



LexisNexis®

2017 BANKING COMPLIANCE CALENDAR

Banking compliance is the key to a thriving financial institution, but with an increased risk of penalties, BSA violations, regulatory enforcement actions and more, your challenges in this area continue to mount.

Just a few of the changes on the horizon for 2017 include:

- Stage two of the Same Day ACH Rule goes into effect in September with phase-in to March 2018
- Banks subject to the Volcker Rule have an important deadline coming up in July
- Mortgage servicers will see multiple Reg X, Reg Z and FDCPA changes in October

To support your efforts in compliance, LexisNexis® Sheshunoff® offers the 2017 Banking Compliance Calendar. It provides a framework to help your institution plan for and satisfy many of the regulatory demands. Organized by month, you'll find a wealth of information to help your organization understand what specific regulations are required and when you need to act, along with suggested timelines for those regulations that have broader annual requirements. In addition, pertinent Sheshunoff® resources are suggested throughout the calendar to support your work.

The 2017 Banking Compliance Calendar offers:

- Important dates and reminders for dozens of 2017 regulatory requirements
- Insight, background and context to provide a deeper understanding of applicable regulations
- Relevant information to help you properly execute against these rules to avoid fines, lawsuits and reputational risk
- Suggestions for additional guidance and resources to help you satisfy examiner expectations and remain compliant

The most powerful tool against risk is knowledge. We hope the 2017 Banking Compliance Calendar proves helpful in guiding you and your institution to a successful, profitable and compliant year.

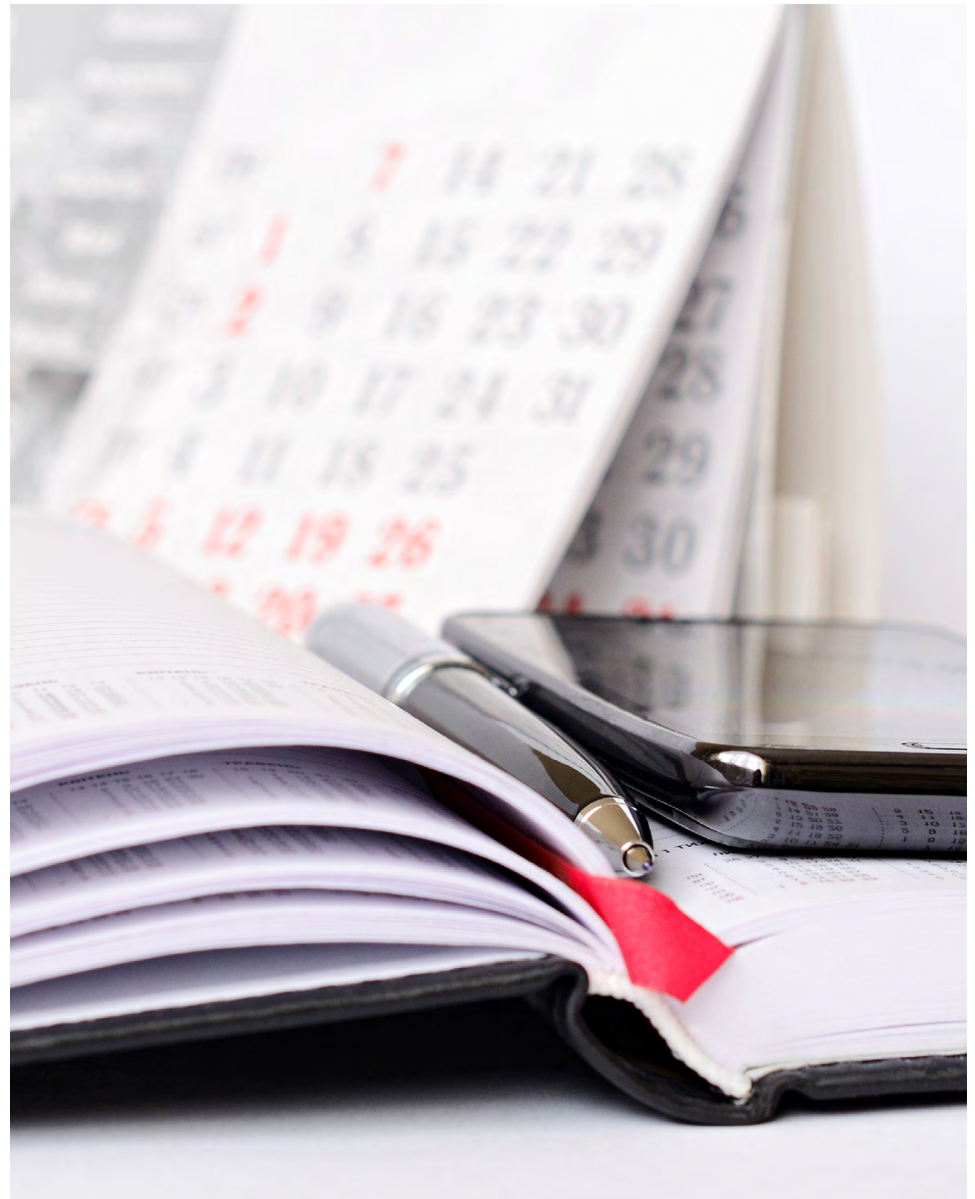
Sincerely,

The LexisNexis Sheshunoff Editorial Team

2017 Banking Compliance Calendar

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January

January 1, 2017

Annual adjustments for the dollar amounts for provisions implementing amendments to TILA under the CARD Act, HOEPA, and the Ability-to-repay and qualified mortgage sections became effective today. (<https://www.federalregister.gov/documents/2016/06/27/2016-14782/truth-in-lending-regulation-z-annual-threshold-adjustments-card-act-hoeпа-and-atrqm>)

Regulation Z is mostly a disclosure regulation, addressing various disclosure requirements that apply to every type of consumer loan. The Regulation Z disclosure requirements also extend to the marketing and advertising of lending products.

Need help with this or other compliance items?

[*Pratt's™ Regulatory Compliance Guide for Bankers*](#) provides analyses for each consumer regulation in its entirety and includes summaries of the effect of that regulation on different functions within a financial institution. This comprehensive Guide addresses operations, procedures, compliance, disclosures, notices, marketing, advertising and record retention. It also includes includes editable forms, as well as a section on recordkeeping rules.

January 1, 2017

New institutional HMDA reporting thresholds are effective. The rule narrows the scope of depository institutions subject to Regulation C in 2017. A bank will not be subject to Regulation C in 2017 unless it meets the asset size, location, federally related, and loan activity tests under current Regulation C, and it originated at least 25 home purchase loans, including refinancings of home purchase loans, as those terms are defined in current Regulation C, in both 2015 and 2016.

January 1, 2017

Optional use of the new Uniform Residential Loan Application and collection of expanded HMDA information about ethnicity and race are in effect.

There are Regulation C issues that arise with the use of the revised form. First, the options for labeling the ethnicity of the applicant differ from the choices available on the form currently in use. The Bureau has made it clear that, with respect to information collected in 2017, banks must submit the information concerning ethnicity and race using only aggregate categories and the codes provided in the filing instructions guide for HMDA data collected in 2017. The Bureau provides detailed instructions on how banks must “convert” information for this purpose.

