



CU PolicyPro

POLICY UPDATE HISTORY

This document lists all policies updated since 2012, and includes a short description of each update from 2015 through March 2018.

Policy 1150 – Field of Membership

2017-2

Policy 1150 was amended to include changes made to the NCUA's [Chartering and Field of Membership Manual](#). (Recommended)

Policy 1170 – Equal Opportunity Statement

Older Updates: 2014-2

Policy 1200 – Organization

Older Updates: 2014-2

Policy 1205 – Board of Directors Duties

Older Updates: 2013-3, 2014-2, 2014-3

Policy 1210 – Compensation, Reimbursement and Indemnification

Older Updates: 2014-1

Policy 1220: Bond and Insurance Coverage

Older Updates: 2014-1

Policy 1230: Regulatory Compliance

2017-2

With the FFIEC's updated rating system to reflect their [current consumer compliance supervisory approaches](#), Policy 1230 was updated. There was more detail on the credit union's compliance management system, including the necessity to be pro-active in identifying potential weakness and properly addressing those weaknesses, compliance review of third-party vendors and staying on top of regulatory changes and training staff accordingly. Additionally, an additional section was added to cross-reference the Credit Union's Complaint policy, since this is a factor that examiners will be evaluating in the new consumer compliance rating system. (Recommended)

Policy 1235 – Education & Volunteer Training Guidelines

Older Updates: 2013-3

Policy 1240 – Enterprise-Wide Risk Management

Older Updates: 2012-1, 2013-2, 2014-2

Policy 1300 – Audits

Older Updates: 2014-2

2015-1

Formatting was revised and the sample Engagement Letter was removed from the policy and included in the “Tools” area of the CU PolicyPro Library. (Recommended)

Policy 1500: Staffing

Older Updates: 2014-1

Policy 1505 – Whistleblowing Protection Policy

Older Updates: 2013-3, 2014-2

Policy 1520: Succession Planning

Older Updates: 2014-4

2015-1

Wording was amended to reference the need to contact Human Resources for a copy of the Credit Union’s employment-at-will Policy. (Recommended)

Policy 1530 – Employee Use of Social Media

Older updates 2013-1, 2014-2, 2014-4

2015-4

The Employee Use of Social Media policy was updated to include a statement regarding the employees’ use of social media and the reference of situations protected by the National Labor Relations Act on the terms and conditions of employment. (Recommended)

Policy 1531 – Credit Union Use of Social Media

Older updates 2014-2

Policy 1540 – Complaint Policy for Federally Chartered Credit Unions

Older updates 2014-2

2015-4

This policy was revised to formalize the Credit Union’s handling of consumer complaints. Although a policy is not specifically required, the [Letter to Credit Unions](#) indicates that promptly handling consumer complaints is an important element of a sound compliance management system. NOTE: The changes to this policy were so extensive that we are not providing a redlined version, but only the updated version, which has been completely revised. Due to the extensive changes, it is recommended to adopt the updated policy in its entirety. (Recommended)

Policy 1541 – Complaint Policy for State Chartered Credit Unions

Older updates 2014-2

2015-4

This policy was revised to formalize the Credit Union’s handling of consumer complaints. Although a policy is not specifically required, the [Letter to Credit Unions](#) indicates that promptly handling consumer complaints is an important element of a sound compliance management system. NOTE: The changes to this policy were so extensive that we are not providing a redlined version, but only the updated version, which has been completely revised. Due to the extensive changes, it is recommended to adopt the updated policy in its entirety.

(Recommended)

Policy 1600 – Code of Ethics and Diversity

Older Updates: 2011-2, 2014-4

2015-3

The NCUA issued a [letter to credit unions](#) assessing diversity policies and practices. Although there are no legal compliance obligations and the use of diversity standards is voluntary, Policy 1600 was updated to include credit union efforts related to assessing and publishing diversity efforts. (Recommended)

Policy 1615 – Privacy

Older Updates: 2008-1, 2011-1, 2014-2, 2014-4

2015-4

The Privacy Policy was updated to include information from Policy 9330 (Right to Financial Privacy). Policy 9330 is being removed from the model policy manual. (Recommended)

2016-1

As noted above in our CU PolicyPro Guidance, the law changed at the end of last year impacting the delivery of the annual privacy notice. Because the new law makes the alternative delivery method moot, we have deleted that section from the policy. We have also updated the policy to indicate the need for the annual privacy notice only when the credit union shares information that requires and opt-out and/or if changes were made to the privacy policy. (Recommended)

Policy 1620 – Conflicts of Interest

Older Updates: 2009-1

2015-1

The sample Conflict of Interest Disclosure Form and Certification was removed from the policy and included in the “Tools” area of the CU PolicyPro Library. (Recommended)

2015-3

The Conflicts of Interest Policy was revised to incorporate more examples of potential conflicts of interest that may arise at the credit union, including more detailed information on accepting gifts and the disclosure of financial interests. (Recommended)

Policy 1645 – Fraud

Older Updates: 2014-2

2015-1

The sample Employee Agreement was removed from the policy and included in the “Tools” area of the CU PolicyPro Library. (Recommended)

2017-5

In order to start streamlining some of our model policies and eliminating redundant content, we combined all of the Fraud and Internal Control policies (1645, 3200, 3201) into one policy, Policy 1645- Fraud. Credit unions are encouraged to adopt and customize Policy 1645. Policies 3200 (Internal Control) and 3201 (Internal Fraud) will be removed from the Model Policies Manual. There is one new Key Field in this policy. (Recommended)

Policy 1650 – Gifts, Bribes or Kickbacks

Older Updates: 2013-3, 2014-2

Policy 1680: Political Contributions

Older Updates: 2009-1, 2010-1

2015-3

Changes were made to the Political Contributions policy to clarify the credit union’s ability to *recommend* certain political contributions to employees, although certainly not *require* them. Additionally, changes were made to accommodate credit unions who have specific advocacy officers on staff, and removed the barrier language that credit unions cannot conduct political activities during work time. (Recommended)

Policy 2100: General Operations Policies

Older Updates: 2011-2, 2014-3

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Policy 2110: Bank Secrecy Act

Older Updates: 2012-2, 2013-1, 2013-2, 2013-4, 2014-1, 2014-3, 2014-4

2015-1

In December 2014, [the Federal Financial Institutions Examination Council \(FFIEC\) released](#) the revised 2014 BSA/AML Examination manual. To comply with revisions made in the manual, changes were made to Policy 2110. Some of the sections with revisions include the Monitoring of High Risk Members, Money Service Businesses, Suspicious Activity Reporting and Information Sharing. **(Recommended)**

2016-1

Minor revisions were made to Policy 2110. The 2nd key field was removed to general indicate that the Credit Union will coordinate an audit that will include independent testing of the BSA Program. Under the Suspicious Activity Reporting, the requirement for the Credit Union to notify the Credit Union's primary regulator if asked to provide information that would disclose that it prepared or filed a SAR was removed. Credit Unions are only required to notify FinCEN of those requests. Lastly, a housekeeping change was made under Wire Transfers to properly indicate "transmittor." **(Recommended)**

2016-2

With the [Customer Due Diligence requirements](#) scheduled to become effective in July 2016, policy 2110 was revised to incorporate language related to the identity and verification of beneficial owners of legal entity members. Although credit unions are not required to comply with these new rules until May 11, 2018 the policy has been revised to allow for an earlier adoption. Additionally, in the last update under Suspicious Activity Reporting, the requirement for the Credit Union to notify the Credit Union's primary regulator if asked to provide information that would disclose that the credit union prepared or filed a SAR was amended to comply with the FinCEN guidance that they would only need to be notified and would alert the primary regulator. However, because NCUA regulations still indicate a notice requirement to them, the policy has been amended to indicate notification to FinCEN and the NCUA. **(Recommended)**

2016-3

Based on credit union request, we have added Section 11 at the end of the policy to address risk mitigation and BSA considerations for Credit Unions offering prepaid or gift cards. Credit unions are encouraged to review the proposed revisions and to adopt (and revise if necessary) if prepaid or gift card products are made available to their membership. **(Recommended)**

2018-1

Although policy 2110 was already updated with the changes associated with [FinCEN's Customer Due Diligence Requirements](#) we heard from a few credit unions who underwent recent examinations that more detail within the policy regarding the form being used by the Credit Union to identify beneficial owners and the process for ongoing monitoring was being suggested. We've added more detail regarding those two topics and clarified the provision in the new rule to require identification/verification of the beneficial owners of a legal entity at the time a "new account" (as opposed to membership) is opened. **(Recommended)**

Policy 2112 – Marijuana-Related Business Accounts Policy

Older Updates: 2014-1

Policy 2113 –Not Servicing Marijuana –Related Business Accounts

Older Updates: 2014-3

Policy 2185 – Third Party Due Diligence & Oversight

2017-5

Based on feedback received from credit unions, this policy was revised to add more clarity around the requirements for risk assessments. (Recommended)

Policy 2125: Teller Over and Short

2016-2

Policy 2125 was revised to include language regarding the Credit Union's reconciliation of deposit discrepancies. This revision was included to better comply with the requirements in the [Interagency Guidance Regarding Deposit Reconciliation Practices](#).

