



April 16th, 2024

In this weeks’ RegCorner, the next NCUA Board Meeting will discuss updates to the records preservation program, the CFPB claims mortgage discount points are junk fees, FinCEN issues a notice on counterfeit passports, and the NCUA announces two webinars.

From the Regulators

NCUA

**WEBINAR:** Free Data Tools and Resources Available to Credit Unions

**Date:** Thursday, April 25

**Time:** 2:00pm EST

[REGISTER HERE](#)

**WEBINAR:** Applying for the CDRLF Grant

**Date:** May 2, 2024

**Time:** 2:00pm EST

[REGISTER HERE](#)

**NCUA will be opening the 2024 CDRLF Grant Round on May 1st**

[Read More](#)

Low-income-designated credit unions can apply for 2024 Community Development Revolving Loan Fund grants between May 1 and July 1. The 2024 CDRLF grant round is open to credit unions with a low-income designation. Minority depository institution credit unions are not eligible for funding in this year’s grant round if they do not have the low-income designation. The agency will administer more than \$3.4 million in CDRLF grants to the most-qualified applicants, subject to the availability of funds, and will host a webinar in May to explain the grants process.

4/3/24

**Agency Publishes April Board Meeting Agenda**

[Read More](#)

On the docket is just one item to be considered, an advance notice of proposed rulemaking on modifications being proposed for Part 749, Records Preservation Program.

Other Relevant Links

- [America’s Credit Unions:](#) NCUA to propose records preservation program updates

4/8/24

CFPB

**CFPB and FTC File Amicus Brief in Experian Case**

[Read More](#)

The amicus brief, filed in *Nelson v. Experian Information Solutions, Inc.*, argues that reporting agencies have a duty to correct errors present in consumers’ credit files, including errors in personal identifying information such as names, addresses, and social security numbers.

3/29/24

**CFPB Director Chopra Delivers Remarks at the White House on Data Protection and National Security**

[Read More](#)

In his prepared remarks, Director Chopra comments on how easy it is for entities to purchase records from data brokers, particularly sensitive data of government or military personnel. He also notes that the Bureau will be proposing rules later this year that would subject data brokers to the Fair Credit Reporting Act, as well as subject these data brokers to certain business practice restrictions, as well as enhanced accountability standards.

4/2/24

**CFPB Issues Report Detailing Financial and Privacy Risks in Video Game Markets**

[Read More](#)

The Bureau notes that these platforms increasingly resemble traditional banking and payment systems that facilitate the storage and exchange of billions of dollars in assets, including virtual currencies. However, the Bureau notes that consumers have reported to the CFPB that they are being harmed by scams or theft on gaming platforms and not receiving the protections they would expect under federal law.

The CFPB will be monitoring markets where financial products and services are offered, including video games and virtual worlds, to ensure compliance with federal consumer financial protection laws.

Key findings of the report:

- Gaming assets flow in and out of gaming marketplaces in a variety of ways and can have immense value. To leverage that value, financial products and services have begun entering gaming in the form of payment processing, money transmission, and even loans.
- With the rise in value of gaming assets, there have also been increased reports of users losing access to gaming assets through hacking attempts, account theft, scams, and unauthorized transactions. Yet operators of gaming and virtual worlds do not appear to provide the kinds of customer protections that apply to traditional banking and payment systems.
- Gaming publishers can collect a host of surveillance data about their users. This includes location data, social media data, and behavioral interactions, such as how a player responds to personalized incentives. There is risk that gamers may be harmed when their data is sold, bought, and traded between companies, including for purposes outside of game play.

4/4/24

**CFPB Claims Mortgage Discount Points Have Little Value to Consumers**

[Read More](#)

The Bureau issued a new Data Spotlight highlighting an increasing trend in discount point purchasing in this era of elevated interest rates. The report comments that:

“Even when consumers understand how discount points work, most borrowers only benefit from discount points if they keep their mortgage long enough that the cumulative monthly savings from the reduced interest rate outweigh the upfront costs. This is often referred to as keeping the mortgage past the “break-even period,” which can be roughly estimated by dividing the cost of the discount points by the borrower’s monthly savings. Borrowers who plan to keep their mortgage for a long time and have cash on hand may find it advantageous to pay discount points. However, discount points are less useful for cash-strapped borrowers and those who expect to refinance or move in the near future.”