Second, in cases where applications are received in 2017 and final action on those applications is not taken until 2018, banks have the option of submitting the information concerning ethnicity and race using disaggregated categories if the applicant provided such information, or using the transition rule described in the official commentary to Regulation C (comment 4(a)(10)(i)–2), even if the bank has permitted applicants to self-identify using disaggregated categories pursuant to this Bureau official approval.

Keep your marketing efforts in line with the requirements.

[*Bank Marketing and Advertising Regulatory Compliance*](#) provides officers clear, authoritative guidance to help them keep up with the ever-changing marketing compliance rules. And if you're on the compliance side, it can be equally tough to tell which products are affected by a rule change. You need a reliable resource that looks at marketing compliance the way you do—by product. This essential product development aid will help you know the limits as you develop and price new products.

January 5, 2017

If your bank is not publicly traded, ensure that any executive officer or director who has a loan secured by bank stock has made an annual report of that loan to the board. (Regulation O — 12 CFR 215.10)

Banks are required to identify all executive officers, directors and principal shareholders, and the related interests of each of these individuals, plus they must report on the terms and amounts of credit extended to these persons and their related interests. Related interests include companies in which they are a controlling entity. Control occurs when a director or executive officer owns 10 percent or more of the stock or when anyone owns 10 percent of the stock and no other shareholder owns or controls any more than 10 percent.

For example, assume a director of Community National Bank owns 20 percent of the bank's stock. Today he borrows \$15,000 from the bank for six months for vacation expenses. The director has to report this loan to the entire board of directors.

Find practical advice for compliance.

Helpful guidance can be found in the [*Compliance Officer's Management Manual*](#). This Manual is a comprehensive resource that provides clear and easy-to-follow compliance guidance, including coverage of all the regulations in a practical format; detailed coverage of each regulation's purpose, requirements, exemptions and liabilities for noncompliance; compliance responsibilities by function; compliance checklists; audit procedures; training guidelines; and sample forms and reports.

January 6, 2017

Ensure that your bank has adopted a reasonable method of inquiry and recordkeeping of the amount and terms of each extension of credit by the bank to your insiders. (Regulation O — 12 CFR 215.8)

Section 215.8 governs the records banks are required to make and retain for compliance with Regulation O. However, extensions of credit to executive officers and directors of affiliates can be excluded from 215.8 if they meet certain requirements.

Find practical advice for compliance.

[*Bank Safety and Soundness Regulatory Service*](#) is a comprehensive, regularly updated, clear and easy-to-use resource that helps you keep up with changing safety and soundness requirements. Topics include: capital requirements and interest-rate risks; restrictions on deposits, lending and investments; dealing with insiders and related parties; contracts adverse to safety and soundness; interbank liabilities; lending limits; and updated regulatory issues. Editable forms help you ensure that everything the examiners look for is covered.

January (continued)

January 30, 2017

HDMA data for fourth quarter 2016 must be recorded on LAR. (12 CFR 1003.4)

In addition to reporting your final loan application registration (LAR) entries to the Federal Financial Institutions Examination Council (FFIEC) in the spring, each quarter you must make sure that you have recorded all reportable transactions on your loan application register, within 30 calendar days after the end of the calendar quarter in which final action is taken (such as origination or purchase of a loan or denial or withdrawal of an application). (12 CFR 1003.4(a))

Need more information on this requirement?

Helpful guidance can be found in the [*Compliance Officer's Management Manual*](#).

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February

February 2, 2017

Begin to scrub your 2016 HMDA and Community Reinvestment Act (CRA) data for the reports **due March 1**.

Data Collection

All banks, other than small banks, must collect data and report to their principal regulator on four loan types:

- Home mortgage loans (includes home purchase, home improvement and refinancing)
- Small business loans
- Small farm loans
- Community development loans

Banks may choose to also collect data on consumer loans, such as motor vehicle, credit card, home equity or other secured and unsecured consumer loans.

The FFIEC has developed a guide for banks required to report CRA data.

This information, *Guide to CRA Data Collection and Reporting*, is available on its website at www.ffiec.gov/cra.

Looking to increase your compliance knowledge?

The [Regulatory Compliance Certification Program](#) ensures a compliance officer has the skills and knowledge needed to pass muster with examiners. This self-paced program consists of five modules: lending requirements, CRA/HMDA, deposit disclosure and interest-rate requirements, BSA/anti-money laundering, and other laws and regulations.

February 13, 2017

If you have registered on the Financial Crimes Enforcement Network (FinCEN) website to share information with other financial institutions, according to USA PATRIOT Act Section 314(b), renew annual certification. (Bank Secrecy Act)

Note: You must renew this certification annually on the anniversary date of your request for certification.

FinCEN Opinion on Associations of Financial Institutions in 314(b) Program

In response to a specific request, FinCEN has issued an opinion about the definition of “association of financial institutions” as it relates to participation in the voluntary information-sharing program implemented under Section 314(b) of the USA PATRIOT Act. Section 314(b) is implemented by 31 CFR 1010.540. In general, it allows financial institutions or associated financial institutions to share information with any other financial institution or association of financial institutions regarding individuals, entities, organizations and countries for purposes of identifying and, where appropriate, reporting activities that the financial institution or association suspects may involve possible terrorist activity or money laundering. If you intend to use this provision, you must notify FinCEN using the notice on its website and renew that certification each year. You must also have sufficient procedures to protect the security and confidentiality of information shared or received.

Furthermore, you must take reasonable steps to verify that the other financial institution or association of financial institutions has also submitted the notice to FinCEN. You can do that by consulting a list that FinCEN makes available on its website.

You may not indicate whether or not a suspicious activity report has or will be filed nor use the information shared for any purpose other than:

- Identifying and, where appropriate, reporting on money laundering or terrorist activities
- Determining whether to establish or maintain an account, or to engage in a transaction
- Assisting the financial institution in complying with any requirement of the BSA

You may not say whether or not a suspicious activity report has or will be filed.

Get updates on the latest compliance issues.

There's too much happening on the compliance front for you to want to tackle it all yourself. [Bank Regulatory Compliance Alert](#) is an easy way to keep up with fast-changing compliance issues. This monthly newsletter covers the latest bank compliance issues and provides valuable compliance guidance for all aspects of bank operations. An annual compliance calendar ensures you don't miss any important compliance deadlines.

February (continued)

February 23, 2017

Review the USA PATRIOT Act Section 314(a) procedures to respond to requests for information. Update the contact information if appropriate.* (Bank Secrecy Act)

Section 314(a)—Responding to Requests from Law Enforcement

Financial institutions are required to search their records to determine whether they have or had accounts for, or even engaged in transactions with, individuals listed in a request by FinCEN. FinCEN makes these requests on behalf of law enforcement agencies.

The search must cover current accounts, accounts opened in the prior 12 months, and transactions conducted in the prior 6 months (unless otherwise directed by FinCEN). If an account is identified, FinCEN should be notified. A contact person should be designated to coordinate 314(a) searches. FinCEN distributes the 314(a) subject lists through a secure website. The list is updated every two weeks.