(Recommended)

Policy 2140 – Purchasing

Older Updates: 2014-4

Policy 2145: OFAC

Older Updates: 2014-2, 2014-3

Policy 2190 – Disaster Contingency Planning

Older Updates: 2013-3, 2014-3

2016-3

The Recordkeeping section of this policy was revised to accurately exclude transfers made through an automated clearing house, an automated teller machine, or a point-of-sale system since they are excluded from the [funds transfer definition](#) within BSA rules and therefore exempt for these recordkeeping purposes.

(Recommended)

Policy 2195 : Pandemic Influenza Preparedness & Response

Older Updates: 2014-3

Policy 2205 – Unlawful Internet Gambling

Older Updates: 2012-1, 2014-1

2015-1

The sample letter to a Foreign Banking Office was removed from the policy and included in the "Tools" area of the CU PolicyPro Library. (Recommended)

Policy 2210 : Accounts

Older Updates: 2014-3

2017-4

This policy was amended to add money market accounts as an option. Credit unions should include this account type and respective account criteria for money market accounts under either share or draft accounts depending on how the accounts are maintained. 3 new Key Fields were added to this policy. (Recommended)

Policy 2211: Business Accounts

Older Updates: 2012-1, 2014-1, 2014-3

Policy 2212: Individual Retirement Arrangements

Older Updates: 2012-1, 2013-1, 2014-3

2016-2

Record retention timeframe was amended for IRA documentation. Although specific guidance does not exist for retention time periods, Ascensus, a known subject matter expert, was consulted and recommends credit unions retain documentation for 7 years after the account is closed. (Recommended)

2017-3

With the changes made to the [Department of Labor's expanded definition of a fiduciary under the Conflict of Interest rules](#), Policy 2212 was updated to add in "prohibited transactions" from which the credit union will need to refrain in order to avoid an exemption under the rule. If the Credit Union decides to pursue an exemption to undertake these activities, they should work with Legal Counsel and this bullet should not be added. (Recommended)

Policy 2213: Trust Accounts

Older Updates: 2014-1, 2014-3

2017-1

Policy 2213 was updated to include additional types of trust accounts and their respective definitions. Additionally, more information was added regarding the eligibility of a trust as a member and the membership requirements. (Recommended)

Policy 2214 – Health Savings Accounts

Older updates 2012-1, 2013-1, 2014-1, 2014-4

2015-4

Each year the [IRS changes](#) the contribution limits that can be made to health savings accounts for both individuals and family. Those changes for 2016 are reflected in the policy revisions. (Required)

2017-1

Each year the [IRS changes](#) the contribution limits that can be made to health savings accounts for both individuals and family. Those changes for 2017 are reflected in the policy revisions. (Required)

2017-5

Each year the [IRS changes](#) the contribution limits that can be made to health savings accounts for both individuals and family. Those changes for 2017 are reflected in the policy revisions.

(Required)

Policy 2215 – Account Ownership

Older Updates: 2014-3

Policy 2216 – Deceased Depositor Issues & Estate Accounts

Older updates 2014-3

Policy 2218: Dormant Accounts

2015-2

The Dormant Account policy was revised to add a guideline for Internal Controls, based upon the requirements of Policy 3200. (Recommended)

Policy 2220 – E-Commerce

Older Updates: 2013-3, 2014-1

Policy 2221 – Website

Older Updates: 2013-3, 2014-4

Policy 2222: Electronic Communications/Acceptable Use

Older Updates: 2013-3, 2014-1, 2014-4

Policy 2223 – Children’s Online Privacy Protection Policy

Policy Created: 2013-4

2017-5

Based on the [guidance issued by the FTC](#) related to the use of voice recordings as a replacement for written words in performing search and other function, Policy 2223 has been updated. (Recommended)

Policy 2225 – Remote Banking (formerly Home Banking)

Older Updates: 2012-1, 2012-2, 2014-3

Policy 2227 – Electronic Signatures

Older Updates: 2014-2

2015-4

The Electronic Signatures Policy was updated to include information also contained in Policy 9440 (Electronic Signatures in Global & National Commerce). Policy 9440 is being removed from the model policy manual. (Recommended)

Policy 2232 – Member Expulsion

Older Updates: 2012-1

2017-4

This policy is being revised to address situations in which Federal Credit Unions can expel members (special meeting of membership or nonparticipation). Although this policy only indicates expulsion based on loss (through a special meeting), credit unions are encouraged to customize their policy accordingly, if they allow for termination of membership for other reasons. The title of this policy has been updated from “Loss Expulsion” to “Member Expulsion.” (Recommended)

Policy 2235 – Member Abuse (TITLE CHANGE)

2017-4

This policy is being revised to address situations of member abuse. This policy should be customized by the credit union to limit services, expel members, or both. Federal credit unions who wish to expel members who are abusive, would be required to go through the process of holding a special meeting of the membership. Therefore, the policy is geared towards limiting services for Federal Charters, although the last section for Board Meetings can be further customized if necessary. The title of this policy has been updated from “Member Harassment Expulsion” to “Member Abuse.” (Recommended)

Policy 2245 – Protecting the Elderly and Vulnerable from Fraud

Older Updates: 2012-2, 2014-4

2015-2

In this policy, section 6, C was revised to clarify that an “Awareness Document” should be created by the credit union, then subsequently read and signed by the member. (Recommended)

Policy 2270 – Safe Deposit Boxes

Older Updates: 2014-3

Policy 2271 – Safe Deposit Boxes (Biometric Access)

Older Updates: 2014-3

Policy 2280 – Share Insurance

Older Updates: 2013-1, 2014-3

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Policy 2290 – Wire Transfers

Older Updates: 2008-2, 2013-3, , 2014-1, 2014-4

2017-1

The Wire Transfers Policy was updated to reflect the regulatory requirement of allowing a member 60 days from receipt of their periodic statement to report an unauthorized transfer before incurring liability (1005.33(f)).

1005.33(f)

(3) *Unauthorized remittance transfers.* If an alleged error involves an unauthorized electronic fund transfer for payment in connection with a remittance transfer, §§1005.6 and 1005.11 apply with respect to the account-holding institution. If an alleged error involves an unauthorized use of a credit account for payment in connection with a remittance transfer, the provisions of Regulation Z, 12 CFR 1026.12(b), if applicable, and §1026.13, apply with respect to the creditor. **(Recommended)**

Policy 2300 – Share Draft Accounts

2018-1

This policy is being revised to slightly amend the language associated with “excessive overdrafts.” According to industry guidance, credit unions are responsible for monitoring “excessive” usage for overdrafts. While there isn’t much guidance out there, we can find evidence that the financial industry considers a member who overdraws his/her account on more than six occasions where a fee is charged in a rolling twelve month period to be “excessive.” In looking further, an “occasion” is considered each time an overdraft transaction generates a fee, regardless if the overdrafts take place over multiple days. Therefore, the language indicates excessive overdrafts “on different days” is being removed as unnecessary.

(Recommended)

Policy 2400: Funds Availability

2016-2

Policy 2400 was significantly revised to incorporate Policy 9410 – Expedited Funds Availability Act – Regulation CC, which was more expansive regarding the requirements contained within the Regulation. This policy was also updated to take in to consideration the NCUA Letter to Credit Unions regarding the [Interagency Guidance Regarding Deposit Reconciliation Practices](#). The Guidance indicates that financial institutions are to adopt reconciliation policies and practices that are designed to avoid or reconcile discrepancies such that customers are not disadvantaged. **Note: Due the extensive changes to this policy, both the regulatory update and combining this policy with 9410, there is no redlined version. It is recommended that you adopt the new 2400 policy in its entirety and remove 9410 from your manual. There are two new key fields for this policy.**

(Recommended)

2018-1

In addition to minor changes to allow for easier interpretation, Policy 2400 was updated to remove content associated with subparts C (Collection of Checks) and D (Substitute Checks) within Regulation CC. With this update, Policy 2400 will only include content related to subpart B (Availability of Funds and Disclosure of Funds Availability Policies), which was not impacted by the recent [amendments to Regulation CC](#) that become effective on July 1, 2018. As noted below, Policy 2401 was developed to include the revised content associated with the regulatory changes. **(Recommended)**

New Policy - Policy 2401 – Collection of Checks Procedure

2018-1

The Federal Reserve Board published substantial [amendments to Regulation CC](#) that become effective on July 1, 2018. The amendments impacted subparts A (General), C (Collection of Checks) and D (Substitute Checks), essentially modifying current check collection and return requirements to reflect the electronic environment. These changes also apply to existing (and a few new) check warranties and indemnities to checks that are collected and returned electronically and to electronically-created items.