[Previously](#), the CFPB has suggested that discount points could be “junk fees.”

4/5/24

**CFPB Publishes Spring 2024 Supervisory Highlights; Highlights Accuracy Failures by Consumer Reporting Companies**

[Read More](#)

The Supervisory Highlight notes a 2022 rule requiring consumer reporting companies to exclude adverse action resulting from human trafficking from credit reports, but finds that these companies failed to ensure the accuracy of credit reports. Specifically, the Supervisory Highlights found:

- Consumer reporting companies failed to block or remove information related to identity theft and human trafficking.
- Consumer reporting companies accepted information from unreliable furnishers.
- Furnishers provided information to consumer reporting companies they knew was false.
- Furnishers did not follow requirements for dispute investigations and identity theft.

4/8/24

FinCEN

FinCEN Issues Notice on the Use of Counterfeit U.S. Passport Cards to Perpetrate Identity Theft and Fraud Schemes at Financial Institutions

[Read More](#)

The Notice provides an overview of typologies associated with U.S. passport card fraud, highlights select red flags to assist financial institutions in identifying and reporting suspicious activity, and reminds financial institutions of their reporting requirements under the Bank Secrecy Act (BSA). Red Flags include, among others:

- The photo on the presented U.S passport card has a white, blurry border; a dark gray square surrounding the photo; or is in color. Legitimate U.S. passport cards are laser engraved, which produces a clear and crisp grayscale portrait image.
- The card bearer’s date of birth and other areas of text are flat and do not feel raised when touched. Legitimate U.S. passport cards have tactile text on certain areas of the card and should feel textured.
- A customer presents a U.S. passport card as a form of identification and attempts to negotiate an uncharacteristic, sudden, or abnormally large volume of checks made payable to cash.

FinCEN requests that financial institutions reference this Notice by including the key term “**FIN-2024-NTC1**” in SAR field 2 (Filing Institution Note to FinCEN) and the narrative and select SAR field 34(z) (Fraud – other) and include the term “**Passport Card**” in the text box.

4/15/24

Other Points of Interest

- [4/4/24](#) – Inclusiv Selected for a \$1.87 Billion Grant through EPA’s Greenhouse Gas Reduction Fund
  - [Washington Credit Union Daily](#): Inclusiv Awarded \$1.87 Billion To Help Create Clean Energy Funding Network
- [4/8/24](#) – Washington Credit Union Daily: Credit Card late Fee Suit Goes Back to Texas
- [4/9/24](#) – America’s Credit Unions: House, Senate resolutions would void CFPB credit card late fees rule
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Relevant Blog Pages/Posts

- [America’s Credit Unions Compliance Blog](#)
  - [4/4/24](#) – CFPB Releases Circular on Deceptively Marketing Remittance Transfers
  - [4/9/24](#) – Is it a “Holiday” or a “Business Day” Under Regulation Z?
  - [4/11/24](#) – Record Retention Refresh

Submitted Regulatory Comment Letters

Regulatory Response Letters

- [FinCEN Notice and Request for Comment](#): Renewal Without Change of Reports by Financial Institutions of Suspicious Transactions and FinCEN Form 111-Suspicious Activity Report
  - America’s Credit Unions [Response Letter](#)
  - Also see:
    - [America’s Credit Unions](#) details burdens associated with SARs

Other Letters to Regulators

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Open Comment Calls

If you have input on any comment calls below that you would like to provide for consideration, please direct them to [Bradley.Willett@mcui.org](mailto:Bradley.Willett@mcui.org) no later than 3 weeks prior to the comment due date.