Examiners require that your financial institution have a specific procedure for responding to and protecting the security and confidentiality of the 314(a) requests from FinCEN. The procedures will be considered adequate if they are similar to those you have established to protect the nonpublic information of all of your customers.

Looking for compliance officer training?

The [*BSA Officer Certification Program*](#) is self-paced training that gives BSA officers the information and skills needed to administer this critical compliance function. The training covers: the Bank Secrecy Act, the USA PATRIOT Act, anti-money laundering requirements, and the Office of Foreign Assets Control (OFAC) requirements. The manual becomes a handy reference to refresh the user's memory and get fast answers.

February 24, 2017

Review your tickler system of certifications for any foreign correspondent accounts you may have and ensure they are current.* (Bank Secrecy Act)

Establish Due Diligence Procedures for Correspondent Accounts of Foreign Financial Institutions

The Bank Secrecy Act requires enhanced due diligence measures for correspondent accounts established, maintained, managed or administered for any foreign bank that is:

- Operating under an offshore banking license
- Operating under a license issued by a country designated as being non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization of which the United States is a member and with which designation the United States concurs
- Operating under a license issued by a country designated by the Secretary of the Treasury as warranting special measures due to money laundering concerns

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*This activity is recommended to be performed annually; use your own discretion.

March

March 1, 2017

HMDA and CRA data for 2016 are due to the FFIEC.

Checklist for Officer Certifying the LAR

Note: Regulation C requires that an officer certify the accuracy of the HMDA report submitted by an institution to its supervisory agency. The following checklist will help you conduct this review. The answer should be “yes” to each of the questions.

- Has your institution acquired or merged with another institution during the reporting year? If so, refer to the FFIEC publication [*A Guide to HMDA Reporting: Getting It Right!*](#)
- If you report more than 25 entries, has your institution's loan/application register been prepared in an automated format, using the correct format for automated reports, and following the instructions from your supervisory agency?
- Does your LAR use the same column headings in the same order as on the LAR provided in Appendix A to the FFIEC booklet (*A Guide to HMDA Reporting: Getting It Right!*)? (Column headings may be abbreviated, as long as the meaning remains clear.)
- Does the register include the consolidated loan data from all of your institution's divisions or branches (including loans and applications handled by your commercial loan division, if applicable)?

- Does the register exclude loan data from any subsidiaries of your institution (which must report separately)?
- Does the register list the Metropolitan Statistical Area (MSA) or Metropolitan Division (MD) number, state and county codes, and 2000 census tract numbers for all entries for properties located in MSAs or MDs where you have a home or a branch office?
- Are all the census tract numbers on the register from the 2000 census tract series?
- If your institution is required, under Community Reinvestment Act regulations, to report property location outside MSAs or MDs where you have offices, have these data been entered?

Get your mortgage-lending compliance questions answered.

[*Mortgage Lenders Model Compliance Manual: Policies, Forms, and Checklists*](#) will help your residential mortgage lending staff understand and comply with a variety of changing state and federal regulations. This Manual provides your staff with the guidance and analysis needed for every part of your operation.

March (continued)

March 3, 2017

Conduct annual review of certain BSA-exempt customers for continued eligibility and monitoring for suspicious activity.*
(Bank Secrecy Act)

Exemptions

31 CFR 1020.315 contains all the information relating to transactions of exempt persons. This Section allows banks to exempt only certain entities. It is important to note that, although extremely inclusive of most business customers of retail banks, there are still entities which, if engaged in certain activity, may not be exempt. The exceptions are noted in Section 1010.311(d)(viii). Therefore, you must still make sure your bank does not exempt nonlisted business customers who are engaged in business activities enumerated in the statute.

The reason FinCEN has specified ineligible business activity in this manner is that any business, regardless of what it calls itself, that derives more than 50 percent of its gross revenues from specific activities is automatically not exemptible. This means, of course, that your bank must have reasonable procedures in place to determine what a customer's business is and from where it derives its income.

An exempt person is defined in 31 CFR 1020.315(b).

Looking for BSA/AML guidance?

The [Bank Secrecy Act and Anti-Money Laundering Service](#) provides a complete overview of the Bank Secrecy Act that will help you establish and manage your BSA-compliance program, record and report transactions, maintain compliance with recordkeeping requirements, and comply with other anti-money laundering requirements. This resource includes tools such as sample BSA compliance policies, checklists and training materials.

*This activity is recommended to be performed annually; use your own discretion.

March 30, 2017

Review CRA public file. All information must be accurate and updated by April 1, including the loan-to-deposit ratio for small and intermediate small banks.

Banks other than small banks: If your bank is not a small bank, it should make the following information pertaining to the prior two calendar years available in the public file:

- If your bank has elected to have one or more categories of its consumer loans considered under the lending test, for each of these categories, the number and amount of loans:
 - To low-, moderate-, middle- and upper-income individuals
 - Located in low-, moderate-, middle- and upper-income census tracts
 - Located inside the bank's assessment areas and outside the bank's assessment areas
- You must place your bank's CRA disclosure statement in the public file within three business days of its receipt from the regulatory agency.

Small banks: If your bank is a small bank or was a small bank during the prior calendar year, it must include the following in its public file:

- The bank's loan-to-deposit ratio for each quarter of the prior calendar year and, at its option, additional data on its loan-to-deposit ratio (calculated by dividing the bank's net loans and losses by its total deposits)
- Information required for other banks if your bank has elected to be evaluated under the lending, service and investment tests

Update your compliance officers' skills.

The [Regulatory Compliance Training Program](#) ensures a compliance officer has the skills and knowledge needed to pass muster with examiners. This self-paced program consists of five modules: lending requirements, CRA/HMDA, deposit disclosure and interest-rate requirements, BSA/anti-money laundering, and other laws and regulations.

March (continued)

March 31, 2017

Make your modified HMDA/LAR available.

After you submit your Loan Application Register (LAR), and have made any required changes the FFIEC has found, you must make your HMDA/LAR–modified data available to the public upon request in electronic or printed form.

Secure answers to your mortgage-lending compliance questions.

[Mortgage Lenders Model Compliance Manual: Policies, Forms, and Checklists](#) will help your residential mortgage lending staff understand and comply with a variety of changing state and federal regulations. This Manual provides your staff with the guidance and analysis needed for every part of your operation.

April

April 1, 2017

If you are a card issuer with 10,000 or more open credit card accounts, you must submit agreements to the Federal Reserve quarterly. The quarterly update is due. (Regulation Z)

Submission Requirements

A card issuer must make quarterly submissions to the CFPB, in the form and manner specified by the CFPB, that contain:

- Identifying information about the card issuer and the agreements submitted, including the issuer's name, address and identifying number (such as a Research and Scientific Support Department [RSSD] ID number or tax identification number)
- The credit card agreements that the card issuer offered to the public as of the last business day of the preceding calendar quarter that the card issuer has not previously submitted
- Any credit card agreement previously submitted that was amended during the preceding calendar quarter
- Notification regarding any credit card agreement previously submitted that the issuer is withdrawing

Discover timely, comprehensive guidance.