The new policy content of Policy 2401 was previously included in Policy 2400. However, we wanted to maintain only the Funds Availability provisions within Policy 2400. The intent in creating Policy 2401 was to provide credit unions either a resource to develop appropriate procedures or to adopt this new policy if they previously relied on the content within Policy 2400. These provisions do not become effective until July 1, 2018. (Optional)

Policy 2500: Truth in Savings

Older Updates: 2014-4

2015-1

The definition of a “credit determination date” was revised to coincide with the definition from the NCUA accounting manual. The dividend credit determination date is the date dividends begin to accrue. Additionally, the Advertising Disclosures tables were removed from the policy and included in the “Tools” area of the CU PolicyPro Library. (Recommended)

Policy 2600 – Electronic Fund Transfer

Older Updates: 2013-3

2017-5

This policy was revised to correct a clerical error. (Recommended)

Policy 2605 – International Remittance Transfer

Policy Created: 2013-3

2015-3

The Consumer Financial Protection Bureau (CFPB) extended the date that credit unions could utilize estimates on the international remittance transfer disclosures from July 21, 2015 to July 21, 2020. This date was revised in the policy. (Required)

Policy 2610: ACH Operations

Older Updates: 2013-2, 2013-4, 2014-1

2016-3

NACHA amended their rules, requiring Receiving Depository Financial Institutions (RDFIs) to accept ACH credits as of [September 23, 2016](#). Credit unions had the option to originate Same Day ACH credits for their members. ACH Policies were updated to reflect the Same Day ACH changes and credit unions are encouraged to review and adopt accordingly. (Required)

2017-3

With Phase 2 of Same Day ACH becoming effective on September 17th, this policy was updated to include the addition of ACH debit entries being processed the same day.

(Required)

2017-4

Effective on September 29, 2017 the [NACHA registry](#) will be available for Credit Union ODFIs to register their Third-Party Senders. NACHA is allowing an implementation period through March 1, 2018 to complete registrations. This policy was revised to reflect the requirement to register these members. (Required)

2018-1

On March 16, 2018, Phase 3 of the Same Day ACH changes became effective for credit unions. This final stage requires credit union Receiving Depository Financial Institutions (RDFIs) to make funds available from ACH credits and process debits for their members by 5:00pm their local time. This required a policy change from the Phase 2 requirement, which only required same day ACH credits and debits to be processed by the end of their processing day. (Required)

Policy 2611: ACH Management

Older Updates: 2012-2, 2013-4, 2014-1

2016-3

NACHA amended their rules, requiring Receiving Depository Financial Institutions (RDFIs) to accept ACH credits as of [September 23, 2016](#). Credit unions had the option to originate Same Day ACH credits for their members. ACH Policies were updated to reflect the Same Day ACH changes and credit unions are encouraged to review and adopt accordingly. (Required)

2014-4

Section 9 was revised to correspond to recent changes to ACH rules to allow for a first payment to be sent three (3) business days after a prenotification, as opposed to the previous six (6) business days credit unions were required to wait.

2017-3

Similar to the changes made to Policy 2610, this policy was updated to include the addition of ACH debit entries being processed the same day. In addition, there were some other minor additions to the policy based on feedback credit unions received during their examinations.

(Required)

Policy 2611: ACH Management (continued)

2017-4

Effective on September 29, 2017 the [NACHA registry](#) will be available for Credit Union ODFIs to register their Third-Party Senders. NACHA is allowing an implementation period through March 1, 2018 to complete registrations. This policy was revised to reflect the requirement to register these members. (Required)

2018-1

On March 16, 2018, Phase 3 of the Same Day ACH changes became effective for credit unions. This final stage requires credit union Receiving Depository Financial Institutions (RDFIs) to make funds available from ACH credits and process debits for their members by 5:00pm their local time. This required a policy change from the Phase 2 requirement, which only required same day ACH credits and debits to be processed by the end of their processing day. (Required)

Policy 2612 – ACH Audit

Older Updates: 2012-2, 2014-1, 2014-4

2016-3

NACHA amended their rules, requiring Receiving Depository Financial Institutions (RDFIs) to accept ACH credits as of [September 23, 2016](#). Credit unions had the option to originate Same Day ACH credits for their members. ACH Policies were updated to reflect the Same Day ACH changes and credit unions are encouraged to review and adopt accordingly. (Required)

2017-3

Similar to the changes made to Policy 2610 and Policy 2611, this policy was updated to include the addition of ACH debit entries being processed the same day.

(Required)

2017-4

Effective on September 29, 2017 the [NACHA registry](#) will be available for Credit Union ODFIs to register their Third-Party Senders. NACHA is allowing an implementation period through March 1, 2018 to complete registrations. This policy was revised to reflect the requirement to register these members. (Required)

2018-1

On March 16, 2018, Phase 3 of the Same Day ACH changes became effective for credit unions. This final stage requires credit union Receiving Depository Financial Institutions (RDFIs) to make funds available from ACH credits and process debits for their members by 5:00pm their local time. This required a policy change from the Phase 2 requirement, which only required same day ACH credits and debits to be processed by the end of their processing day. (Required)

Policy 2615: ATM/Debit Cards

Older Updates: 2013-1

Policy 2620 – Remote Deposit Capture

Older Updates: 2014-2

2018-1

As noted under the revisions for Policy 2401, the Remote Deposit Capture policy has been updated to reflect the changes within Regulation CC that provide for indemnity protection in the case of restrictive indorsements and language in agreements that allocate liability back to the member when a check was deposited via RDC and losses are incurred as a result of subsequent deposits of the same check. (Recommended)

Policy 2700: Garnishment of Federal Benefit Payments

Older Updates: 2013-2

2015-1

In addition to grammatical revisions, the Model Notice to Account Holder was removed from the policy and included in the “Tools” area of the CU PolicyPro Library. The Model Notice to Account Holder was revised to change the references to “financial institution” to “Credit Union.” (Recommended)

Policy 2705 –IRS Levies

Older Updates: 2012-1

2015-1

Revisions were made to clarify the difference on the treatment of an IRS Levy when a Credit Union has a statutory lien on shares versus a share secured loan, where shares are pledged as collateral for that specific loan. The IRS indicates that a Credit Union’s statutory lien does not have priority over an IRS levy. However, [IRS rules](#) indicate the Credit Union may have a super-priority for share secured loans for commercial borrowers (provided other conditions are met). The policy was revised to indicate that legal counsel should be consulted in circumstances where the Credit Union is being requested to surrender property when shares are specifically being used to collateralize a loan. (Recommended)

DELETED Policy 3100 – General Accounting Policy.

2016-2

This policy is simply introductory policy and provides little value, so it is being removed from the manual.

Policy 3155 – Travel Reimbursement

2016-1

The Travel Reimbursement Policy was updated to reflect language for Spouse/Friend Travel and Compensation of Non-Exempt Employees for Travel Time. Revisions were also made to the Meals adjustments for allocation of expenses and the requirement of receipts. (Recommended)

2017-4

In order to avoid confusion and duplication within the policy, Section 4B was removed (related to allowance for companion travel) and included with Section 10. Cross-reference was also made in Section 6 to the Credit Union Owned Credit Card Policy (3115). (Recommended)

Policy 3160 – Unclaimed Property

2016-1

Housekeeping changes were made to the Unclaimed Property policy. (Recommended)

2017-4

This policy was revised to remove the record retention requirements and reference the applicable record retention policy. Having one policy to maintain the timeframes for record retention will better mitigate any potential inconsistencies. (Recommended)

Policy 3165 – Loan Workouts and Nonaccrual Standards

Older Updates: 2012-2, 2013-1

2015-4

Based on feedback from our credit unions and the examiner scrutiny on this topic, policy 3165 is being revised to include more requirements as outlined in the [NCUA's Supervisory Letter No. 13-02](#). (Recommended)

2017-1

This policy was revised to correct the requirement to not authorize additional advances to fund unpaid interest and fees under the appropriate "open-end loan" reference in Section 3, B, i. (Recommended)

2017-4

Updates were made in Sections 7 and 8 for clarity and corrections were made for tense and punctuation. (Recommended)

Policy 3170 – Troubled Debt Restructure

Older Updates: 2012-2, 2013-1, 2013-2, 2013-4

DELETED POLICY - Policy 3200 - Internal Control

2017-5

In order to start streamlining some of our model policies and eliminating redundant content, we combined all of the Fraud and Internal Control policies (1645, 3200, 3201) into one policy, Policy 1645- Fraud. Credit unions are encouraged to adopt and customize Policy 1645. Policies 3200 (Internal Control) and 3201 (Internal Fraud) will be removed from the Model Policies Manual.

DELETED POLICY - Policy 3201 - Internal Fraud

2017-5

In order to start streamlining some of our model policies and eliminating redundant content, we combined all of the Fraud and Internal Control policies (1645, 3200, 3201) into one policy, Policy 1645- Fraud. Credit unions are encouraged to adopt and customize Policy 1645. Policies 3200 (Internal Control) and 3201 (Internal Fraud) will be removed from the Model Policies Manual.

