Compliance Office Hours Recap

Updates Provided:

NCUA:

- The NCUA Board approved 11 final rules this week all of which were part of their Deregulation Project. The key areas affected by these 11 final rules are:
  - Third Party Servicing of Indirect Vehicle Loans
  - Eligibility Obligations
  - Credit Union Service Contracts
  - Disclosure of Share Insurance for Non-Member Shares
  - Community Chartering Policies
  - Serving Underserved Areas
  - Other Operational and Governance Requirements
  - We will provide a "need-to-know" update once the final language of the rules are provided.
  - You can find the list of all 11 of the finalized rules here.

CFPB:

- Reports published this week indicate that the CFPB has submitted a proposal for the rewrite of Section 1033 the open banking rule to the Office of Management and the Budget for review. The official proposal has not yet been released but, we expect it will include:
  - Consumer Financial Data Sharing
  - Fintech Access to Account Information
  - API Standards
  - Potential Fee Structures for Data Access
  - Liability and Security Responsibilities

NACHA:

- NACHA reported three new operating rule amendments were approved.
  - ACH Contact Registry Expanded to Include the U.S. Treasury's Bureau of the Fiscal Service (Effective Immediately)
  - Documentation of Accepted ACH Character Sets (Effective 01.01.27)
  - Exception to the Upcoming Funds Availability Rule for Certain Pacific Territories (Effective 09.18.26)

Discussion Items:

- TruStage Outage Discussion
  - A screenshot of an internal page for employees and board members was shared as part of this discussion. Please note that the red folder is only visible to members of the incident response team. No one else has access. You can see what this page looks like on page 2 of this recap document.

- Record Retention Discussion
  - Discussion centered on record retention best practices for charged-off accounts. Consensus was that most of the credit unions on the call are keeping those types of records even after they are done attempting to collect. This allows the credit union to check and see if members caused the credit union a loss if they do come back to the credit union.

- Deceased Member Discussion
  - Discussion centered on what documentation credit unions are requiring in a deceased member situation. Many credit unions are requiring the original death certificate to be brought in and they are making a copy of that document, and note relevant information on the copy. Some stated they will accept a copy of the original death certificate if the death can be corroborated through an obituary.
  - There was also a discussion of the process credit unions are taking for Affidavit of Decedent Successor form. The concensus on the call was that credit unions should not provide this document to members or assist in completing it. However, providing members with information about where they can obtain the form is a common practice.

- Membership Officer Discussion
  - Discussion centered on whether each credit union has a membership officer and what the membership officer is responsible for. Credit unions on the call provided what their membership officer(s) or those responsible for verifying membership eligibility are responsible for. It was confirmed that those who would like to be members of the credit union are eligible to do so and while some who hold this role might do other things, their main responsibility is to validate the identification of the member and ensure that they are eligible to be a member of the credit union.

- Survey Monkey
  - If you would like to be included as part of our new compliance directory please use this link to provide your information. As a reminder this information will be compiled and put on the MCUL website but will be password protected.

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