



Thanksgiving is the perfect time to express our sincere thanks to those whose friendship we cherish. Thank you for your business and best wishes for a bountiful Thanksgiving holiday.

Arbitration Rule – Nullified

In our July issue of Online Compliance Consulting News, we shared information with our readers on a new rule issued by the CFPB that regulated **arbitration agreements**. Since its initial proposal; however, various industry stakeholders have voiced their opposition to the rule. Related to this, Joint Resolution 111 was introduced and passed / agreed to by the Senate and the House. Subsequently, the Resolution was presented to the President.

Recently, the White House issued the following statement: “On Wednesday, November 1, 2017, the President signed into law: H.J.Res. 111, which nullifies the Consumer Financial Protection Bureau’s rule prohibiting the use of a pre-dispute arbitration agreement to prevent a consumer from filing or participating in certain class action suits.”

Interested persons may find the announcement [here](#).

Disaster Relief Fraud

As a result of recent hurricane and wildfire disasters, an increase in disaster relief efforts has been noticeable. While such efforts are often legitimate and provide tremendous support to those in need, this also opens the door to

Online Compliance Consulting Update!

The Online Compliance Consulting Dashboard has been enhanced!

- New Alert – Reg Z – Thresholds for 2018
- Updated Alert – BSA – 2016 Customer Due Diligence Rule
- Updated “TRID” Resource
- Updated Compliance Calendar
- Updated Compliance Checklists
- Updated Regulatory Deadlines Spreadsheet
- October 2017 News

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unscrupulous activities. In response, FinCEN has issued an **Advisory to Financial Institutions Regarding Disaster-Related Fraud**.

As noted in the Advisory, institutions are warned about the potential for fraudulent transactions. While the warning is "not intended to deter legitimate donations," it is aimed at helping institutions identify and prevent fraudulent activity.

The Advisory describes three categories of fraud and provided examples of red flags. This includes the following:

- **Benefits Fraud** – such as the cashing of multiple emergency assistance checks by the same individual.
- **Charities Fraud** – such as a payee organization's name being similar to, but not exactly the same as, those of reputable charities.
- **Cyber-Related Fraud** – such as illicit crowdfunding sites set up to expressly defraud donors, supported by cyber actors that create sites using designs and names virtually identical to legitimate charities. Such fraudulent websites often end with a ".com" or a ".net," while most legitimate charities' websites end in ".org."

As the Advisory states, "the presence or absence of a red flag in any given transaction is not by itself determinative of whether a transaction is suspicious." Also, "FinCEN requests, though does not require, that financial institutions reference this advisory and include the key term, "*Disaster-related Fraud*" in the SAR narrative and in SAR field 31(z) (Fraud-Other) to indicate a connection between the suspicious activity being reported and possible misuse of relief funds."

For further information, Interested persons may find FinCEN's Advisory [here](#).

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



Mark your calendar for our next **Be Prepared!** Compliance Update webinar. It is scheduled for **December 21, 2017**.

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

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