Policy 4120: Information Security

Older Updates: 2012-1, 2014-1, 2014-4

2016-3

This policy was amended to provide additional guidance throughout the policy for both physical security and cyber security considerations. (Recommended)

Policy 4125: Incident Response

Older Updates: 2014-4

2016-3

Best practices based on National Institute of Standards and Technology (NIST) guidance, including more detail about incident handling, incident response training, and testing was included in the revisions to the Incident Response policy. More information was also added regarding coordination and approval for the incident response plan. Credit unions are encouraged to adopt this policy and its revisions in order to keep pace with the changing requirements associated with cybersecurity. Note: A supplement to this policy can be found in Resources > TOOLS > Sample Forms and includes a recommended incident response toolkit and common attack methods. (Recommended)

Policy 4130 – Kidnap / Hostage / Extortion Policy

Older Updates: 2014-1

Policy 4150 – Workplace Violence

2015-2

This policy was revised to add a definition of bullying. (Recommended)

Policy 4160 – Bomb Threats

Policy Created: 2012-1

Policy 4300 – Computer Security & Control

Older Updates: 2014-2

2016-3

NIST References were added to this policy. (Recommended)

Policy 4305 - Configuration Management

2016-3 (Policy Created)

This policy outlines a configuration management program, which would guide information system configuration baselines, inventory requirements, configuration changes, and emergency or unscheduled changes. This policy also contains an item with an overview of system virtualization security. This document references Policy 4310 – Patch Management. Please note that several key fields are included in this policy which are also found in Policy 4120, Information Security. As a supplement to this policy, two Appendices have been added to the Resources area (under Tools > Sample Forms) which describe secure configuration considerations and contain a template for change requests from NIST. (Recommended)

Policy 4310 – Patch Management

2016-3

NIST References were added to this policy and a reference to the new Change Management Policy was added. (Recommended)

Policy 4315 – Firewalls

Policy Created: 2012-1

2016-3

NIST References were added to this policy. (Recommended)

Policy 4320 – Hardware/Software Acquisition

2016-3

NIST References were added to this policy and additional maintenance requirements were added to Section 5. (Recommended)

Policy 4340 – Remote Access

Older Updates: 2012-1

2016-3

NIST References were added to this policy. (Recommended)

Policy 4350 – Cloud Computing

Policy Created: 2014-2

2016-3

NIST References were added to this policy. (Recommended)

Policy 5200 – Liquidity Management

Older Updates: 2013-4, 2014-1

Policy 5205 – Small Asset Liquidity Risk Management Policy

Policy Created: 2014-1

Policy 5300: Interest Rate Risk Management

Older Updates: 2012-1, 2012-2

Policy 5400 – Capital Management

Older Updates: 2014-2

2016-2

Under #2 Calculating the risk based net worth (RBNW) requirement, the language was changed for long term real estate loans to indicate “fixed rate or variable with repricing at less than 5 years” as opposed to the previously listed “3 years.” This is consistent with NCUA regulations.

(Recommended)

Policy 5500 - Ownership of Fixed Assets Policy

Older Updates: 2013-4, 2015-3

2017-2

The NCUA relaxed their rules on the [occupancy requirements](#) for premises acquired for future expansion. Policy 5500 was updated to reflect those changes. (Required)

Policy 6100 – General Investment Policy

Older Updates: 2012-1, 2013-1, 2013-2

Policy 6015 – ASC 320 Compliance

Older Updates: 2013-1

Policy 6110 – Broker/Dealer Relations

Older Updates: 2013-2

Policy 6115 – Concentration Risk

Older Updates: 2013-1, 2013-2

Policy 6120: Investment Accounting

Older Updates: 2013-1

Policy 6130 – Investment Controls and Monitoring

Older Updates: 2013-1

Policy 6130 – Investment Controls and Monitoring (continued)

Older Updates: 2013-2

Policy 6150 – Safekeeping of Investments

Older Updates: 2013-2

Policy 6210 – Authorized Investments

Older Updates: 2012-2, 2013-2, 2014-2

2016-1

Removed the investment option related to securities or other instruments of the Student Loan Marketing Association or Sallie Mae. (Required)

2016-3

Policy 6210 was revised to amend the permissible investment section to specifically include instruments issued by federally insured institutions such as Yankee dollar deposits, Eurodollar deposits, banker's acceptances and deposit notes. (Recommended)

Policy 6215 – Derivative Investments

Older Updates: 2014-2

Policy 6220 – Non-Deposit Investment

Older Updates: 2013-1, 2013-3

2017-3

Similar to the changes made to Policy 2212, this policy was revised to include changes made to the [Department of Labor's expanded definition of a fiduciary under the Conflict of Interest rules](#) that becomes applicable to credit unions on June 9, 2017. (Recommended)

Policy 7100 – General Lending Policy

Older Updates: 2013-2, 2013-4

2017-4

This policy was updated to include general information surrounding preventing and detecting fraud, including the [segregation of duties](#) for credit unions using automated underwriting systems. (Recommended)

Policy 7101 – Loans

Older Updates: 2013-1, 2013-2

Policy 7105 – Collateral

2016-1

The NCUA finalized changes to [part 723](#) impacting Member Business Loans and Commercial Lending. Although most of the changes in the final rule are not effective until January 1, 2017, the elimination of the personal guarantee requirement becomes effective 60 days after publication in the Federal Register. In order to have the master policy be compliant with the changes to the rules on the effective date, we are updating Section 10, A under Personal Guarantees. (Recommended)

Policy 7115 – Credit Underwriting Standards

Older Updates: 2012-1, 2013-1, 2013-4

2016-2

This policy was updated to reflect the need for employment to be verified, only if the credit union relies on employment income when underwriting the loan. Additionally, the language that indicated “credit should not be granted to members with temporary or irregular employment with no source of regular income” was removed. This section was updated to eliminate any potentially perceived fair lending concerns.

(Recommended)

Policy 7120 – Fair Lending

Older Updates: 2013-2, 2014-3

2017-3

Based on the feedback from credit unions that have undergone a Fair Lending review, more detail was added to Policy 7120 on employee training and the review of complaints by Management.

(Recommended)

2017-4

This policy was updated to correct a reference to NCUA rules. (Recommended)

Policy 7125 – Loan Application

Older Updates: 2013-2, 2013-4, 2013-3

2015-1

Section 10, “Content of the Adverse Action Notice” was revised to clarify that the adverse action notice will contain the name, address and telephone number of the person or office from which statement of reasons can be obtained. This wording replaces a bullet that indicates the adverse action should include the notice of member’s right to appeal the denial by submitting the application to the credit manager for review. The revisions also added the Credit Union’s requirements for disclosing the adverse action reasons orally.

(Recommended)

2015-2

Under the section 6 related to Written and Signed Authorization, this section was updated to reflect that prohibition on a credit union to not impose a fee (except for a credit report) on an applicant for a mortgage transaction until the applicant has received the Loan Estimate disclosure. This requirement is in compliance with the revisions to Regulation Z. (Recommended)

Policy 7130 – Loan Authorization

Older Updates: 2013-1, 2014-4

2015-2

The Loan Authorization policy was revised to incorporate approval limits for home equity loans, residential real estate loans and indirect dealer financing, which were previously maintained separately in corresponding policies. The Key Field numbers from the home equity loans, residential real estate loans and indirect dealer financing policies were retained and used in this policy. (Recommended)

Policy 7145 – Loan Limits

2017-5

This policy was revised to comply with the changes made to the NCUA's Member Business Lending Rules. Existing language prescriptive language for limits on MBLs were removed and reference the Member Business Loans/Commercial Lending policy. (Required if Credit Union conducts Member Business Lending)

Policy 7150 – Loan Portfolio Mix

2017-1

In light of the CFPB's recent [enforcement action](#) against a credit union for practices found to be unfair, deceptive and/or abusive related to debt collection, we have made revisions to this policy. Specifically, we added more detail surrounding language that should be excluded from collections letters and notices, limitations on account restrictions and parameters around communications containing potential legal action. (Recommended)

Policy 7160 – Loans to Insiders

2015-1

Revisions were made to exclude employees from the restriction on receiving preferential loan rates in accordance with the [NCUA regulation](#) and [NCUA legal opinion letter, 97-0247](#). (Recommended)

Policy 7170 – Risk-Based Lending

Older Updates: 2014-1

2015-1

The sample Interest Rates/Term Tables and Limit Table was removed from the policy and included in the "Tools" area of the CU PolicyPro Library. (Recommended)

Policy 7180 – Anti-Predatory Lending Policy

2016-2 (Policy Created)

Based on requests from Credit Unions who buy and sell loans in the secondary market, an Anti-Predatory Lending Policy was created that reiterates the Credit Union's commitment to compliance with anti-predatory lending laws. The Policy aggregates content from other existing policies within PolicyPro that address these types of laws and the Credit Union's compliance. Credit Unions who choose to adopt this policy should make sure the references to the other policies are accurate based on the Credit Union's own policy manual.