[Electronic Banking Compliance](#) is for the compliance officer, internal auditor or other banking personnel responsible for monitoring, reviewing and satisfying the requirements of federal laws, regulations and bank-card association and clearinghouse rules associated with electronic payments.

April 6, 2017

Conduct annual escrow analysis in compliance with 12 CFR 1024.177 of Regulation X.* (Note: Statements must be sent within 30 days of analysis.) (Regulation X)

Annual Escrow Account Statement

For each escrow account, a servicer must submit to the borrower an annual escrow account statement (and the previous year's projection or initial escrow account statement) within 30 calendar days of the completion of the escrow account computation year. The servicer must conduct an escrow account analysis before submitting the annual escrow account statement.

Note: This annual disclosure may include the annual statement regarding private mortgage insurance required by the Homeowners Protection Act of 1998 for certain loans consummated on or after July 29, 1999.

Stay on top of RESPA compliance.

[The RESPA Manual: A Complete Guide to the Real Estate Procedures Act](#) provides mortgage professionals with the insight and guidance they need to comply with RESPA on a daily basis, and attorneys with the tools and reference materials they need to provide their clients with well-considered advice, including up-to-date explanations of the Dodd-Frank Act and the CFPB regulations.

*This activity is recommended to be performed annually; use your own discretion.

April (continued)

April 15, 2017

Conduct annual Regulation CC training for appropriate staff.*
(12 CFR 229.19(f))

Regulation CC Training Topics

- A. Types of accounts covered
- B. Types of customers covered
- C. General rules
 - 1. Next-day items
 - 2. Second-day items
 - 3. Holds
 - a. Case-by-case
 - b. Exceptions
- D. Notice to depositors
 - 1. Initial disclosures
 - 2. Lobby signs

Training your staff has never been easier.

Using the [*Model Teller/CSR Training Manual with Trainer's Guide*](#) to train tellers and customer service representatives can help you secure your bank's image and differentiate it from its competition. The Manual and Guide follow a logical progression in training new staff, from the role of front-line staff in the bank to understanding banking regulations and security issues.

April 29, 2017

HMDA data for first quarter 2017 must be recorded on LAR.

In addition to reporting your final loan application registration (LAR) entries to the FFIEC in the spring, each quarter you must make sure you have recorded all reportable transactions on your loan application register within 30 calendar days after the end of the calendar quarter in which final action is taken (such as origination or purchase of a loan, or denial or withdrawal of an application). (12 CFR 1003.4(a))

Get practical advice for compliance with regulations.

Helpful guidance can be found in the [*Compliance Officer's Management Manual*](#). This Manual is a comprehensive resource that provides clear and easy-to-follow compliance guidance, including coverage of all the regulations in a practical format; detailed coverage of each regulation's purpose, requirements, exemptions and liabilities for noncompliance; compliance responsibilities by function; compliance checklists; audit procedures; training guidelines; and sample forms and reports.

*This activity is recommended to be performed annually; use your own discretion.

May

May 4, 2017

If you have a third-party provider for retail investment products, call the Financial Industry Regulatory Authority (FINRA) to determine if any complaints have been filed on the investment company or your designated representative.* (Nondeposit investment products)

Most community banks and thrifts sell uninsured deposits through arrangements with third parties who are broker/dealers. If you do so, you should have entered into a written agreement with the third party. The agreement must be approved by your board of directors, and you must monitor compliance with the agreement.

Find essential resources for compliance officers.

Tailored to the Federal Deposit Insurance Corporation (FDIC) requirements by Regulatory Compliance Associates® Inc., the [Compliance Monitoring Program for State Non-Member Banks](#) provides clear compliance guidance, including coverage of all the consumer regulations and each regulation's purpose, requirements, exemptions and liabilities for noncompliance. It offers detailed coverage of compliance responsibilities by function, compliance checklists, audit procedures, training guidelines, checklists, and sample forms and reports.

May 16, 2017

Update variable-rate home equity line-of-credit historical data.* (Regulation Z)

If you offer variable-rate home-equity lines of credit, then you must update the historical data that are required annually. You must give applicants a historical example, based on a \$10,000 extension of credit, that illustrates how annual percentage rates and payments would have been affected by index value changes implemented according to the terms of the plan. The historical example must be based on the most recent 15 years of index values (selected for the same time period each year) and must reflect all significant plan terms, such as negative amortization, rate carryover, rate discounts, and rate and payment limitations that would have been affected by the index movement during the period.

Get updates on the latest compliance issues.

[Bank Regulatory Compliance Alert](#) is an easy way to keep up with fast-changing compliance issues. This monthly newsletter covers the latest bank compliance issues and provides valuable compliance guidance for all aspects of bank operations. An annual compliance calendar ensures you don't miss any important compliance deadlines.

*This activity is recommended to be performed annually; use your own discretion.

June 2, 2017

Review and update, if appropriate, your general bank security program, including robbery procedures.* (12 CFR 30, 12 CFR 170, 12 CFR 208, 12 CFR 326, 12 CFR 391)

Security Devices

1. Each office of the bank in which cash or documents having cash value are maintained will be equipped with the following:
 - a. A rated vault and door having a time-lock double combination
 - b. Constant illumination in and around the vault area
 - c. Filming devices to record the progress of any robbery
 - d. An alarm system for summoning police assistance
 - e. Night vault alarms covering all vaults, including late-teller chests and night depositories
2. All alarms, combinations and filming devices are to be under standard maintenance contracts to ensure that such items are kept in good working order. The security officer will maintain a record of all such service and supplementary testing.
3. The security officer will arrange for a review of the bank's security system by local law enforcement personnel annually.
4. Comments and suggestions from local law enforcement personnel for enhancing security will be solicited, considered and reported to the bank's board of directors.

Find in-depth guidance on CRA compliance.

[*Bank Procedures: A Working Guide to Regulatory Compliance*](#) is your blueprint for developing and implementing the procedures mandated by regulators. Checklists provide analyses and documentation of procedural compliance throughout the bank, including the CRA.

June 9, 2017

Conduct robbery and physical security training for all bank staff.* (12 CFR 326, 12 CFR 391, 12 CFR 208, 12 CFR 30, 12 CFR 170)

Security Program

You must have a security program and robbery procedures that are specific for your institution, and you must review and update that program if necessary. For example, if your bank is located in a neighborhood with many robberies, your security plan should reflect that. You must also designate a security officer who must have the authority, subject to the approval of the board of directors, to develop and administer a written security program for each branch. The security officer must report at least annually to the bank's board of directors on the implementation, administration and effectiveness of your security program.

Learn how to implement security procedures.

[*Bank Security Desk Reference*](#) is a comprehensive, easy-to-use resource guide for financial institutions of all sizes, and will help those charged with the security function to stay abreast of emerging crime trends that target banks, credit unions, and savings banks. The BSDR identifies today's new risks and provides an array of practical, viable solutions to mitigate those risks at the least cost.

With over 900 pages of authoritative security-related guidance, the BDSR offers twenty-two chapters contained in four sections: laws and regulations, risks both traditional and electronic, best practices to mitigate the risks, and investigative techniques and requirements for reporting suspicious and criminal activities.

