

# MEETING OF THE BOARD OF CREDIT UNION ADVISORS

April 17, 2012

1:00 pm

Utah Department of Financial Institutions  
324 South State Street, Suite 201  
Salt Lake City Utah

Minutes

## **BOARD MEMBERS PRESENT:**

Scot Baumgartner and Dean Hirabayashi. Arleen Childs and Sandra Garcia are excused.

## **DEPARTMENT OF FINANCIAL INSTITUTIONS STAFF PRESENT:**

Ed Leary, Paul Allred, Orla Beth Peck, Eva Rees, and Sonja Long

## **OTHERS PRESENT:**

Scott Johnson, Provo Postal Credit Union and Stephen Nielsen from Utah's League of Credit Unions.

**1. Call meeting to order – Dean Hirabayashi**

**2. Minutes**

The minutes will have to be taken care of next time when we have a quorum.

**3. Orientation of new board members – Paul Allred**

Paul gave out a handout and we through the different type of boards and commissions in the State of Utah. He went through the information that is necessary for new board members.

**4. CFPB and NMLS updates – Eva Rees**

Eva gave two handouts. Eva asked if they knew what the new CFPB (Consumer Financial Protection Bureau) is and if the credit unions need to worry about what they do? Dean answered yes, because of the trickle down effect from them. The first handout that she gave out is a list of 18

regulations that transferred to the CFPB as of July 21, 2011. They now have authority over these 18 regulations. They are not going to come in and examine any of your credit unions unless you are over \$10 billion. The reason that she wanted you to have this list is that the CFPB does have rule making authority over all of these. And many of these you will have to comply with.

The second handout is a document that Orla Beth received at NASCUS, they have an attorney come in and give them all of these regulations and who has authority to enforce them. So look at the center column, FISCO (Federally Insured State Credit Unions), it lists the regulatory body that has the authority to enforce this rule. You should also add UDFI as well because we have named all of these regulations in our rule.

Orla Beth said that she saw something today that they are less than half way finished that they were required to write. Not all of them had to be written from scratch.

Eva went over some compliance updates. They were in Washington DC recently and met with all of our Federal counterparts. She went over some of the things that were talked about. So far NCUA hasn't pushed on compliance very much.

Commissioner Leary said that before the downturn crisis, because we are going in and doing compliance exams jointly with the federal agencies. As we were going into the credit unions, we were also doing a compliance exam, trying to prep the credit unions as to what issues may arise. He would imagine that sometime post crisis the department would try that again.

Stephen Nielsen asked for clarification on what is meant by compliance exam. It encompasses the list of regulations that fall under the CFPB. Eva said that compliance in our department means consumer protection laws.

Eva said that she didn't really have any updates to NMLS she just wanted to make sure that there weren't any questions or problems. They are adding other non-depository lenders to this system and NMLS will manage those licenses as well.

## **5. BSA Updates – Orla Beth Peck**

Orla Beth gave out a handout from FinCEN. She said that the changes are not extensive. There is a new form that will be accepted by FinCEN. The handout explains this. She went over the basics of the handout.

## **6. Other business**

NASCUS is bringing another director's college to Salt Lake on May 30. It will be at the Mountain America training facility. Ann Gregson from the department will be giving a brief overview on BSA (Bank Secrecy Act) and Orla Beth Peck will be speaking on Risk Management. There were also be training on director's responsibilities.

The June Board Meetings for NASCUS will be in Salt Lake this year. It will be on June 21 – 22.

In July Orla Beth has been asked to facilitate a panel discussion at the World Council of Credit Union's annual meeting in Gdansk Poland.

Stephen Nielsen asked Orla Beth about an email that she sent out recently stating that the State is changing their position on business checking accounts. Orla Beth said that Dodd Frank made a change and now banks are allowed to pay interest on business checking accounts. So if we are not going to enforce this on banks then we are not going to enforce this on credit unions either. Originally it was in statute. Commissioner Leary said that we need to see if that applies to credit unions also. He said that Dodd-Frank clearly changed that for banks. Commissioner Leary said that we will have you an answer for the next meeting. Eva will also check on Reg D limits on ACH items involving share accounts and have any answer for the next meeting.

Stephen Nielsen asked how the department gets along with NCUA. Commissioner Leary and Orla Beth both said that there are times when we don't agree, but no more often than with any other federal agency.

## **7. Date of upcoming meeting – July 31, 2012 at 1:00 pm**