(Recommended)

Policy 7175 - Anti-Steering in Lending Practices Policy

Policy Created: 2013-4

Policy 7200: Consumer Loans

Older Updates: 2013-2, 2013-3

Policy 7210 – Credit Cards

Older Updates: 2012-1, 2012-2, 2014-1, 2014-4

2015-2

Under section 18 for the Ability to Pay, revisions were made to reflect the regulation for credit line increases for members under the age of 21 and the requirement to establish an independent ability to repay. Also, a correction was made to section 27.G. **(Recommended)**

2015-4

This policy was updated to reflect the [annual pricing changes](#) made based on the Consumer Pricing Index. The safe harbor penalty fees were updated for 2016 to be \$27 for first late payment fee and \$37 for each subsequent violation within the following six months. **(Required)**

2016-2

Every year the CFPB makes changes to the thresholds for certain coverages and safe harbors based on the Consumer Price Index, within Regulation Z. However, this year when the CFPB published those [annual changes](#) (which become effective January 1, 2017), they also included a correction in the 2016 penalty safe harbor fee for credit cards that takes effective immediately. As indicated in Regulation Z (1026.52) there is a safe harbor for financial institutions who charge penalty fees less than \$27 for the first violation and **\$38** for a subsequent violation. The \$38 was increased from \$37, which the CFPB had published at the beginning of 2016. Policy 7210 was amended to reflect this error correction by the CFPB. **(Recommended)**

DELETED Policy 7211 Credit Cards - Part II

Policy Deleted: 2014-4

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Policy 7213 – Military Personnel Loans

Older Updates: 2013-1, 2013-4, 2014-1

2015-3

The Department of Defense amended their regulation regarding [Limitations on Terms of Consumer Credit Extended to Service Members and Dependents](#) which amended the types of loans that were previously covered, changed the safe harbor methods used to verify if a borrower is considered “covered” and also amended charges that are included in the calculation of the Military Annual Percentage Rate (MAPR). Policy 7213 was updated to reflect these changes, which credit unions are required to comply with for consumer credit transactions consummated or established on or after October 3, 2016. The effective date of the regulation is October 1, 2015, however compliance is not required until October 3, 2016. There is no restriction on credit unions adopting the provisions and updating their policies and procedures prior to the mandatory effective date. **(Recommended at this time. Required on October 3, 2016)**

2016-1

As indicated in the last update, the Department of Defense’s revisions to the Military Lending Act (“[Limitations on Terms of Consumer Credit Extended to Service Members and Dependents](#)”) became effective on October 1, 2015 and credit union compliance is required by October 3, 2016. Although the policy was revised in the last release to comply with these changes, we are making additional changes to the headings from “Limitations on Terms of Consumer Credit Extended to Service Members and Dependents” to generally reference the Military Lending Act. We believe these changes will be easier to differentiate from the Servicemembers Civil Relief Act and NCUA’s guidance related to our Military members in the policy. **(Recommended at this time. Required on October 3, 2016)**

Policy 7213 – Military Personnel Loans (continued)

2016-3

There were minor changes made to Policy 7213. Changes included utilizing the Military Lending Act acronym (MLA), removing one of the limitations associated with refinancing a consumer credit transaction that was previously extended by the Credit Union, since the MLA specifically identifies an exemption for Credit Unions from this particular provision. There were also grammatical corrections made and revisions to the numbered bullets. **(Recommended)**

2017-3

This policy was revised to include additional information on the Military Annual Percentage Rate (MAPR) calculation for credit cards with the [Military Lending Act](#), along with the exclusion of certain bona fide, reasonable fees. Compliance is mandatory as of October 3, 2017. **(Required)**

Policy 7215: Overdrafts (Courtesy Pay)

Older Updates: 2012-1

Policy 7218 – Payday Alternative Loans (NEW TITLE)

Older Updates: 2012-1, 2014-3

Policy 7240: Student Loans

Older Updates: 2013-2

Policy 7244 –Integrated Mortgage Disclosures

2015-2 (policy created)

As a result of the integrated mortgage disclosures, Policy 7244 –Integrated Mortgage Disclosures was created to address the compliance requirements associated with the revisions made to both TILA and RESPA for closed-end consumer credit transactions secured by real property. (Required for Credit Unions to adopt policies/procedures to comply with the new requirements)

Policy 7245 – Truth in Lending Disclosures for Closed-End Credit

Older Updates: 2012-2, 2013-2, 2013-4, 2014-1

2015-2

Revisions to this policy were made to remove the previous closed-end disclosures for real estate transactions and to reference the new Policy 7244 – RESPA – TILA Integrated Mortgage Disclosures. Credit unions offering other closed-end loan products will want to adopt this revised version of the policy. (Recommended)

Policy 7250 – Truth in Lending Disclosures for Open-End Credit

Older Updates: 2013-2, 2013-3, 2014-4

Policy 7251: Regulation Z – Home Equity Plans

Older Updates: 2013-2, 2013-3, 2014-1, 2014-4

Policy 7260 – Multi-Featured Lending Programs

Older Updates: 2012-2, 2014-1

Policy 7270 – Skip Payment Program

Policy Created: 2012-2

DELETED Policy 7300 – Real Estate Loans

2016-2

This policy is simply introductory policy and provides little value, so it is being removed from the manual.

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Policy 7301: Registration of Mortgage Loan Originators (S.A.F.E. Act)

Older Updates: 2013-2, 2013-3, 2014-1, 2014-2, 2014-3, 2014-4

2015-1

Language was added to clarify the requirement in [Regulation Z \(1026.36\(g\)\)](#) of the Loan Originator primarily responsible for the transaction to have their name and unique identifier included on loan documents. Additionally, if there is more than one Loan Originator, clarification was added that that the Loan Originator primarily responsible for the origination would be the Loan Originator to include their information on the loan documents, in addition to the credit union. Credit Unions should specifically document in their procedures how they will determine the loan originator that is “primarily” responsible, when more than one employee is involved with the transaction. (Recommended)

2016-1

Revisions to this policy were made in Section 5 regarding the use of the Unique Identifier. In addition to including the Loan Originators name and unique identifier on the Credit Application, Note or Loan Contract and Security Instrument, there is also a requirement to add the same information to the Loan Estimate and Closing Disclosure. Additionally, more detail was added in Section 2 for Mortgage Loan Originator’s Qualifications to include the credit union’s requirement as part of Regulation Z to ensure the Loan Originator has not been convicted or pleaded guilty to a felony, has demonstrated financial responsibility and receives appropriate training. (Recommended)

Policy 7302: Real Estate Appraisals

Older Updates: 2013-4, 2014-1, 2014-2

2015-2

Effective on July 18, 2015, exemptions become effective under the HPML appraisal rule for loans secured by manufactured homes. Policy 7302 was updated to reflect the changes, including the exemption for HPMLs for new manufactured homes to have their interior inspected and the exemption of HPMLs for just manufactured homes and not land if the credit union is able to provide the consumer with certain information about the home’s value. Credit unions should adopt this policy after on or after July 18, 2015. (Recommended)

Policy 7310 – Construction Loans

2017-2

This policy was revised to include additional considerations when approving construction loans and also compliance with the integrated mortgage disclosures. (Recommended)

Policy 7315: Commercial Real Estate Loan Workouts.

Older Updates: 2013-3

2016-3

Policy 7315 was reviewed to ensure revisions related to the new NCUA rules on member business lending and commercial loans was not warranted. There were only minor grammatical revisions made to this policy.

(Recommended)

Policy 7320 – Home Equity Loans

Older Updates: 2013-4, 2014-3, 2014-4

2015-2

Changes were made to remove the loan authorizations listed in this policy and to reference Policy 7130 for Loan Authorizations. Maximum LTV for closed-end home equity loans was changed to be a key field. Revisions were also made to address the ability-to-repay requirements for closed-end home equity loans. Lastly, changes were made to reference Policy 7244 for closed-end home equity loan disclosures and Policy 7251 for open-end Truth-in-Lending Disclosures. (Recommended)

Policy 7330: Residential Real Estate Loans

Older Updates: 2012-1, 2012-2, 2013-2, 2013-4, 2014-1, 2014-2, 2014-3, 2014-4

2015-2

This policy was revised under section 14, addressing “Disclosures.” The reference from Policy 7245, was changed to 7244 to include the comprehensive requirements effective under the TILA/RESPA integrated mortgage disclosures. Additionally, loan authorizations were removed to be included in Policy 7130 Loan Authorizations. (Recommended)

2015-3

In order to comply with the changes to the [NCUA Rules, Part 760 related to Loans in Areas Having Special Flood Hazards](#), the policy was updated to include the new exemption for structures not attached to the primary residence and the new forced place insurance provisions. The changes to the NCUA rules also have additional requirements effective on January 1, 2016. Therefore, there will be additional revisions to this policy to comply with these new requirements in the next release also. (Recommended)

2016-1

Changes were made to this policy under the Flood Insurance section to clarify that the new rules require flood insurance premiums to be escrowed (whether or not the credit union already escrows taxes and insurance) unless they qualify for an exemption. (Required)

Policy 7331: Non Traditional Residential Real Estate Loans.

