

Highlights

Board of Director Liability

A credit union director (or officer) is referred to as a fiduciary by law. This means a director holds a position of trust. A director has an affirmative duty to care for the property of others and can be held liable for failing to perform that duty. Because the members of a credit union are too numerous to handle any but the most basic decisions for the credit union, the law provides for them to elect directors/fiduciaries to act on their behalf. You may want to review your [Board Responsibilities channel](#) today to be sure you are compliant!

Compliance News

CFPB posts consumer mortgage loan guides

The Bureau has posted [English](#) and [Spanish](#) loan estimate and closing disclosure guides to help consumers choose the right home loan.

Source: CFPB

Federal Appeals Court Upholds Huge Portion of FOM Rule

A federal appeals court on Tuesday dismissed virtually all of the [American Bankers Association's challenge to the NCUA's Field of Membership](#) updates, saying that Congress gave the agency wide discretion to make those decisions.

“The NCUA possesses vast discretion to define terms because Congress expressly has given it such power,” the U.S. Appeals Court for the District of Columbia said, in its decision. “But the authority is not boundless. The agency must craft a reasonable definition consistent with the Act’s text and purposes.”

NCUA Chairman Rodney Hood said he was pleased with the ruling and credit union trade groups said in a joint statement that the ruling represents a major victory. The appeals court overturned parts of a lower court’s decision that found that the agency overstepped its bounds in amending the FOM rules. However, the appeals court sent once section of the rules, one dealing with the elimination of the urban-core requirement for local communities based on Core Based Statistical Areas, back to the

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Compliance Connection Videos

Our [Compliance Connection channel](#) help keep you up to date on trends and topics happening in the Compliance Space! It’s also a great resource to provide training on compliance issues to your non-compliance staff, executive management and Board of Directors.

Compliance Calendar

September, 2019

- September 2nd, 2019: Labor Day - Federal Holiday

lower court. The appeals court said that the NCUA should be given an opportunity to better explain that part of the rule.

The appeals court deemed that requirement to be “arbitrary and capricious.”

The ABA and other bankers’ groups had challenged the overhaul of the agency’s Field of Membership rule, saying that it obliterated the difference between banks and credit unions. Congress intended credit unions to serve limited Fields of Membership in exchange for their tax-exempt status, they argued. The appeals court did not buy that argument. “In this facial challenge, we review the rule not as armchair bankers or geographers, but rather as lay judges cognizant that Congress expressly delegated certain policy choices to the NCUA,” Judge Robert Wilkins said, in writing for the appeals court.

The appeals court upheld a portion of the rule that increases to one million people the population limits for rural districts. U.S. District Judge Dabney Friedrich had ruled against the NCUA in that rule change. The appeals court also upheld a portion of the rule that allowed Combined Statistical Areas as local communities. Friedrich also had voided that section of the rule. The court said that credit unions should not be required to have “exceedingly” close ties with its members.

“A credit union with exceedingly close ties among its members is unlikely to have a large enough customer base to thrive economically,” Wilkins wrote. “To the extent that such tension exists, the Act leaves to the NCUA to strike a reasonable balance. Congress was well aware that a viable credit union might serve a relatively large geographical area.” Hood said the agency is still reviewing the ruling and will provide guidance to affected credit unions in the near future.

However, CUNA, NAFCU and the CUNA Mutual Group called the decision a major victory for credit unions.

“This will have a positive impact for the industry’s 117 million members and American consumers who now have better access to member-owned not-for-profit credit unions,” the groups said, in a joint statement. “For the one aspect of the rule that the court asked for more explanation, we are confident the agency will provide additional support.”

Source: CU Times

[NCUA Responds to Appeals Court Decision](#)

Source: NCUA

Advocacy Highlight

- September 20th, 2019: [Providing Faster Funds Availability \(Effective Date\)](#)

October, 2019

- October 14th, 2019: Columbus Day - Federal Holiday
- October 22nd, 2019: [Fidelity Bonds \(NCUA\)](#)
- October 22nd, 2019: [Appraisals \(NCUA\)](#)

November, 2019

- November 11th, 2019: Veterans Day (observed) - Federal Holiday
- November 24th, 2019: [SAFE Act. – MLO Registration](#)
- November 28th, 2019: Thanksgiving Day - Federal Holiday

December, 2019

- December 25th, 2019: Christmas Day - Federal Holiday

January, 2020

- January 1st, 2020: [HMDA Thresholds/Regulation C \(CFPB\)](#)

Training

[FASB Seeks Comment on Delay of CECL Effective Date](#)

The FASB Board issued an [exposure draft](#) for public comment regarding the effective dates of several different standards as they apply to each type of reporting entity. Under the proposal, as it applies to credit unions, the plan would:

- Delay CECL until 1/2023
- Delay leasing until 1/2021
- Delay hedging until 1/2021

In addition, the proposal would change the current three bucket effective date structure of CECL to a two bucket structure. Currently, the standard differentiates between public business entities that are SEC filers, public business entities that are not SEC filers, and non-public business entities (which includes credit unions).

CFPB Appoints Student Loan Ombudsman

The CFPB announced the appointment of Robert Cameron to serve as the Bureau's private education loan ombudsman. He fills a role that has been vacant since August 2018.

The Dodd-Frank Act created a private education loan ombudsman position within the Bureau. The ombudsman is responsible for investigating and resolving complaints from private student loan borrowers, compiling and analyzing complaint data on private education loans, and making appropriate recommendations to policy makers.

Mr. Cameron is a Colonel and Staff Judge Advocate for the Pennsylvania Army National Guard. He joins the Bureau from the Pennsylvania Higher Education Assistance Agency where he was responsible for litigation, compliance, and risk mitigation.

[CUNA's 2019 Advocacy Agenda](#)

Keeping up with CUNA Advocacy

To stay abreast of the issues on which CUNA has provided input to lawmakers and regulators, [here is a list of those topics](#).

CUNA Advocacy Update

The CUNA Advocacy Update is published at the beginning of every week and keeps you on top of the most important changes in Washington for credit unions--and what CUNA is doing to monitor, analyze, and influence government agencies and federal law. To receive this update, click on "Get CUNA Updates" on

[Click Here for upcoming League Training Sessions](#)

the [CUNA Advocacy page](#). Additional Advocacy efforts may also be found under [CUNA's Removing Barriers blog](#). With the recent updates to CUNA's website, Advocacy information has also changed. To view recent advocacy issues and see ways your credit union can become involved, visit the [Priorities](#) or [Actions](#) pages.

[ComplySight – Custom Reports are Here!](#)

We have recently released a big enhancement which allows our clients to view the exact information they want to see! Custom reports can be saved, copied and shared with other staff members! Specific instructions will be communicated soon, but the ability to create custom reports is available now!

[Free Trial Offer!](#)

If you already know about ComplySight and you're interested in a "trial run" of ComplySight, League InfoSight is offering a free, 30-day trial so you can see the benefits first-hand. It's easy to get started. [Just visit us online and click on Free Trial Offer.](#)

If this newsletter was forwarded to you and you'd like to be on the distribution list to the League Update going forward, [please email a request to be added!](#)