

Sheshunoff™

Dear Valued Customer,

With the Obama administration's plans to reshape the financial regulatory landscape, credit unions should brace themselves for big changes. To help stay one step ahead, this update of *NAFCU's Marketing and Advertising Regulatory Guide for Credit Unions* contains the latest in compliance to help you and your credit union stay up-to-date with these changes. The following topics are discussed:

- *Credit CARD Act*. In May 2009, Congress enacted the Credit Card Accountability Responsibility and Disclosure Act (Credit CARD Act) of 2009. The Credit CARD Act amended the Truth-in-Lending Act, and requires the Fed to adopt regulations in connection with the act's requirements. In July 2009, the Fed issued an interim final rule in Regulation Z addressing some aspects of the Credit CARD Act. The rules set forth in the Credit CARD Act are to become effective in three stages, discussed in Chapter 10.
- *Higher Education Opportunity Act (HEOA)*. HEOA amends the Truth-in-Lending Act by adding substantive provisions and disclosure requirements with respect to private education loans. The law requires the Fed to adopt new regulations that implement the provisions of the act by no later than August 14, 2009.

In May 2009, the Fed proposed amendments to Regulation Z to reflect the relevant provisions of the HEOA. The amendments will add a new Subpart F to the regulation, consisting of three new sections, 226.37, 226.38 and 226.39. Model forms will be added to Appendix H, and new commentary will expand on the requirements set forth in the new regulatory sections. See Chapter 15.

Note: After this update was prepared, the final rule regarding the Higher Education Opportunity Act was issued. The finalized regulation will be discussed and section numbers will be updated in the next update.

- *TISA*. Effective January 1, 2010, the TISA regulation requires credit unions to respond to balance inquiries by disclosing only the amount of funds available for the member's immediate use or withdrawal without incurring an overdraft. Also effective that date, all credit unions that offer overdraft services to their members must provide, on periodic statements:
 - The dollar amount of overdraft fees charged to the account during the period covered by the statement
 - The aggregate dollar amount of overdraft fees charged to the account during the calendar year to date, inclusive of the fees charged during the period covered by the statement

See Chapters 2 and 5.

- *Identity theft program FAQs*. In June 2009, the federal bank regulatory agencies published a set of frequently asked questions (FAQs) concerning each credit union's responsibility in connection with the rules addressing identity theft red flags and address discrepancies. These FAQs, which are intended to assist financial institutions in their efforts to comply with the provisions of the regulations on this subject, are reproduced in Appendix 10A. See Chapters 10, 13, 15, and 17.
- *Good faith estimate*. Effective as of July 30, 2009, the requirement to provide mortgage loan applicants with a good faith estimate applies to all applications for mortgage loans with respect to a member's dwelling that are subject to RESPA and Regulation X. See Chapter 17.
- *Flood insurance Q and As*. In July 2009, the agencies jointly developed and adopted an overhauled version of questions and answers regarding flood insurance. This issuance includes revision of the

original set, with the questions and answers reorganized, and many of the old questions and answers revised for clarification. See Chapters 13 and 17 for a discussion regarding the new Q and As.

Our goal is to make *NAFCU's Marketing and Advertising Regulatory Guide for Credit Unions* your go-to source for all things marketing and advertising for your credit union. If you have any suggestions regarding this manual, please let us know! You can e-mail me directly at diane.calmes@sheshunoff.com. You can also call our customer service representatives at 1-800-456-2340 if you have any questions regarding any of our products.

Sincerely,

Diane L. Calmes
Editor