Older Updates: 2013-4, 2014-4

Policy 7332: Loan Originator Compensation (new title)

Older Updates: 2013-4, 2014-2

2015-1

Revisions were made to the definition of loan originator to provide clarity on the exception for employees who perform [purely administrative or clerical tasks](#) on behalf of a loan originator. Additional definitions were added for “administrative and clerical tasks” and “credit terms.” (Recommended)

Policy 7335: Loans Secured by Unimproved Property

Older Updates: 2014-4

Policy 7350 – Ability to Repay Policy

Older Updates: 2013-4, 2014-3, 2014-4

2015-4

Policy 7350 was revised to comply with the annual changes made to the [points and fee threshold](#) based on the Consumer Price Index. (Required)

2017-1

Policy 7350 was revised to comply with the annual changes made to the [points and fee thresholds](#) based on the Consumer Price Index. (Required)

2017-5

Policy 7350 was revised to comply with the annual changes made to the [points and fee thresholds](#) to determine if a mortgage is considered a qualified mortgage under the rules, based on the Consumer Price Index. (Required)

Policy 7351 – Small Creditor Ability to Repay Policy

Older Updates: 2013-4, 2014-1, 2014-3, 2014-4

2015-4

This policy was revised to comply with the CFPB's amendments to [small creditors and rural or underserved areas under the Truth in Lending Act \(Regulation Z\)](#). These changes are effective on January 1, 2016 and provide an expansion of the small creditor determination, clarification on the balloon payment qualified mortgage and re-defines the rural and underserved areas. Additionally, changes were also made, as they are every year, to the thresholds for determining [points and fees thresholds](#) for a qualified mortgage. (Required)

2016-1

On March 22, 2016 the CFPB published a [final rule](#) that becomes effective on March 31, 2016 and amends Regulation Z regarding the eligibility of small creditors that operate in rural or underserved areas to underwrite balloon payment qualified mortgage. Previously, the requirement was that the credit union was required to originate more than 50% of their covered loans to rural or underserved areas. The CFPB's final rule amends that and allows a small creditor to underwrite a balloon payment qualified mortgage if they originated either one covered transaction on a property located in a rural or underserved area in the previous calendar year, or during either of the two preceding calendar years if the application is received before April 1 of the current calendar year. (Recommended)

2017-1

Similar to Policy 7350, this policy was also revised to comply with the annual changes made to the [points and fee thresholds](#) based on the Consumer Price Index. (Required)

2017-5

Similar to Policy 7350, this policy was also revised to comply with the annual changes made to the [points and fee thresholds](#) based on the Consumer Price Index. (Required)

Policy 7360 – Mortgage Servicing Policy

Policy Created: 2013-4

2015-2

The Mortgage Servicing policies were revised to add the requirements to send mortgage servicing transfer notices with partial payment information and the requirements to send an escrow closing notice.

(Recommended)

2017-3

Policy 7360 was revised to incorporate the first set of changes to the [CFPB's Mortgage Servicing](#) rules that become effective on October 19, 2017. In order to assist credit unions prepare and obtain Board approval, this policy was revised ahead of the effective date, but shouldn't be adopted by the Board until the effective date.

(Required)

2018-1

[Mortgage Servicing rules](#), implemented by Regulation Z (TILA) and Regulation X (RESPA), were updated with changes effective on both October 19, 2017 and April 19, 2018. While the policy was previously updated to include the changes effective in October of last year, the changes to the policy in this update reflect the changes necessary for the April 19, 2018 effective date. (Required)

Policy 7361 – Small Servicer Mortgage Servicing Policy

Policy Created: 2013-4

2015-2

The Mortgage Servicing policies were revised to add the requirements to send mortgage servicing transfer notices with partial payment information and the requirements to send an escrow closing notice.

(Recommended)

2017-3

Policy 7361 was revised to incorporate the first set of changes to the [CFPB's Mortgage Servicing](#) rules that become effective on October 19, 2017. In order to assist credit unions prepare and obtain Board approval, this policy was revised ahead of the effective date, but shouldn't be adopted by the Board until the effective date.

(Required)

2017-5

In our June 2017 updates to comply with the new mortgage servicing rules, Section 5 related to the "Mortgage Servicing Transfer Notice" was removed. However, this section **would be** applicable to Small Servicers **only** if they acquire ownership of a mortgage loan and subsequent servicing rights of an affiliate. Therefore, we have added this section back in to the model policy. Note: This policy was updated in the Model Policies between updates, on October 25, 2017. (Required if conducted)

2018-1

[Mortgage Servicing rules](#), implemented by Regulation Z (TILA) and Regulation X (RESPA), were updated with changes effective on both October 19, 2017 and April 19, 2018. While the policy was previously updated to include the changes effective in October of last year, the changes to the policy in this update reflect the changes necessary for the April 19, 2018 effective date. (Required)

Policy 7370 – HOEPA Rule Requirement Policy

Older Updates: 2013-4, 2014-1

2015-1

This policy is being revised to reflect the change of the [publication of the average prime offer rate](#) from the Federal Reserve Board (FRB) to the Federal Financial Institutions Examination Council (FFIEC).

(Recommended)

2015-4

The thresholds for determining if a loan is covered under HOEPA was adjusted [effective, January 1, 2016](#).

(Required)

2016-1

On March 22, 2016 the CFPB published a [final rule](#) that becomes effective on March 31, 2016 and amends Regulation Z regarding the eligibility of small creditors that operate in rural or underserved areas to underwrite balloon payment qualified mortgage. Consistent with the revisions made to the Small Creditor Ability to Repay exemptions in Policy 7351, high-cost mortgages are permissible for small creditors that serve rural or underserved areas. The word “predominately” was removed from this policy consistent with the changes being made to Regulation Z. (Recommended)

2017-1

The [thresholds for determining if a loan is covered under HOEPA](#) were also adjusted for January 1, 2017 and these amounts were updated in the policy accordingly. (Required)

2017-5

The [thresholds for determining if a loan is covered under HOEPA](#) were also adjusted for January 1, 2018 and these amounts were updated in the policy accordingly. (Required)

DELETED Policy 7400 – Other Types of Loans

2016-2

This policy is simply introductory policy and provides little value, so it is being removed from the manual.

Policy 7410 – Indirect Dealer Financing

2015-2

This policy was revised to remove the loan authorization amounts, while adding them to and referencing policy 7130 – Loan Authorizations. This will assist in having one location to maintain loan authorizations instead of individually within specific separate policies. (Recommended)

Policy 7420 – Member Business Loans

Older Updates: 2012-2, 2013-1, 2013-3

2015-3

In order to comply with the changes to the [NCUA Rules, Part 760 related to Loans in Areas Having Special Flood Hazards](#), the policy was updated to include the new exemption for structures not attached to the primary residence and the new forced place insurance provisions. The changes to the NCUA rules also have additional requirements effective on January 1, 2016. Therefore, there will be additional revisions to this policy to comply with these new requirements in the next release also. **(Recommended)**

2015-4

The Member Business Loan Policy was revised to fix a placement error regarding the force placement of flood insurance. The requirements were added to the end of paragraph iv. “Notification; Forced Placement” and removed from the previous location under “G. Reevaluation of Collateral.” **(Recommended)**

2016-1

The NCUA finalized changes to [part 723](#) impacting Member Business Loans and Commercial Lending. Although most of the changes in the final rule are not effective until January 1, 2017, the elimination of the personal guarantee requirement becomes effective 60 days after publication in the Federal Register. In order to have the master policy be compliant with the changes to the rules on the effective date, we are updating Section 10, A under Personal Guarantees.

In addition, the escrow requirement under Flood Insurance were revised. Escrow rules exempt loans secured by residential real estate or a mobile home that is used as collateral for a business, commercial or agricultural purpose from the mandatory escrow requirements for flood insurance. **(Recommended)**

2016-3

This policy was significantly revised to comply with the NCUA’s changes made to sections 723 and 701 of their rules related to member business loans and commercial lending that become effective on January 1, 2017. One of the major changes to the rules was the exemption of credit unions with assets under \$250 million, with commercial loan portfolios plus commercial loans sold but serviced less than 15% of its total net worth, and in any given calendar year has originated and sold and no longer service commercial loans that in aggregate are less than 15% of its net worth, from the policy and Board and Management responsibilities outlined in the regulation. The policy was also revised to reflect the new definitions within the regulation, new provisions associated with construction and development loans, new requirements associated with credit risk ratings of loan portfolios and changes regarding associated experience with personnel engaged in commercial lending at the Credit Union. **(Required if not otherwise exempt)**

Policy 7425: Member Business Credit Cards

Older Updates: 2014-1

Policy 7430 – Participation Loans

Older Updates: 2013-1, 2013-3, 2013-4, 2014-1

DELETED Policy 7500 – Collections

2016-2

This policy is simply introductory policy and provides little value, so it is being removed from the manual.

Policy 7510 – Collection Process

Older Updates: 2013-4

2016-2

Policy 7510 was updated to include the requirements within the [Military Lending Act](#) that become effective on October 3, 2016 that prohibit a credit union from taking a security interest in funds deposited after the extension of credit, in an account established in connection with the credit transaction. As a reminder, policy 7213 – Military Personnel Loans was already updated to reflect this change, along with the other provisions of the Military Lending Act. (Recommended)

2017-1

In light of the CFPB’s recent [enforcement action](#) against a credit union for practices found to be unfair, deceptive and/or abusive related to debt collection, we have made revisions to this policy. Specifically, we added more detail surrounding language that should be excluded from collections letters and notices, limitations on account restrictions and parameters around communications containing potential legal action. (Recommended)

Policy 7520 – Collections Staff Members and Responsibilities

2017-1

In light of the CFPB’s recent [enforcement action](#) against a credit union for practices found to be unfair, deceptive and/or abusive related to debt collection, we have made revisions to this policy. Specifically, we included provisions on training/education, disciplinary action for violations of policy and also the prohibition of insinuating the credit union provides any form of credit “repair” services. (Recommended)

2017-2

Policy 7520 was revised to correct an error in “Training/Education” (section 5) that incorrectly indicated that collection staff would receive “regulator” training. The sentence should indicate that collection staff will receive “regular” training that is tailored to the relevant employee and the specific responsibilities of their role. (Recommended)

Policy 7600 – Loan Review and Classification

Older Updates: 2013-1

Policy 7615 – Allowance for Loan and Lien Losses

Older Updates: 2013-1

Policy 7616: Loan Extensions

Older Updates: 2013-3

Policy 7625 - Residential Real Estate Loss Mitigation Strategies

Older Updates: 2008-2, 2010-3, 2013-3, 2013-4, 2014-1

Policy 7630 – Multi-Dimensional Loan Portfolio Analysis

Older Updates: 2012-2

Policy 8100 – General OREO

Older Updates: 2013-2, 2014-1

2017-3

Policy 8100 was revised to coincide with [NCUA's Letter to Credit Unions \(08-CU-25\)](#). While there was no regulatory changes, the holding period was revised to remove the previous 3 year timeframe, establishing a best practice of 12 months, with the ability to retain property longer if risks are assessed and properly mitigated.