*This activity is recommended to be performed annually; use your own discretion.

June 30, 2017

Report any CRA-related agreements you or your affiliate may have with Nongovernmental Entities or Persons (NGEP) to your federal regulator. The report must contain the disbursement, receipt and uses of funds or other resources under the covered agreement. The report must be filed no later than six months following the end of the fiscal year covered by the report.

Report Information

The report must contain the following information:

- The name and mailing address of the NGEP filing the report
- Information sufficient to identify the covered agreement for which the annual report is being filed, such as by providing the names of the parties to the agreement and the date the agreement was entered into or by providing a copy of the agreement
- The amount of funds or resources received under the covered agreement during the fiscal year
- A detailed, itemized list of how any funds or resources received by the NGEP under the covered agreement were used during the fiscal year, including the total amount used for:
 - Compensation of officers, directors and employees
 - Administrative expenses
 - Travel expenses
 - Entertainment expenses
 - Payment of consulting and professional fees
 - Other expenses and uses (specify expense or use)

These reports can be challenging.

The [Federal Fair Lending and Credit Practices Manual](#) provides timely information and authoritative guidance on fair lending and credit practices, covering the seven major federal anti-discrimination and fair credit laws, and the requirements of the Consumer Financial Protection Bureau (CFPB). This easy-to-use reference is essential for banking law and financial services professionals.

July 6, 2017

Update your risk assessment for your procedures for information security, adjust the program as appropriate and report the status of your program to your board.* (Interagency Guidelines Establishing Information Security Standards)

Risk-Assessment Process Overview

Risk assessment is a process for connecting information gathered about business assets, their value and their associated vulnerabilities to produce a measure of the risk to the business from a specific project, implementation or design.

The identification of risk to an organization involves defining four basic elements:

- Actual threat
- Possible consequences of the threat
- Probable frequency of the occurrence of the threat
- Extent of management's confidence that the threat will happen

Because the nature of risks is constantly changing, not every possibility can be considered. Risk assessment tries to look into the future and lower the possibility that threats will affect the organization.

Looking at risk assessments and sample procedures?

Regulatory scrutiny on data security is increasing as mobile and electronic banking adoption grows. [*Information Security for Financial Institutions: Operations, Technology, and Compliance*](#) will help you create and maintain an information security program, ensuring comfort and compliance with both the regulators and your customers.

*This activity is recommended to be performed annually; use your own discretion.

July 21, 2017

Banks subject to the Volcker Rule must have divested themselves of direct ownership in certain legacy investment funds and terminate relationships with funds that are prohibited under section 619 of the Dodd-Frank Act, commonly known as the Volcker Rule. (Extended one-year in 2016)

What types of funds are covered by the Volcker Rule?

The Final Rule restricts banking entity investments and interactions with "covered funds." The definition of "covered fund" in the Final Rule includes principally:

- **Section 3(c)(1) and 3(c)(7) Funds:** As in the statute, the Final Rule's definition of "covered fund" includes entities that would be investment companies under the Investment Company Act of 1940 (ICA) but for Sections 3(c)(1) or 3(c)(7) of the ICA.
- **Certain Commodity Pools:** A commodity pool under Section 1a(10) of the Commodity Exchange Act is a covered fund if (i) the commodity pool operator has claimed an exemption under 17 CFR 4.7, or (ii) the commodity pool operator is registered with the Commodity Futures Trading Commission as a commodity pool operator in connection with the operation of the commodity pool, substantially all participation units of the commodity pool are owned by "qualified eligible persons" and participation units have not been publicly offered to persons who are not "qualified eligible persons."
- **Certain Foreign Funds (for U.S. Banking Entities Only):** With respect to U.S. banking entities only, a covered fund includes an entity that:
 - (i) is organized or established outside the United States
 - (ii) the ownership interests of which are offered and sold solely outside the United States
 - (iii) is, or holds itself out as being, an entity or arrangement that raises money from investors primarily for the purpose of investing in securities for resale or other disposition or otherwise trading in securities
 - (iv) either has as its sponsor that banking entity or has issued an ownership interest that is owned directly or indirectly by that banking entity

July 21, 2017 (continued)

(v) if the entity was subject to U.S. securities laws, the entity could not rely on an exclusion or exemption from the definition of “investment company” under the ICA other than the exclusions contained in Sections 3(c)(1) or 3(c)(7) of the ICA.

Need your questions answered?

Written in an easy-to-understand Q&A format, [*The Final Volcker Rule: The Proprietary Trading and Covered Fund Provisions*](#) can help provide an analysis of the complex proprietary trading and covered fund provisions of the Volcker Rule and their implications for affected institutions.

July 28, 2017

Every registered credit union and savings and loan association lender must file Form FR G-4 as required by Regulation U by July 28.

Regulation U

The purpose of Regulation U is to impose credit restrictions upon banks and nonbanks that extend credit for the purpose of buying or carrying margin stock if the credit is secured directly or indirectly by margin stock. Such institutions may not extend more than the maximum loan value of the collateral, as set by the Federal Reserve, securing such credit.

Want more compliance guidance, specifically for credit unions?

Regulatory compliance costs the banking industry hundreds of millions of dollars every year. [*Bank Policies: A Working Guide to Regulatory Compliance*](#) is your blueprint for developing and implementing the policies mandated by the regulators, covering everything from daylight overdrafts to credit scoring. Just follow the proven guidelines and sample materials and you can save hours of time while ensuring that your bank has effective, proven policies that have been tested in thousands of banks just like yours. Dozens of editable forms—such as worksheets, checklists and policies—can be downloaded and customized.

July 28, 2017

HMDA data for second quarter 2017 must be recorded on LAR.

In addition to reporting your final loan application registration (LAR) entries to the FFIEC in the spring, each quarter you must make sure you have recorded all reportable transactions on your loan application register within 30 calendar days after the end of the calendar quarter in which final action is taken (such as origination or purchase of a loan, or denial or withdrawal of an application). (12 CFR 1003.4(a))

Need more information on this item?

Helpful guidance can be found in the [*Compliance Officer's Management Manual*](#). This Manual is a comprehensive resource that provides clear and easy-to-follow compliance guidance, including coverage of all the regulations in a practical format; detailed coverage of each regulation's purpose, requirements, exemptions and liabilities for noncompliance; compliance responsibilities by function; compliance checklists; audit procedures; training guidelines; and sample forms and reports.

August

August 1, 2017

If you are a card issuer with 10,000 or more open credit card accounts, you must submit agreements to the Federal Reserve Board quarterly. The quarterly update is due. (Regulation Z)

Submission of Agreements to Board

Section 1026.58(c) requires that card issuers make quarterly submissions to the Board, in the form and manner specified by the Board. Quarterly submissions must be sent to the Board no later than the first business day on or after January 31, April 30, July 31 and October 31 of each year. Each submission must contain the following:

- Identifying information about the card issuer and the agreements submitted, including the issuer's name, address and identifying number (such as an RSSD ID number or tax identification number)
- The credit card agreements that the card issuer offered to the public as of the last business day of the preceding calendar quarter that the card issuer has not previously submitted to the Board
- Any credit card agreement previously submitted to the Board that was amended during the preceding calendar quarter and that the card issuer offered to the public as of the last business day of the preceding calendar quarter, as described in section 1026.58(c)(3)
- Notification regarding any credit card agreement previously submitted to the Board that the issuer is withdrawing, as described in section 1026.58(c)(4), (c)(5), (c)(6) and (c)(7)

Get more guidance on risk assessments.

