

March 20, 2019

Course Updates – Summary of Changes

Regulations

None this period

Maintenance

- Advertising Compliance – 8
- CU - Advertising Compliance - 16339
- AML and SAR for Mortgage Lenders - 1407
- AML for Lenders - 858
- CU - AML for Lenders – 13830
- Assessment – Cash Flow Analysis - 29590
- Diagnostic Assessment – Cash Flow Analysis - 28897
- Bank Secrecy Act for Operations - 97
- GM - Bank Secrecy Act for Operations - 117662
- Bank Broker/Dealer Exemptions: Regulation R- 81
- BSA/AML for Trust – 40
- CU - BSA/AML for Trust – 43708
- CU – Elder Financial Abuse – 67323
- Elder Financial Abuse basics/Elder Financial Abuse/P1
- Electronic Funds Transfer Act – Regulation E – 66748
- . Electronic Funds Transfer Act - Regulation E – 88
- CU - Electronic Funds Transfer Act - Regulation E – 67455
- . CU - Electronic Funds Transfer Act - Regulation E – 16359
- FSC - Electronic Funds Transfer Act - Regulation E – 15624
- GM - Electronic Funds Transfer Act - Regulation E – 97521
- GLB Privacy (No Opt-Out) Regulation P - 66751
- CU - GLB Privacy (No Opt-Out) Regulation P - 67750
- . GLB Privacy (No Opt-Out) - 34
- . CU - GLB Privacy (No Opt-out) - 16374
- Home mortgage Disclosure Act - 58680
- FSC - Introduction to Compliance for Front-Line Employees - 14466
- Introduction to Human Trafficking - 84452
- FSC - Regulation Review: OFAC, BSA, TILA, ECOA, GLBA - 14703

- Servicemembers Civil Relief Act (SCRA) – 53
- CU - Servicemembers Civil Relief Act (SCRA) – 17199
- FSC - Servicemembers Civil Relief Act (SCRA) – 29280
- DI – Sexual Harassment - 66745

IRA Retirement Planning Suite

The following courses have been reviewed by the IRA Subject Matter Expert (SME) and updated for 2019.

- IRA Beneficiary Options 3004
- IRA Contributions 3005
- IRA Distributions 3006
- IRA Required Minimum Distributions 3346
- IRA Rollovers, Transfers & Direct Rollovers 3347
- Traditional IRA Overview 3345
- SIMPLE IRA Basics 3353
- Simplified Employee Pension (SEP) Plans 3354
- Roth IRA Overview 3349
- Health Savings Accounts 3350
- Excess IRA Contributions 3348
- Education Savings Accounts (ESA) 3352

Refresher Course Redesign Release

The following courses are a major redesign of the Regulatory Refresher series. The courses have been reviewed by the Subject Matter Experts (SMEs) to focus on the critical regulatory and conceptual information. These courses are designed for employees that have previously taken the longer, more detailed courses usually given to new hire staff.

The following courses replace the previous refresher versions:

- Bank Secrecy Act Refresher 2737
- Check 21 Act Overview Refresher 2744
- Community Reinvestment Act (CRA) Refresher 64
- Customer Identification Program (CIP) Refresher 2742
- DI - Sexual Harassment Refresher 2738
- Electronic Funds Transfer Act: Regulation E Refresher 2733
- Equal Credit Opportunity Act: Regulation B Refresher 2734
- Expedited Funds Availability Act: Regulation CC Refresher 2736
- Fair Credit Reporting Act (FCRA) Refresher 2743
- Fair Lending Overview Refresher 2770
- GLB Privacy Regulation P Refresher 2739