(Recommended)

Policy 8120 – Eviction of OREO Inhabitants (Title Change)

Older Updates: 2014-4

DELETED Policy 9100 - Electronic Fund Transfer – Reg E

This section has been deleted from the manual. This decision was reached due to the fact that all of the information related to Regulation E is contained within one of the operational policies within the manual. It is easier to maintain this information in a single policy only rather than maintaining it in two places. The information related to Regulation E can be found policy 2615 (ATM-Debit Cards)

Policy 9110 – Equal Credit Opportunity Act – Regulation B

Older Updates: 2012-1

Policy 9120 – Fair Debt Collection Practices Act

2014-2

The Fair Debt Collection Practices Act Policy has been amended for grammatical and consistency changes.

(Correction)

2017-1

In light of the CFPB's recent enforcement action against a credit union for practices found to be unfair, deceptive and/or abusive related to debt collection, we have made revisions to this policy, inclusive of the applicability and [examples of prohibited activities](#) for credit unions collecting their own debts.

(Recommended)

Policy 9130 – Holder in Due Course

Older Updates: 2012-2

Policy 9150 – Unfair, Deceptive, or Abusive Acts or Practices

Older Updates: 2014-1

2015-4

To coincide with the CFPB's enforcement authority over the Unfair, Deceptive and Abusive Acts or Practices Act (UDAAP), this policy was revised to cover the expanded definitions and coverage of credit union's products and services and the consideration of UDAAP in all aspects of business. (Recommended)

Policy 9200: Home Mortgage Disclosure Act

Older Updates: 2012-1, 2013-1, 2013-4, 2014-1, 2014-2, 2014-4

2015-2

Section 1, C was revised to clarify that regulation only applies to the Credit Union if during the year the credit union "meets" the following listed conditions in i, ii and iii. (Recommended)

2017-1

Significant amendments to the [Home Mortgage Disclosure Act \(HMDA\)](#) become effective in January, 2018 including the types of institutions covered, types of transactions that are covered, specific information that covered institutions are required to collect, record and report and the processing for reporting and disclosing data. **However, there is one provision of HMDA that becomes effective on January 1, 2017** and that is the definition of a financial institution. That new definition has been incorporated in the updated Policy 9200. The asset size threshold for coverage has not changed for 2017 and remains at \$44 million. (Required)

2017-4

Policy 9200 was revised to comply with the [HMDA changes](#) that are scheduled to become effective on January 1, 2018. In order to assist credit unions prepare and obtain Board approval, this policy was revised ahead of the effective date, but shouldn't be adopted by the Board until the actual effective date. **NOTE: Policy 9200 was revised so extensively that essentially the entire policy was re-written. Because of this, a redlined version is not being provided.** (Required)

2017-5

Policy 9200 was significantly revised in our last update to comply with the [HMDA changes](#) that are scheduled to become effective on January 1, 2018. The revisions in this update are based on feedback to incorporate additional definitions for MSA and MDs and to make one correction in section 10 (A).

The asset size threshold for coverage has not yet been published for 2018. Credit unions are encouraged to watch for that publication from the CFPB and update their policy accordingly. We will issue a revised policy in our next quarterly update. (Recommended)

Policy 9210 – Real Estate Settlement Procedures Act – HUD Regulation X

2015-2

This policy was revised to amend the coverage of RESPA disclosures for the special information booklet at the time of closing, good faith estimate and use of HUD-1 or HUD-1A to only apply to reverse mortgage and "chattel-dwelling" loans. All other RESPA requirements for federally related mortgages are included in this policy, as they included in Policy 7244. (Recommended)

Policy 9220: Home Ownership and Equity Protection Act

Older Updates: 2013-1, 2013-2, 2013-4, 2014-3, 2014-4

2015-4

The thresholds for determining if a loan is covered under HOEPA was adjusted [effective, January 1, 2016](#).
(Required)

2016-1

On March 22, 2016 the CFPB published a [final rule](#) that becomes effective on March 31, 2016 and amends Regulation Z regarding the eligibility of small creditors that operate in rural or underserved areas to underwrite balloon payment qualified mortgage. Consistent with the revisions made to the Small Creditor Ability to Repay exemptions in Policy 7351, high-cost mortgages are permissible for small creditors that serve rural or underserved areas. The word “predominately” was removed from this policy consistent with the changes being made to Regulation Z. (Recommended)

2017-5

Similar to the changes made to Policy 7370, this policy was also revised to adjust the [thresholds for determining if a loan is covered under HOEPA](#), effective January 1, 2018. (Required)

Policy 9300 - Bank Bribery Act

Older Updates: 2013-3, 2013-4

2015-2

The penalty information in this policy was revised to be consistent with the regulation.
(Recommended)

DELETED - Policy 9330 – Right to Financial Privacy Act

2015-4

The Right to Financial Privacy policy was combined with the Privacy Policy (1615) in order to have one cumulative policy dealing with the sharing of member’s information and privacy requirements specific to government entities. Model policy 9330 has been deleted. (Recommended)

DELETED - Policy 9410: Regulation CC

This policy is being replaced by Policy 2400, Funds Availability - Regulation CC. If your manual has Policy 9410 but not 2400, you should remove 9410 and adopt 2400. If your manual has both 9410 and 2400, you should remove 9410 and adopt in its entirety the new 2400 updated policy.

Policy 9420 – Reserve Requirements/Regulation D

Older Updates: 2012-1, 2013-1, 2014-3, 2014-4

2015-1

This policy is being revised to amend to remove bullets vii and viii from section B “Time Deposits” and to provide more clarifying language in the “Savings Account” section regarding the transfer/withdrawal limitations. (Recommended)

2015-4

Thresholds are changed annually to reflect the [annual indexing of the reserve requirement](#) exemption amount. The policy has been revised to reflect those changes within the policy and effective for 2016. (Required)

2016-3

Removed the reference to credit unions maintaining “sterile reserves,” under Regulation D. (Recommended)

2017-1

Thresholds are changed annually to reflect the [annual indexing of the reserve requirement](#) exemption amount. The policy has been revised to reflect those changes within the policy and effective for 2016. (Required)

2017-5

Thresholds are changed annually to reflect the [annual indexing of the reserve requirement](#) exemption amount. The policy has been revised to reflect those changes within the policy and are effective for 2018. (Required)

DELETED - Policy 9440 - Electronic Signatures In Global & National Commerce

2015-4

The Electronic Signatures in Global & National Commerce policy was combined with the Electronic Signatures Policy (2227) in order to have one cumulative policy dealing with the requirements for the credit union’s use of electronic signatures. Model policy 9440 has been deleted.

(Recommended)

Policy 9600 – Telephone Consumer Protection Act and Junk Fax Prevention Act

2015-4

In July of this year, the Federal Communications Commission issued a [Declaratory Ruling and Order](#) to provide clarification on the Telephone Consumer Protection Act. The Junk Fax Prevention Act amended the Telephone Consumer Protection Act, therefore, we wanted to change the title of the Policy to reflect “Telephone Consumer Protection Act and Junk Fax Prevention Act.” The credit union has requirements to comply with under both, however with faxes being used less frequently, we thought it was important to update this report based on the new declaratory ruling to assist credit unions with compliance. (Recommended)

Policy 10001: Record Retention Table 1 – Corporate Records

Older Updates: 2013-3, 2014-1

2016-2

The citation for records supporting examinations from CTRs was updated from 31 CFR Chapter 103, to 31 CFR Chapter X. (Recommended)

2016-3

Removed the reference to the National Credit Union Administration (NCUA) under the Risk Based Pricing Notices section because Regulation V, which implements the Fair Credit Reporting Act is issued by the Consumer Financial Protection Bureau (CFPB). (Recommended)

2017-1

The record retention table for Corporate Records was revised with the correct citations for the permanent record retention of Supervisory Committee audit reports and associated records of account verifications. The retention for the “Supervisory Committee Records of Account Verification” was changed from “until next verification” to “permanent to correspond with [Appendix A](#) of Part 749 in NCUA’s rules.” NCUA rules ([715.8](#)) related to the record retention for the Supervisory Committee indicates their requirement to retain the records of each verification of members’ passbooks and accounts until it completes the next verification. However, the credit union must retain those records permanently according to Part 749. (Required)