[Risk-Based Compliance Audit Program: Risk Assessment Checklists and Related Requirements](#) helps to identify, rate and prioritize the areas in which you have risk exposure. This one-of-a-kind resource provides everything you need to minimize your bank's chances of investigations, litigation and costly penalties.

August 11, 2017

Deliver annual long Regulation E error resolution notice if you do not provide the notice on monthly statements.*

Error Resolution Notice—Regulation E

Regulation E requires a financial institution to give the consumer an error resolution notice periodically (12 CFR 205.8(b)).

If you have decided that you do not have room on the back of your deposit statements to include the shorter forms of the error resolution notices under Regulation E, then you must deliver long notices annually. The long notices are the same as the information that was given to customers and borrowers when they first opened an account. The short form alternative can be found in **Appendix A of Regulation E** (model form A-3(b)).

Ensure compliance with a range of payment systems laws and regulations.

[*Compliance Guide to Payment Systems: Law and Regulation*](#) was written specifically for bankers. This essential publication covers all types of payment systems, including: money/currency; bank checks; mobile banking; National Automated Clearing House Association (NACHA) rules; Credit Card Accountability, Responsibility and Disclosure Act (Credit CARD Act); disclosure requirements; high-to-low debit posting; unfair, deceptive or abusive acts or practices; credit union share drafts; remittance instruments; documentary drafts; letters of credit; credit cards; ATMs; wire transfers; Automated Clearing House (ACH) networks; smart cards; internet transactions; and home banking.

August 13, 2017

Deliver annual long Regulation Z error resolution notice if you do not disclose the short notice on periodic statements.*

Error Resolution Notice—Regulation Z

If you have decided that you do not have room on the back of your loan statements to include the shorter forms of the error resolution notices under Regulation Z then you must deliver long notices annually. The long notices are the same as the information that was given to the customers/borrowers when they first contract for an open-end loan. The short form alternative disclosure can be obtained from **Appendix G to Regulation Z** (model form G-4).

Looking for more compliance information?

[*Pratt's™ Regulatory Compliance Guide for Bankers*](#) provides analyses for each consumer regulation in its entirety and includes summaries of the effect of that regulation on different functions within a financial institution. This comprehensive Guide addresses operations, procedures, compliance, disclosures, notices, marketing, advertising and record retention. It also includes editable forms, as well as a section on recordkeeping rules. It also includes editable forms, as well as a section on recordkeeping rules.

*This activity is recommended to be performed annually; use your own discretion.

August 17, 2017

Review privacy policy, update if appropriate, have policy approved by the board, and deliver to existing customers. (Regulation P)

Policy Statement

Employees of [the bank] have a duty to protect the confidential nature of customers' financial records. Employees will not release customer financial information to any source other than a credit bureau without written authorization from the customer, a subpoena, summons or warrant.

The Right to Financial Privacy Act (12 USC 3401, 12 CFR 219, 29 CFR 19, 31 CFR 14) establishes specific procedures for federal government authorities to follow when seeking customer records. Your employees will follow the procedures contained in this policy when a federal agency requests customer financial information.

Review privacy and security compliance policies and procedures.

[Policies and Procedures](#) is an eBook that covers all areas of compliance, many of which include ethical considerations, particularly structure and governance policies and procedures. It also covers BSA/anti-money laundering and accounts and payment systems; credit, lending and leasing; finance and accounting; human resources; mortgage lending; and privacy and security policies and procedures.

September

September 1, 2017

Update/review your overall BSA risk assessment.* (Bank Secrecy Act)

Risk Assessment

Although the statute does not specify the frequency of the audit, regulators consider it a sound practice to conduct a BSA audit annually. The people conducting the BSA/AML testing should be independent of the process and report directly to the board of directors or to a designated board committee composed primarily or completely of outside directors.

The risk assessment should cover the following areas of the BSA compliance program:

- Compliance program
- Anti-money laundering program
- Internal controls
- Independent testing
- BSA compliance officer
- Training
- Record retention
- Electronic banking

Ensure compliance and mitigate risk.

[*BSA/Anti-Money Laundering: Internal Audit and Risk Management*](#) provides information to help your financial institution establish and implement risk-based policies, procedures and processes to comply with the most recent regulatory release of the *BSA/AML Examination Manual*. It also contains the latest information on topics such as electronic banking, changes to BSA reporting requirements and the Office of Foreign Assets Control (OFAC) compliance.

*This activity is recommended to be performed annually; use your own discretion.

September 8, 2017

Review current Customer Identification Program (CIP) procedures, make any necessary changes, and have the procedures approved by the board along with your BSA policy.* (Bank Secrecy Act)

CIP Requirements

For those institutions subject to supervision by a federal regulatory agency, the CIP must be a part of the institution's Bank Secrecy Act/anti-money laundering compliance program. For those credit unions, private financial institutions and trust companies without a federal functional regulator, CIPs must be approved by their boards of directors.

Because the CIP must be part of an institution's BSA program, there is no requirement that the CIP be separately approved by the institution's board of directors. A financial institution's BSA compliance program must already be approved by the board, and the agencies regard the addition of a CIP to be a material change in the BSA compliance program that will require board approval.

Existing rules require that a financial institution's BSA compliance program be written, approved by the board, and noted in the financial institution's minutes. The BSA program must include the following four elements:

1. Internal policies, procedures and controls to ensure ongoing compliance
2. Designation of a compliance officer
3. Ongoing employee training program
4. An independent audit function to test programs

Stay ahead of regulatory changes.

[*Self-Assessment and Regulatory Compliance Review*](#) provides a current compliance management resource for managers of financial institutions. It contains an in-depth discussion of the major compliance regulations, organized by individual laws and regulations. Useful tools, such as operational checklists and a calendar of regulatory events, help identify risk and maintain compliance.

September 12, 2017

Conduct annual Bank Secrecy Act training.*

Sample Training Outline for International Departments

- I. Objectives
- II. Bank Secrecy Act Background
- III. General Bank Responsibilities
- IV. Employee Responsibilities
- V. Customer Identification Program (CIP)
- VI. Currency Transaction Reports
- VII. Suspicious Activity Reports
- VIII. High-Risk International Accounts
- IX. High-Risk Countries
- X. Special Rules for Foreign Correspondent Accounts
- XI. Red Flags in Foreign Correspondent Banking
- XII. Loan Recordkeeping
- XIII. Penalties for Noncompliance
- XIV. Office of Foreign Assets Control (OFAC)

Ensure comprehensive training.

The [*BSA Officer's Administration Handbook*](#) provides the tools necessary to ensure your institution's BSA/anti-money laundering program is effective. This Handbook contains explanations of regulatory requirements, sample policies and procedures, checklists and training outlines for the staff of each department or operational area of a financial institution.