- Identity Theft Red flags keep DU version 47078
- Office of Foreign Assets Control (OFAC) Refresher 2745
- Real Estate Settlement Procedures Act: Regulation X Refresher 2746
- Right to Financial Privacy Act (RFPA) Refresher 2741
- Truth in Lending Act - Regulation Z Refresher 2732
- Truth in Savings - Regulation DD Refresher 2323
- Unfair, Deceptive or Abusive Acts or Practices for the Financial Institution Refresher 35532
- CU - Bank Secrecy Act Refresher 47074
- CU - Electronic Funds Transfer Act: Regulation E Refresher 124146
- CU - Equal Credit Opportunity Act: Regulation B Refresher 124138
- CU - Expedited Funds Availability - Reg. CC Refresher 21650
- CU - Fair Credit Reporting Act (FCRA) Refresher 124150
- CU - Fair Lending Overview Refresher 124155
- CU - GLB Privacy Regulation P Refresher 21653
- CU - Identity Red Flag Programs Refresher Course 21651
- CU - Member Identification Program (MIP) Refresher 21649
- CU - Office of Foreign Assets Control Act Refresher 21652
- CU - Real Estate Settlement Procedures Act Regulation X Refresher 124177
- CU - Right to Financial Privacy Act (RFPA) Refresher 124180
- CU - Truth in Lending Act - Regulation Z Refresher 124187
- CU - Truth in Savings - Regulation DD Refresher 124192
- CU - Unfair, Deceptive or Abusive Acts or Practices for the Financial Institution Refresher 124196

Following courses are retired:

- Bank Secrecy Act for Lending Personnel - Refresher Course 47074
- Bank Secrecy Act for Management - Refresher Course 47075
- Bank Secrecy Act for Operations Personnel - Refresher 47076
- Bank Secrecy Act for Tellers - Refresher Course 47077
- Community Reinvestment Act (CRA) for Intermediate Institutions Refresher 4871
- Community Reinvestment Act (CRA) for Small Institutions Refresher 4874
- CU - Bank Secrecy Act for Financial Service Professionals - Refresher Course 21644
- CU - Bank Secrecy Act for Lending Personnel - Refresher Course 21645
- CU - Bank Secrecy Act for Management - Refresher Course 21646
- CU - Bank Secrecy Act for Operations Personnel - Refresher 21647
- CU - Bank Secrecy Act for Tellers - Refresher Course 21648
- CU - Safeguarding Member Information - Refresher Course 21655
- CU - Understanding the Reg E Initial Disclosure - Refresher Course 21656
- Privacy of Consumer Financial Information (Reg. P) Refresher Course 34840

Regulations

None this period

Maintenance

Advertising Compliance – 8

CU - Advertising Compliance – 16339

Question 4 reported to be confusing.

Old version - The circumstances under which charges may be imposed are a triggering term in an ad for open-end credit.

Correct answer is True

New version - When a triggering term is listed in an ad for open-end credit, the circumstances under which charges may be imposed must also be disclosed.

Correct answer is True

AML and SAR for Mortgage Lenders - 1407

What's Next/Tip Sheet/Page 1

Replaced tip sheet file with new file.

AML for Lenders - 858

CU - AML for Lenders – 13830

Question 5 had the correct answer adjusted to prevent confusion.

Question read - The three independent steps to laundering money are (in order):

- a) Placement, integration, and spending
- b) Placement, layering, and introduction
- c) Placement, layering, and integration
- d) Introduction, layering, and integration

Correct answer is C - "Placement, layering, and integration."

Assessment – Cash Flow Analysis – 29590

Diagnostic Assessment - Cash Flow Analysis – 28897

Revised sample Analysis document used with the assessment questions.

Content provided by Eensight.

Question 18 –

Old question read:

A traditional debt service coverage ratio is best defined as:

- A. EBITDA/Interest
- B. Net income/(interest + principal)
- C. EBIT/(interest + principal)
- D. EBITDA /(interest + principal)
- E. None of the above

Correct answer was C – EBIT/(interest +principal)

Changed to:

The most widely used Debt Service Coverage ratios are:

- A. EBITDA/Interest
- B. Net income/(interest + principal)
- C. EBIT/interest
- D. Net Income/interest
- E. Both A and C

Correct answer is now E – Both A and C

Bank Secrecy Act for Operations - 97

GM - Bank Secrecy Act for Operations - 117662

Question 44 – revised date in example from 2018 to 2019

Your financial institution determined on 10/13/19 that it did not file CTRs on reportable transactions.

Bank Broker/Dealer Exemptions: Regulation R- 81

Sweep Exception/Sweep Exception Defined/Page 1

Sweep Exception

Rule 741 permits a bank, subject to certain conditions, to sweep funds in a deposit account into a money market fund that is not a no-load fund.

In addition, the rule permits a bank to invest other customers' funds into a money market fund if the customer has some other banking relationship with the bank (e.g., an escrow, trust, fiduciary or custody account, deposit, loan, or other extension of credit) and certain other conditions are met.