Policy 10002– Record Retention Table 2 – Collection and Delinquency Records

Older Updates: 2012-2

2017-4

This policy was revised to include the correct citations for retention timeframes. Additionally, the requirement to retain paid collection files was increased to 7 years after the debt is paid. (Required)

Policy 10003 – Record Retention Table 3

Older Updates: 2012-2

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Policy 10004: Record Retention Table 4 – Electronic Funds Transfer Records

Older Updates: 2013-2, 2013-3

2015-3

ATM activity reports were added to the record retention log with the term of 2 years in compliance with the Regulation E. (Recommended)

2016-2

The citations that reference 31 CFR Chapter 103 were all updated to reflect the current citation of 31 CFR Chapter X. (Recommended)

2017-4

This policy was revised to include the correct citation under NACHA Rules for certain ACH transactions. (Recommended)

Policy 10005: Record Retention Table 5 – General Accounting Records

Older Updates: 2013-3, 2014-1

2016-2

The citations that reference 31 CFR Chapter 103 were all updated to reflect the current citation of 31 CFR Chapter X. (Recommended)

2017-4

This policy was revised to coincide with [NCUA Rules part 749](#) related to the permanent retention of vital records, which include a list of the credit union's investments. Timeframes were also adjusted to 5 years to comply with [BSA record retention](#) requirements and 3 years to comply with the [Fair Labor Standards Act](#) requirements for certain records. (Required)

Policy 10006 – Record Retention Table 6 – Insurance & Bond Records

Older Updates: 2014-1

2017-4

This policy was revised to provide further clarification on the particular records being requested for retention. Additionally, it was clarified that in accordance with [NCUA Rules part 749](#) the credit union's bond claims and insurance policies should be maintained permanently. (Required)

2017-5

This policy was revised to add clarification on the permanent retention of credit union insurance policies as outlined with Part 749 of the NCUA rules. (Recommended)

Policy 10007 – Record Retention Table 7 – Lending Records

Older Updates: 2013-2, 2013-3, 2014-1, 2014-2

2015-2

This policy was revised to include the record retention requirements under the TILA-RESPA integrated mortgage disclosures. Record retention periods was added for the closing disclosure, loan estimate, escrow cancellation notice, mortgage servicing transfer notice and the intent to proceed. (Recommended)

2015-3

Changes were made to correct the authority for the record retention requirements related to the Department of Motor Vehicle documents. Although a 4 years after loan payment is still recommended as the term, credit unions should confirm and consult with their applicable state law. (Recommended)

2016-2

The citations that reference 31 CFR Chapter 103 were all updated to reflect the current citation of 31 CFR Chapter X. (Recommended)

2017-4

This policy was revised to update the retention timeframe and reference for consumer loan documents in accordance with [Regulation Z](#). (Required)

Policy 10008 – Record Retention Table 8 - Negotiable Instruments Records

Older Updates: 2013-3, 2014-1

2016-2

The citations that reference 31 CFR Chapter 103 were all updated to reflect the current citation of 31 CFR Chapter X. (Recommended)

2017-4

Timeframes were also adjusted to 5 years to comply with [BSA record retention](#) requirements. Additionally, references for certain instruments were changed to reference the [Uniform Commercial Code, Article 4](#). (Required)

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Policy 10009 – Table 9 - Personnel & Employment Records

Older Updates: 2013-2, 2013-3, 2014-1, 2014-2, 2014-4

2015-4

The record retention table for personnel & employment records was updated with more detailed information regarding record retention requirements and the relevant authority for those terms.

(Recommended)

2017-4

Addition was made to add “401K” under “Pension Plan documents.” (Recommended)

2017-5

This policy was revised to comply with the 3 year record retention requirement within the [Fair Labor Standards Act](#) for earning records and time records. (Recommended)

Policy 10010 – Table 10 – Security Records

Older Updates: 2014-1

2016-2

Record retention time frames were include to comply with the requirements contained in [FinCEN’s Customer Due Diligence](#) final rule related to documents associated with the identity and verification of beneficial owners of legal entity members. (Recommended)

2017-4

Correction was made to the reference for Currency Transaction Reports. (Recommended)

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Policy 10011 - Table 11 – Member Account Records

Older Updates: 2013-3, 2014-1

2015-3

The correct reference for Signature Guarantee record retention was changed to [17 CFR 240.17Ad-15](#).
(Recommended)

2016-1

Record retention timeframe was amended for IRA documentation. Although specific guidance does not exist for retention time periods, Ascensus, a known subject matter expert, was consulted and recommends credit unions retain documentation for 7 years after the account is closed. (Recommended)

2016-2

The citations that reference 31 CFR Chapter 103 were all updated to reflect the current citation of 31 CFR Chapter X. (Recommended)

2017-3

This policy was revised to include the credit union's record retention requirements for Savings Bonds.
(Recommended)

2017-4

Correction was made to the citation for certain remote banking notices/disclosures and transfer authorizations to comply with the requirements within [Regulation E](#). Changes were also made to the retention time period for Signature Guarantees. (Required)

2018-1

The record retention policy is being updated based on a response from Kenmark Financial Services, who manages the Medallion Signature Guarantee program. They indicated that the Medallion Program does not set any guidelines for record retention. Instead, it is up to the institution's own internal policies and procedures. A claim can be made up to six years AFTER the date of discovery. Therefore, as a conservative approach the record retention guidelines are being updated to reflect 6 years for retention. (Recommended)

Policy 10100 – Record Retention

Older Updates: 2014-1

2015-1

The sample Record Disposition Log and Records Preservation Log were removed from the policy and included in the "Tools" area of the CU PolicyPro Library. (Recommended)

Policy 11001 FAIR CREDIT REPORTING ACT (FCRA)

Older Updates: 2012-1, 2014-4

2015-2

The Fair Credit Reporting Act had an error in the Definitions section reference section 10 as opposed to 11 for the listing of other permissible purposes of using credit reports. This was amended in this revision.

(Recommended)

2016-1

The CFPB published a [bulletin](#) on February 3, 2016 regarding the requirements of credit unions to establish reasonable written policies and procedures regarding the accuracy and integrity of information furnished to the Credit Reporting Agencies, specifically pointing out the applicability of furnishing deposit account information. Therefore, we are updating this policy to indicate the need to provide certain disclosures when information in a consumer report is used to take adverse action generally on a member. (Recommended)

Policy 11002 – Furnishing Information to CRAs

Older Updates: 2008-1, 2009-1, 2014-4

Policy 11003 – Accuracy and Integrity of Information

Older Updates: 2014-4

2016-1

Revisions were also made to Policy 11003 to indicate that “Furnishers” also include credit unions who provide deposit account information to specialty CRAs and are therefore governed under the same standards of providing accurate information.

Policy 11004 – Pre-Screened Offers of Credit

Older Updates: 2014-4

2017-2

Policy 10004 was revised to correct an error of inversed numbers on a regulatory citation. The correct reference to record retention in Regulation E is 1005.13. (Recommended)

Policy 11005 - Adverse Action On The Basis Of Information Contained In Consumer Reports

Older Updates: 2014-4

Policy 11006 – Receipt of Dispute of Accuracy of Information

Older Updates: 2014-4

2015-1

The guidelines under section 2 for “Frivolous or Irrelevant Dispute” was reworded to provide further clarity on how a credit union determines if a dispute qualifies as frivolous or irrelevant and to complete item B under this section. (Recommended)

DELETED Policy 11008: Credit Reports

2014-4

This policy has been removed from the Master Manual because the information in this policy is available in another policy within CU PolicyPro. Information regarding the requirements for credit unions regarding establishing new credit or issuing additional cards on an existing credit plan when a member has an alert on their consumer report can be found in Policy 11001 – Fair Credit Reporting Act. (Recommended)

Policy 11009 – Identity Theft Red Flags

Older Updates: 2014-1, 2014-4

Policy 11010: Risk Based Pricing

Older Updates: 2012-1, 2014-4

DELETED Policy 11011 – Disclosure of Credit Scores

2015-1

This policy is being suggested for elimination. Policy 11001 – Fair Credit Reporting Act contained duplicative information regarding the Notice to Home Loan Applicants disclosure requirement for lenders that make or arrange mortgage. (Recommended)

Policy 11012 – Disclosure of Information to Victims of Identity Theft

Older Updates: 2014-4

DELETED - Policy 11013 – Prevention of Re-Pollution of Consumer Reports

2015-1

This policy is being suggested for elimination. Policy 11003 was revised to include the requirements outlined in the FCRA regarding the furnishing of information to a CRA if the Credit Union received notification that the information resulted from identity theft. Information regarding the furnishing of information to a CRA that was a result of identity theft is also addressed in Policy 11009 – Identity Theft Red Flag Guidelines.

(Recommended)

DELETED - Policy 11014 – Reconciling Addresses

2015-1

This policy is being suggested for elimination. Policy 11009 – Identity Theft Red Flag Guidelines addresses the Credit Union's obligations as a user of credit report information when a notice of an address discrepancy is received from a credit bureau. (Recommended)

Policy 11015 - Obtaining and Using Medical Information

Older Updates: 2014-4

Policy 11016 – Affiliate Marketing Rules

Older Updates: 2014-4

2017-5

This policy was updated to correct a clerical error. (Recommended)