**FinCEN Proposed Rule:** Anti-Money Laundering Regulations for Residential Real Estate Transfers

**Docket No.** FinCEN-2024-0005

FinCEN is issuing a proposed rule to require certain persons involved in real estate closings and settlements to submit reports and keep records on identified non-financed transfers of residential real property to specified legal entities and trusts on a nationwide basis. Transfers made directly to an individual would not be covered by this proposed rule. The proposed rule describes the circumstances in which a report must be filed, who must file a report, what information must be provided, and when a report is due. These reports are expected to assist the U.S. Department of the Treasury; Federal, State, and local law enforcement; and national security agencies in addressing illicit finance vulnerabilities in the U.S. residential real estate sector and to curtail the ability of illicit actors to anonymously launder illicit proceeds through the purchase of residential real property, which threatens U.S. economic and national security.

**Additional Information:**

- FinCEN [Fact Sheet](#)

**Comments Due:**  
April 16, 2024

[Agency Announcement](#)  
[Federal Register](#)  
[Regulations.gov](#)

**CDFI Request for Comment:** Agency Information Collection Activities; Proposed Collection; Comment Request; New Markets Tax Credit Program (NMTC Program) Allocation Application

**Docket No.** CDFI-2024-03707

CDFI is seeking comments concerning the New Markets Tax Credit Program (NMTC Program) Allocation Application. The application under review is part of the award selection process for the allocation of tax credit authority to CDEs. The Allocation Application has five main sections: Business Strategy – Community Outcomes; Management Capacity; Capitalization Strategy; and Information Regarding Previous Awards – in addition to an Applicant Information section and various tables. The CDFI Fund is required by law to make the Application publicly available for comment prior to submission for a new PRA number.

**Comments Due:**  
April 23, 2024

[Agency Announcement](#)  
[Federal Register](#)  
Regulations.gov

**FinCEN Request for Comment:** Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of the Beneficial Ownership Requirements for Legal Entity Customers

**Docket No.** FinCEN-2024-0008

As part of its continuing effort to reduce paperwork and respondent burden, FinCEN invites comment on a renewal, without change, of existing

**Comments Due:**  
April 26, 2024

Agency Announcement  
[Federal Register](#)  
[Regulations.gov](#)