Sweep Exception/Sweep Exception Defined/Page 2

Load funds have front-end or deferred sales charges and/or sales-related expenses or service fees that exceed 25 basis points of average net assets annually.

Conversely, a fund is considered no-load if it is not subject to front-end or deferred sales charges, and the total sales-related expenses or service fees do not exceed 25 basis points of average net assets annually.

No-load does not include charges for certain services (the "seven dwarfs"), such as:

- Providing transfer agent or sub-transfer agent services
- Aggregating and processing orders
- Providing account statements
- Processing dividend payments
- Providing sub-accounting services
- Forwarding communications from the investment company to the beneficial owners, including proxies, shareholder reports, dividend and tax notices, and updated prospectuses
- Receiving, tabulating, and transmitting proxies executed by beneficial owners

Conditional Exemption for Load Funds

Regulation R allows a bank to engage in transactions with load funds, provided that the bank:

- Provides the customer with a prospectus for the fund either before or at the time the customer authorizes the transaction, and
- Does not classify to customer, characterize, or refer to any load funds as no-load

Sweep Exception/Sweep Exception Defined/Page 3 - Knowledge Check

Clarified the distinction of what qualifies for a sweep extension and what doesn't.

One case that does not qualify is if a bank, subject to certain conditions, sweeps funds in a deposit account into a money market fund that is not a no-load fund. When a bank invests other customers' funds into a money market fund, the customer has no other banking relationship with the bank, and certain other conditions are met, this does not qualify.

A case that does qualify is if a bank, subject to certain conditions, sweeps funds in a deposit account into a money market fund that is not a no-load fund. If a bank invests other customers' funds into a money market fund, the customer has some other banking relationship with the bank, and certain other conditions are met, it does qualify.

BSA/AML for Trust – 40

CU - BSA/AML for Trust – 43708

Introduction/BSA and Money Laundering/Page 4

Code on page causing issue in some customer's LMS. Revised the activity to use HTML5 replacement

Methods of Money Laundering

Click on each method of money laundering to read more about it.

Placement

Structuring

Layering

Integration

Integration
The process of inserting illegal funds back into the economy. This is often accomplished by mixing illegal funds with funds from legitimate sources, so as to make them appear to have legitimate origins.

CU – Elder Financial Abuse – 67323

Elder Financial Abuse basics/Elder Financial Abuse/Page 1

Corrected a bad space typo “for a”

Did You Know?

In California, the Elder Abuse and Dependent Adult Civil Protection Act and Financial Elder Abuse Reporting Act of 2005 define elder financial abuse as "occurring when any person or entity takes, secretes, appropriates, obtains, or retains real or personal property of an elder or dependent adult **for a** wrongful use or with the intent to defraud," or who assists in doing so.

Electronic Funds Transfer Act – Regulation E – 66748

. Electronic Funds Transfer Act - Regulation E – 88

CU - Electronic Funds Transfer Act - Regulation E – 67455

. CU - Electronic Funds Transfer Act - Regulation E – 16359

FSC - Electronic Funds Transfer Act - Regulation E – 15624

GM - Electronic Funds Transfer Act - Regulation E – 97521

Disclosure Requirements/Periodic Statements/Page 1

Line of text had a new edit with a transposition. Corrected.

“Address and phone number for the consumer to make inquiries or give notice of errors”

GLB Privacy (No Opt-Out) Regulation P - 66751

CU - GLB Privacy (No Opt-Out) Regulation P - 67750

. GLB Privacy (No Opt-Out) - 34

. CU - GLB Privacy (No Opt-out) - 16374

Concept 1/Requirement/Page 11 Knowledge Check

Feedback for the question was in error. Question read:

Your institution does not need to use the model notice included in Regulation P if it chooses to use the electronic delivery method for the Annual Privacy Notice.

Correct answer is False

Feedback should be: The correct answer is "False." Your institution must use the model notice found in Regulation P.

Home Mortgage Disclosure Act - 58680

Test question 18 was miss-linked to the wrong course page. Reset.

Your institution should report the applicant's age as of the loan closing date as the number of years derived from the date of birth shown on the application form.

