**Summary of Content Changes  
2019.1 Update – April, 2019**

**General Notes**

The CFPB (which has now been confirmed as the CFPB instead of the BCFP – but that’s another story), issued their annual amendments to threshold changes for both the [Home Mortgage Disclosure Act (HMDA)](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfp_final-rule_home-mortgage-disclosure-act_annual-adjustment_12-2018.pdf) and the asset size limit under [Regulation Z](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/bcfp_final-rule_truth-in-lending-act-escrows_threshold-adjustment_12-2018.pdf) that impacts the escrow requirement exemption for Higher-Priced Mortgage Loans (HPMLs). These were issued after we released our last update. While we don’t have the escrow limit in policy, we did adjust the HMDA limit in Policy 9200 in this update.

The NCUA also made some changes related to their [Flood Insurance rules](https://www.ncua.gov/files/publications/regulations/loans-special-flood-hazards-feb-2019.pdf) (Part 760), which become effective on July 1, 2019. We have updated both policy 7330 and 7420 to comply with these changes.

Other changes made in this update were to “beef up” content related to e-commerce and overdraft protection, which appear to be priorities in recent examinations. Also, we previously updated all instances of CFPB to BCFP – these have all been changed back to CFPB (the change to CFPB was not redlined, but we recommend doing a search on your own policies for BCFP and updating those references).

**Policy 2290 – Wire Transfers Update from October 2018**It was brought to our attention that while this policy was actually updated in the Model Policies in the October 2018 content updates, we neglected to provide an overview and summary of the change.  Please note the REDLINED version for the changes to this policy can now be found in the ***2018-3 Update*** folder. If you added this policy to your manual after 10/30/18, you are using the most current model policy content.

A small section was added to the policy to address “controls for mortgage related wires.”   In order to minimize risk of loss from errors or fraud from these typically large dollar amount wires and the speed most are processed, recommendation from Fannie and Freddie are to centralize wire transfer authority with limited amount of management, accounting or administrative employees having access.  While this is a best practice, smaller credit unions who may have limited staff, will want to adjust the policy accordingly.  **(Recommended)**

**2019-1 Update Summary**

**Policy 2616 – Prepaid Accounts \*\*New Policy**

**2019-1**

Effective on April 1, 2019, Regulation E and Regulation Z were both expanded to provide coverage to prepaid accounts. There is a specific definition of “prepaid accounts” under Regulation E, along with certain exemptions. Before adopting this policy, the credit union should ensure they are offering a prepaid product under the rules. If so, there are certain requirements the credit union will need to follow, including periodic statements, error resolution and liability, receipts, disclosures, etc. **(Recommended if service offered)**

**Policy 2220 – E-Commerce**

**2019-1**

This policy was updated to provide more opportunities for customization related to e-commerce services offered by the credit union, associated employee training and the related reporting. There were also updates made regarding terms that are out of date within the Audit and System Architecture sections of the policy. Credit unions should note that [NCUA Letter 02-CU-17](https://www.ncua.gov/files/letters-credit-unions/LCU2002-17.pdf) is a helpful resource when further customizing the policy and implementing associated procedures. Two new key fields were added to this policy. **(Recommended)**

**Policy 4160 – Bomb Threats**

**2019-1**

This policy was updated to include the possibility for bomb threats to be received via email and verbally, in person. In addition, a reference was added to include the use of a [bomb threat checklist](https://www.dhs.gov/sites/default/files/publications/dhs-bomb-threat-checklist-2014-508.pdf), which can be found on the [Department of Homeland Security website](https://www.dhs.gov/what-to-do-bomb-threat), along with many other helpful resources. **(Recommended)**

**Policy 7215 – Overdraft Protection (Courtesy Pay)**

**2019-1**

We are hearing from credit unions that overdraft programs are under significant examiner scrutiny. We wanted to strengthen the policy to include additional best practices, as outlined in [NCUA Letter 05-CU-03](https://www.ncua.gov/files/letters-credit-unions/LCU2005-03.pdf). However, credit unions should keep in mind that because there is significant program variations in our industry, we tried to make general statements. For example, we mention “The Credit Union will define and monitor excessive overdraft protection usage.” While, we don’t define what that is, the credit union should either customize the policy accordingly or have a corresponding procedure that includes more detailed definitions that drives your processes. **(Recommended)**

**Policy 7330 – Residential Real Estate Loans**

**2019-1**

The NCUA issued [final rules](https://www.ncua.gov/files/publications/regulations/loans-special-flood-hazards-feb-2019.pdf) impacting private flood insurance that become effective on **July 1, 2019.** These changes essentially require credit unions to accept private flood insurance that meet the definition under the rules and have the option of accepting private flood insurance that might fall outside of the definition. Credit unions should plan to update their policy and corresponding procedures to comply with the July 1, 2019 effective date. **(Required if offered)**

**Policy 7420 – Member Business Loans/Commercial Lending**

**2019-1**

The NCUA issued [final rules](https://www.ncua.gov/files/publications/regulations/loans-special-flood-hazards-feb-2019.pdf) impacting private flood insurance that become effective on **July 1, 2019.** These changes essentially require credit unions to accept private flood insurance that meet the definition under the rules and have the option of accepting private flood insurance that might fall outside of the definition. Credit unions should plan to update their policy and corresponding procedures to comply with the July 1, 2019 effective date. **(Required if offered)**

**Policy 9200 – Home Mortgage Disclosure Act – Regulation C**

**2019-1**

This policy was revised to reflect the annual threshold changes for exemption under the home mortgage disclosure act. The threshold has been changed to exempt credit unions that are under $46 million in assets as of December 31, 2018. **(Recommended)**