information collection requirements related to beneficial ownership requirements for legal entity customers. Comments are invited on:				
<div><div><div>(a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility;</div><div>(b) the accuracy of the agency's estimate of the burden of the collection of information;</div><div>(c) ways to enhance the quality, utility, and clarity of the information to be collected;</div><div>(d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and</div><div>(e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.</div></div></div>				
<div><div><div><div><div>Federal Reserve Board Proposed Rule: Debit Card Interchange Fees and Routing</div><div>Docket No. R-1818</div></div><div><div>This proposed rule would make significant revisions to Regulation II’s interchange fee cap. Specifically, the proposed revisions would update all three components of the interchange fee cap based on the latest data reported to the Board by covered issuers regarding debit card transactions performed in 2021. Under the proposal:</div><div><div><div>The base component would be 14.4 cents (down from 21.0 cents)</div><div>The ad valorem component would be 4.0 basis points (down from 5.0 basis points)</div><div>The fraud-prevention adjustment would be 1.3 cents (up from 1.0 cents)</div></div></div><div><div>Additionally, the proposal would codify in Reg II an approach for updating the three components of the interchange fee cap every other year going forward based on the latest data reported to the Board by covered issuers, without opportunity for public comment.</div><div><div>Related Materials: 2021 Interchange Fee Revenue Report</div></div><div><div>Additional relevant information:</div><div><div><div>Governor Bowman Dissent</div><div>NAFCU, CUNA and other trades have submitted a letter to the FRB requesting an extension of an additional 90 days to comment.</div><div>FRB approves comment extension to May 12, 2024.</div><div>2/6/24 – ACU met with the Board of Governors’ Vice Chair to discuss the impact of this NPRM.</div><div>3/5/24 – America’s Credit Unions: Debit interchange proposal fails to account for potential impact</div><div>3/7/24 – America’s Credit Unions: Debit interchange proposal would cause economic harm</div><div>3/7/24 – America’s Credit Unions: Bipartisan letter questions impact of Fed interchange proposal</div><div>3/20/24 – America’s Credit Unions: Hunt outlines credit union fight against interchange proposals</div><div>3/20/24 – America’s Credit Unions: One-pager educates lawmakers, consumers on interchange facts</div><div>3/21/24 – America’s Credit Unions: Hunt: Interchange attacks hurt everyone</div><div>4/5/24 – America’s Credit Unions: Credit unions meet with Fed staff on interchange proposal concerns</div><div>4/9/24 – America’s Credit Unions, Fed Vice Chair discuss interchange proposal concerns</div></div></div></div></div></div></div></div></div>	<div><div>Comments Due: May 12, 2024</div><div><div>Agency Announcement</div><div>Federal Register</div><div>Regulations.gov</div></div></div>			
<div><div><div><div><div>FinCEN Notice and Request for Information and Comment: Customer Identification Program Rule Taxpayer Identification Number Collection Requirement</div><div>Docket No. FINCEN-2024-0009</div></div><div><div>FinCEN, in consultation with staff at the OCC, the FDIC, the NCUA, and the Board of Governors of the Federal Reserve System seeks information and comment from interested parties regarding the Customer Identification Program (CIP) Rule requirement for banks to collect a taxpayer identification number (TIN), among other information, from a customer who is a U.S. person, prior to opening an account. Generally, for a customer who is an individual and a U.S. person, the TIN is a Social Security number (SSN). In this request for information (RFI), FinCEN specifically seeks information to understand the potential risks and benefits, as well as safeguards that could be established, if banks were permitted to collect partial SSN information directly from the customer for U.S. individuals and subsequently use reputable third-party sources to obtain the full SSN prior to account opening.</div></div></div></div></div>	<div><div>Comments Due: May 28, 2024</div><div><div>Agency Announcement</div><div>Federal Register</div><div>Regulations.gov</div></div></div>			
<div><div><div><div><div>CISA Notice of Proposed Rulemaking: Cyber Incident Reporting for Critical Infrastructure Act</div><div>Docket No. CISA-2022-0010</div></div><div><div>The Cyber Incident Reporting for Critical Infrastructure Act of 2022 (CIRCIA) requires the Cybersecurity and Infrastructure Security Agency (CISA) to promulgate regulations implementing the statute’s covered cyber incident and ransom payment reporting requirements for covered entities. CISA seeks comment on the proposed rule to implement CIRCIA’s requirements and on several practical and policy issues related to the implementation of these new reporting requirements.</div><div>The regulation is a requirement of the Cyber Incident Reporting for Critical Infrastructure Act of 2022 (CIRCIA), which requires CISA to develop and implement regulations requiring covered entities – including federally insured credit unions “regulated by the NCUA” – to report covered cyber incidents and ransomware payments.</div><div>Credit unions would have to submit a Covered Cyber Incident Report to CISA no later than 72 hours after the covered entity reasonably believes the covered cyber incident occurred. The NCUA’s current cyber incident notification standard in Part 748 of its rules requires notice of a cyber incident within the same timeframe.</div></div></div></div></div>	<div><div>Comments Due: June 3, 2024</div><div><div>Agency Announcement</div><div>Federal Register</div><div>Regulations.gov</div></div></div>			
Relevant Federal Rulemaking Links				
Agency	Unified Rulemaking Agenda	Agency Rulemaking Tracker	Federal Register	Regulations.gov

	(Fall 2023 Update)			
NCUA	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>
CFPB	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>
Treasury <i>CDFI Fund</i> <i>FinCEN</i>	<a href="#">LINK</a> n/a n/a	n/a <a href="#">LINK</a> <a href="#">LINK</a>	<a href="#">LINK</a> <a href="#">LINK</a> <a href="#">LINK</a>	<a href="#">LINK</a> <a href="#">LINK</a> <a href="#">LINK</a>
Federal Reserve System	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>
FHFA	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>
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HUD	<a href="#">LINK</a>	n/a	<a href="#">LINK</a>	<a href="#">LINK</a>
FCC	n/a	<a href="#">LINK</a>	<a href="#">LINK</a>	<a href="#">LINK</a>