HMDA Data Points: Items 31-31, 49-50, 53-57

31-32., 49-50., 53-54. Ethnicity, Race, and Sex Collected on the Basis of Visual Observation or Surname

Indicate if the completion of the ethnicity, race, and sex codes was by visual observation/surname.

55-56. Age

If the applicant and co-applicant are individuals, report their ages (as of the application date) as a number in whole years, derived from the date of birth shown on the application form.

FSC - Introduction to Compliance for Front-Line Employees - 14466

Compliance for Tellers/Compliance Basics/p

Replaced a vague Fill in the Blank question.

Your duties as a teller would include all of the following EXCEPT:

- a) Receiving cash
- b) Responding to inquiries about account balances
- c) Providing progress information to customers about suspicious activity reports
- d) Providing product information

Correct answer is C - Providing progress information to customers about suspicious activity reports.

Introduction to Human Trafficking - 84452

Trafficking Introduction/Timea's Story/Page 2

Video became corrupted in some customer players. Re-rendered the video file and replaced the asset.

FSC - Regulation Review: OFAC, BSA, TILA, ECOA, GLBA - 14703

TILA/Coverage/Page 1

Updated the Truth in Lending Act threshold dollar amount to the new 2019 amount of \$57,200

Coverage

TILA is implemented by Regulation Z. A loan (or credit) must meet the following criteria to be covered by Regulation Z:

- The loan must be primarily for personal, family, or household use
- The loan must be extended to a person (not a business) and be payable to the institution
- The loan must be subject to a finance charge or payable by a written agreement in more than four installments
- If the loan is secured by real property or a dwelling, a loan of any amount is covered; if the loan is not secured by real property or a dwelling, then only loans for \$57,200 or less are covered unless the loan is for private education

The following loans are exempt from Regulation Z coverage:

- Loans primarily for business, commercial, or agricultural purposes
- Loans made to entities other than a person (including credit to governmental bodies)
- Loans of more than \$57,200 that are not secured by the principal dwelling of a consumer or classified as a private education loan
- Loans for home fuel budget plans
- Student loans made, insured, or guaranteed by the federal government

Servicemembers Civil Relief Act (SCRA) – 53

CU - Servicemembers Civil Relief Act (SCRA) – 17199

FSC - Servicemembers Civil Relief Act (SCRA) – 29280

Course had minor edits to clarify some area from a customer report. Also, some dates were changed to reflect 2019.

Financial Rights and Protections/Exercising SCRA Rights/Page 2

Expanded material on the extensions to the length of time that mortgage protections are covered.

For a detailed review of the changes, please request a Detailed Change Document from you Customer Advocate.

Other Provisions

Mortgages and Trust Deeds

The SCRA also contains special rules regarding debts secured by a mortgage, trust deed, or similar security interest in real or personal property owned by a servicemember. Generally, the act prohibits the sale, foreclosure, or seizure of property based on a breach of such a secured obligation during the period of military service or within 90 days* thereafter. The prohibition applies only to obligations that originated prior to the servicemember's military service and for which the servicemember is still obligated.

Under Section 3953 of the SCRA, during a period of military service, and for one year after a period of military service, a lender must get a court order to foreclose on a mortgage. This coverage period has changed over time.

In December 2017, the president signed in law the National Defense Authorization Act for 2018, which extended the one-year coverage period through December 31, 2019.

Courts have the ability under the SCRA, and a duty in certain circumstances, to stay a non-judicial foreclosure proceeding or adjust the payments, if the servicemember's ability to meet the obligation is materially affected because of his or her military service.

*The one-year legal protection period will be effective through December 31, 2019. Unless extended by further legislation, on January 1, 2020, the protection period will revert to 90 days after military service.

DI – Sexual Harassment - 66745

Types of Sexual Harassment/Quid Pro Quo Harassment/Page 1

The critical factor in quid pro quo sexual harassment is the coercion, not the recipient's consent to the advances. For example, if an employee accepts unwanted advances to maintain good standing with the **bos,** or is punished for refusing advances, then quid pro quo sexual harassment has occurred.

Corrected spelling and deleted comma.

The critical factor in quid pro quo sexual harassment is the coercion, not the recipient's consent to the advances. For example, if an employee accepts unwanted advances to maintain good standing with the **boss or** is punished for refusing advances, then quid pro quo sexual harassment has occurred.