**Summary of Content Changes  
2017.3 Update – June 2017**

**General Notes**

With an applicability date of June 9, 2017, the [Department of Labor’s expanded definition of a fiduciary under the Conflict of Interest rules](https://webapps.dol.gov/federalregister/PdfDisplay.aspx?DocId=28806) may impact certain credit union activities. Credit unions that refer business to a third-party broker dealer and receive compensation will need to work with that broker dealer to make sure they are complying with an exemption under the rules. Additionally, credit unions will need to look at their own procedures and processes for investment advice and compensation structure related to the Individual Retirement Account (IRA) term deposits offered at the credit union.

Effective September 15th is the second phase of [NACHA’s Same Day ACH rules](https://www.nacha.org/rules/same-day-ach-moving-payments-faster-phase-2). On this date, Same Day ACH will be available for debit entries (in addition to credit entries which was effective last year).

Some of the [CFPB’s Mortgage Servicing](https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/amendments-2013-mortgage-rules-under-real-estate-settlement-procedures-act-regulation-x-and-truth-lending-act-regulation-z/) changes become effective on October 19, 2017. In order to assist credit unions prepare and obtain Board approval, model policies have been update to reflect these changes, although these policy revisions shouldn’t be adopted until after the effective date.

Credit unions also need to be aware that compliance is mandatory as of October 3, 2017 for the [Military Lending Act](https://www.federalregister.gov/documents/2015/07/22/2015-17480/limitations-on-terms-of-consumer-credit-extended-to-service-members-and-dependents) changers pertaining to the Military Annual Percentage Rate (MAPR) for credit cards. Policy 7213 – Military Personnel Loans was revised to include additional information on the MAPR and the exclusion of certain bona fide reasonable credit card fees. Credit Unions can adopt this policy ahead of October 3, 2017, but must comply with these new requirements by the mandatory compliance date.

**Policy Updates Summary**

**Policy 2212 – Individual Retirement Arrangements**

**2017-3**

With the changes made to the [Department of Labor’s expanded definition of a fiduciary under the Conflict of Interest rules](https://webapps.dol.gov/federalregister/PdfDisplay.aspx?DocId=28806), 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 2610 – ACH Operations**

**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)

**Policy 2611 – ACH Management**

**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 2612 – ACH Audit**

**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)

**Policy 6220 – Non-Deposit Investment Products**

**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](https://webapps.dol.gov/federalregister/PdfDisplay.aspx?DocId=28806) that becomes applicable to credit unions on June 9, 2017.

(Recommended)

**Policy 7120 – Fair Lending**

**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)

**Policy 7213 – Military Personnel Loans**

**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](https://www.federalregister.gov/documents/2015/07/22/2015-17480/limitations-on-terms-of-consumer-credit-extended-to-service-members-and-dependents), along with the exclusion of certain bona fide, reasonable fees. Compliance is mandatory as of October 3, 2017.

(Required)

**Policy 7360 – Mortgage Servicing Rules**

**2017-3**

Policy 7360 was revised to incorporate the first set of changes to the [CFPB’s Mortgage Servicing](https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/amendments-2013-mortgage-rules-under-real-estate-settlement-procedures-act-regulation-x-and-truth-lending-act-regulation-z/) 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)

**Policy 7361 – Small Servicer Mortgage Servicing Rules**

**2017-3**

Policy 7361 was revised to incorporate the first set of changes to the [CFPB’s Mortgage Servicing](https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/amendments-2013-mortgage-rules-under-real-estate-settlement-procedures-act-regulation-x-and-truth-lending-act-regulation-z/) 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)

**Policy 8100 – General OREO Policy**

**2017-3**

Policy 8100 was revised to coincide with [NCUA’s Letter to Credit Unions (08-CU-25)](https://www.ncua.gov/regulation-supervision/Pages/policy-compliance/communications/letters-to-credit-unions/2008/25.aspx). 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 10011 – Table 11 – Member Account Records**

**2017-3**

This policy was revised to include the credit union’s record retention requirements for Savings Bonds.

(Recommended)