses.

The CFPB stated that this re-prioritization helps them with focusing on the areas of greatest risk to consumers. For more information, the CFPB's Blog post may be found [here](#).

NCUA New Final Rule

In December 2016, the NCUA published their final rule amending its **chartering and field of membership rules** for federal credit unions. The rule has an effective date of February 6, 2017.

Membership



Mark your calendar for our next **Be Prepared!** Compliance Update webinar. It is scheduled for **March 28, 2017**.

When available, details can be found on BankersWEB, [here](#).

At a high level, amendments implement changes to:

- The definition of a local community, a rural district and an underserved area;
- The chartering and expansion of a multiple common bond credit union;
- The expansion of a single common bond credit union that serves a trade, industry or profession; and
- The process for applying to charter, or to expand, a federal credit union.

The NCUA has created a chart which helps clarify existing requirements and changes being implemented with the new rule. The **comparison chart** may be found [here](#).

Related to this change, the NCUA has publicized a 90-minute webinar to discuss the new rule, which is scheduled for February. Information on the **webinar** may be found [here](#) and the **final rule** may be found [here](#).

Emerging Issue for the New Year – FINTECH

While the topic of **Fintech** has been discussed for some time, we anticipate that it will be an even greater topic of interest in 2017. So, what is Fintech? We think of it as a type of “marriage” between financial services and technical advancements in a digital age.

If you are looking for a Fintech “primer”... you’re in luck. The Federal Reserve recently released a “Fintech Special Edition” of their Consumer Compliance Outlook publication. The special edition includes a conversation with Federal Reserve Board Governor, Lael Brainard.



The Governor discusses the increased demand the world has for finding new ways to engage in the financial marketplace and the importance of mitigating new risks that come with that environment. The edition also contains other Fintech articles to provide some well-rounded information.

Interested parties can access the entire publication [here](#).

Convenient and Affordable Compliance Assistance

Do you need help preparing for the upcoming regulatory requirements? SC+S can help with our Online Compliance Consulting services, which combines the ease of online tools with the guidance of a compliance expert.

You will have access to an online compliance expert who will:

- Answer all of your compliance questions;
- Review your new policies and disclosures for compliance; and
- Train your Board of Directors on upcoming regulatory requirements.

You will also receive access to our online tools, including:

- Our Compliance Calendar;
- Our Dashboard Feature and Progress List, that enables you to determine what steps you will need to take to comply with the requirements and track your progress as you implement them;
- Our exclusive Knowledge Base of compliance Q&As; and
- FREE access to our quarterly Be Prepared! webinar series.

For more information or a free demo, contact Rhonda Coggins at 512-703-1509.

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