September 15, 2017

Send out annual PMI notices.* (Private Mortgage Insurance—Homeowners Protection Act of 1998)

Congress enacted the Homeowners Protection Act (HPA) to require lenders to cancel mandatory private mortgage insurance (PMI) on residential mortgage loans under certain circumstances. The HPA also requires lenders to provide several disclosures regarding PMI cancellation—when the loan is originated, annually during the term of the loan and when PMI terminates.

Looking for PMI guidance?

[*Mortgage Lending Operations and Administration*](#) provides a wealth of information that covers all aspects of mortgage lending, from setting up your operations all the way through how to underwrite, document and make loans. Plus, it helps you with other key issues like resolving problem loan situations, pricing loans and managing risks. This one-stop resource offers practical guidance and customizable forms, checklists and sample policies.

*This activity is recommended to be performed annually; use your own discretion.

September 15, 2017

Phase 2 of the Same Day ACH rule is effective today.

To ease the implementation of Same Day ACH, the new rule will be phased in over three years enabling select ACH transactions to move and settle the same day. As of September 23, 2016, Phase 1 of implementation will expand the traditional functionality of the ACH Network by supporting ACH credits moving more rapidly with three official settlement windows every 24 hours. In phase 2, effective September 15, 2017, both credit and debit transactions will be supported. In the final phase, effective March 18, 2018, all receiving financial institutions will be required to make funds available from Same Day credits no later than 5 P.M. the receiving institution's local time.

Keep up with changes in the ACH network.

The new [*ACH Transactions Compliance and Training Guide*](#) contains explanations and examples to assist with application of the ACH Rules when originating or receiving ACH transactions. The Guide is also an excellent resource to use in preparation for the AAP (Accredited ACH Professional) exam offered by NACHA in October.

September 30, 2017

Report of blocked property (as of June 30) is due to the Office of Foreign Assets Control. (OFAC Rules)

The Office of Foreign Assets Control (OFAC) requires an annual report of all property blocked or funds retained under OFAC Regulations found in Title 31 of the Code of Federal Regulations, Parts 500 through 599. This information is needed by the United States government for planning purposes and to verify compliance with OFAC Regulations. The report is to be submitted annually by September 30 to the Compliance Programs Division, OFAC, Department of the Treasury, Washington, D.C. 20220.

Make compliance easier.

[*Guide to Anti-Money Laundering and BSA Compliance*](#) offers a straightforward discussion of the laws and regulations that the federal government and financial agencies have enacted and continue to clarify. As you are required to revise your anti-money laundering programs, this publication, with its checklists and updates, can be your guide.

September 30, 2017

Make the public portion of your HMDA disclosure statement available in your main office within three days of the date it is posted on the web by the FFIEC and in each branch office located in an MSA.

The HMDA data about your residential mortgage lending are available for review. The data show geographic distribution of loans and applications; race, gender and income of applicants and borrowers; and information about loan approvals and denials. Please inquire at an MSA office regarding the locations where HMDA data may be inspected. If you chose to make the annual FFIEC disclosure statement available only upon written request, add—You may obtain a copy of our annual disclosure statement by sending a written request to [insert name and address of appropriate office].

Get the answers to your mortgage-lending compliance questions.

[*Mortgage Lenders Model Compliance Manual: Policies, Forms, and Checklists*](#) will help your residential mortgage lending staff understand and comply with a variety of changing state and federal regulations. This Manual provides your staff with the guidance and analyses needed for every part of your operation.

October

October 1, 2017

If you are a card issuer with 10,000 or more open credit card accounts, you must submit agreements to the Federal Reserve quarterly. The quarterly update is due. (Regulation Z)

Submission Requirements

A card issuer must make quarterly submissions to the CFPB, in the form and manner specified by the CFPB, that contain:

- Identifying information about the card issuer and the agreements submitted, including the issuer's name, address and identifying number (such as a Research and Scientific Support Department [RSSD] ID number or tax identification number)
- The credit card agreements that the card issuer offered to the public as of the last business day of the preceding calendar quarter that the card issuer has not previously submitted
- Any credit card agreement previously submitted that was amended during the preceding calendar quarter
- Notification regarding any credit card agreement previously submitted that the issuer is withdrawing

Discover timely, comprehensive guidance.

[Electronic Banking Compliance](#) is for the compliance officer, internal auditor or other banking personnel responsible for monitoring, reviewing and satisfying the requirements of federal laws, regulations, and bank-card association and clearinghouse rules associated with electronic payments.

October 1, 2017

Comprehensive consumer protections for prepaid accounts under Regulation E and Z are effective. The CFPB has extended the effective date to October 1, 2018.

The term "prepaid account" includes such bank products as payroll card accounts and government benefit accounts. Gift cards (i.e., gift cards, gift certificates, loyalty, award or promotional gift cards, and general-use prepaid cards that are both marketed and labeled as gift cards or gift certificates) are excluded from the definition. Health savings accounts, flexible spending accounts, medical savings accounts and health reimbursement arrangements would also be excluded.

- Stage two of the Same Day ACH rule is effective in September, with phase-in to March 2018
- Banks subject to the Volcker Rule have an important deadline coming up in July
- Mortgage services will see multiple regulatory changes

[Compliance Guide to Bank Operations](#) covers the rules that affect bank operations from the operations officer's point of view. Instead of dissecting a regulation and looking for the connection to your area, this manual presents the regulated products from an operations standpoint. Each chapter provides step-by-step guidelines for complying with the rules that impact the product. The focus is on implementation from the operations side, so any member of the operations staff can access this comprehensive guide, including editable forms. Your entire operation will run more efficiently since you're getting guidance from one reliable source.

October 5, 2017

Review your code of ethics policy and procedures, make any necessary changes, and distribute ethics and conflict-of-interest policies along with the acknowledgement page to all employees if you make changes.* (18 USC 215 and general agency guidance on ethics, insider activities and corporate governance)

Policy Statement

All officers and employees of [the bank] are expected and required to act in a responsible and respectable manner at all times. Furthermore, while acting in their capacities as bank employees, all officers and employees must remain free of outside influence that could result in the loss of objectivity regarding business conducted with customers or with the bank. Officers and employees are expected to be honest and act with integrity when conducting bank business with customers, vendors and fellow employees.

Review privacy and security compliance policies and procedures.

[*Policies and Procedures*](#) is an eBook that covers all areas of compliance, many of which include ethical considerations, particularly structure and governance policies and procedures. It also covers BSA/anti-money laundering and accounts and payment systems; credit, lending and leasing; finance and accounting; human resources; mortgage lending; and privacy and security policies and procedures.

October 19, 2017

Regulation X and Z amendments for mortgage servicing regarding force-placed insurance notices, early intervention, loss mitigation, periodic statements, and debt collection are effective today.

October 19, 2017

Interpretive rule and advisory opinion for purposes of the FDCPA providing safe harbors from liability for servicers acting in compliance with specified mortgage servicing rules in three situations are effective today.

To comfort debt collectors concerned about sharing information about the debt to third parties, such as confirmed successors in interest, the CFPB issued an interpretive rule under the Fair Debt Collection Practices Act (FDCPA). The rule constitutes an advisory opinion under FDCPA § 813(e) interpreting “consumer” for purposes of FDCPA § 805 to include a confirmed successor in interest as that term is defined in Regulation X § 1024.31.

The interpretive rule provides a safe harbor from liability under FDCPA § 805(b) for servicers communicating with confirmed successors in interest about a mortgage loan secured by property in which the confirmed successor in interest has an ownership interest, in compliance with Regulations X and Z.

Real-world scenarios reveal compliance pitfalls.

The [*Compliance Examinations Update*](#) is written in a clear, user-friendly style that transforms difficult-to-understand compliance regulations into clear, concise explanations. Case studies give you tips for avoiding common violations of federal consumer protection laws and regulations and guidance for correcting potential violations. The *Update* discusses liabilities, corrective action, civil liabilities and available cure techniques. In addition to editable forms, you'll get explanations of the techniques used by examiners to determine violations, which enables you to discover possible violations before the examiners do.

*This activity is recommended to be performed annually; use your own discretion.

October 30, 2017

HMDA data for third quarter 2017 must be recorded on LAR.

In addition to reporting your final LAR entries to the FFIEC in the spring, each quarter you must make sure that you have recorded all reportable transactions on your loan application register within 30 calendar days after the end of the calendar quarter in which final action is taken (such as origination or purchase of a loan or denial or withdrawal of an application). (12 CFR 1003.4(a))

Need more information on this item?

Helpful guidance can be found in the [*Compliance Officer's Management Manual*](#). This Manual is a comprehensive resource providing clear and easy-to-follow compliance guidance, including coverage of all the regulations in a practical format; detailed coverage of each regulation's purpose, requirements, exemptions and liabilities for noncompliance; compliance responsibilities by function; compliance checklists; audit procedures; training guidelines; and sample forms and reports.

November

November 9, 2017

Annual NACHA audit is due by December 1, 2017.

Audit Report and Documentation

You need to retain your audit report and supporting documentation for six years from the date the audit is conducted. This information must be provided to NACHA upon its request. Failure to provide proof that you have completed an annual audit when requested by NACHA may be considered a Class 2 rules violation and bring a fine of up to \$100,000 a month.

In order to conduct a rules compliance audit, you should use the audit requirements included in Appendix Eight of the NACHA operating rules as your basis. To take the audit to a risk-based level audit, you can also include a review of your:

- ACH policies, procedures, disclosures, authorizations and agreements to ensure you continue to have risk-management controls in place sufficient to address the level of ACH activity of your financial institution
- Third-party service provider relationships and agreements
- Third-party sender relationships and agreements

Become an expert.

The new [*ACH Transactions Compliance and Training Guide*](#) contains explanations and examples to assist with application of the ACH Rules when originating or receiving ACH transactions. The Guide is also an excellent resource to use in preparation for the AAP (Accredited ACH Professional) exam offered by NACHA in October.

December

December 1, 2017

Update Adjustable-Rate Mortgage (ARM) historical data or worst-case-scenario data on early ARM disclosures, if you use this method. See model form in Regulation Z, H-4(C).*

ARM Disclosures

Lenders must provide consumers with specific information about the variable-rate features of closed-end adjustable-rate mortgages with longer than a one-year maturity, secured by a consumer's principal dwelling. Regulation Z requires lenders to give the Federal Reserve Board's Consumer Handbook on Adjustable-Rate Mortgages ("CHARM booklet") and "program disclosures" at the time a consumer is furnished a credit application or before a nonrefundable fee is paid, whichever event occurs earlier. The program disclosures supplement, but do not replace, the standard Truth in Lending Act (TILA) disclosures lenders are required to furnish before consummation.

Stay current on residential mortgage compliance.

[Mortgage Lending Compliance with Federal and State Guidance](#) is a comprehensive guide to state and federal compliance for residential mortgage lenders. This resource includes coverage of: Section 32 loans, yield spread premiums, Housing and Urban Development (HUD) enforcement action, upcharges, state predatory lending statutes, Real Estate Settlement Procedures Act (RESPA), Truth in Lending Act (TILA), Equal Credit Opportunity Act (ECOA), Home Mortgage Disclosure Act (HMDA) and other federal consumer protection statutes that are shifting to a new agency.

December 1, 2017

Annual NACHA audit is due.

Audit Report and Documentation

You need to retain your audit report and supporting documentation for six years from the date the audit is conducted. This information must be provided to NACHA upon its request. Failure to provide proof that you have completed an annual audit when requested by NACHA may be considered a Class 2 rules violation and bring a fine of up to \$100,000 a month.

In order to conduct a rules compliance audit, you should use the audit requirements included in Appendix Eight of the NACHA operating rules as your basis. To take the audit to a risk-based level audit, you can also include a review of your:

- ACH policies, procedures, disclosures, authorizations and agreements to ensure you continue to have risk-management controls in place sufficient to address the level of ACH activity of your financial institution
- Third-party service provider relationships and agreements
- Third-party sender relationships and agreements

Find extensive training materials.

The [ACH Transactions Compliance and Training Manual](#) is an excellent resource to use in preparation for the AAP (Accredited ACH Professional) exam offered by NACHA. It provides everything you need to know to ensure all employees involved with processing ACH transactions perform their jobs efficiently and in compliance with appropriate rules and regulations.

*This activity is recommended to be performed annually; use your own discretion.

December 15, 2017

Review the account information for your Money Services Business (MSB) customers and determine which companies must renew their registration with FinCEN. Obtain copies of the registration and any state or local license or review current registration on the MSB.gov website.* (Interagency Interpretive Guidance on Providing Banking Services to Money Services Businesses Operating in the United States 4/25/05) (Bank Secrecy Act)

Note: Money Services Businesses must renew registration with FinCEN by December 31 every two years.

Money Service Businesses must renew registration with the Financial Crimes Enforcement Network (FinCEN) by December 31 every two years. You should conduct due diligence on these customers at least annually. You may have MSB customers who deserve enhanced due diligence, and so you may be reviewing their accounts more often.

If you find a customer who, after a thorough investigation, appears to be operating as an MSB but is unlicensed or unregistered, you should file a Suspicious Activity Report (SAR). However, it may be that the customer does not understand the triggering events that cause him to be classified as an MSB. In this case, depending on your overall relationship with this customer, you may wish to notify him that he should be licensed by your state and registered with FinCEN for the specific activity, such as check cashing.

If the activity continues and the customer still refuses to register, you have no choice but to report the activity to FinCEN via an SAR.

*This activity is recommended to be performed annually; the timing is up to you. Items are placed in certain months on the calendar for the sake of symmetry.

Looking for BSA/AML guidance?

The [Bank Secrecy Act and Anti-Money Laundering Service](#) provides a complete overview of the Bank Secrecy Act and will help you establish and manage your BSA compliance program, record and report transactions, maintain compliance with recordkeeping requirements, and comply with other anti-money laundering requirements. This valuable resource includes tools such as sample BSA compliance policies, checklists and training materials.

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