



GROWING TOGETHER

VISIFI CUSTOMER
CONFERENCE 2022

Compliance Update

Pablo DeFilippi
Suzanne Pharr
Brian Lauer

JUNE 3, 2022



Pablo DeFilippi

Inklusiv Network, Executive Vice President

Inklusiv Credit Unions serve over 17 million residents of low-income urban, rural and reservation-based communities across the US and hold over \$242 billion in community-controlled assets.

New York, NY





/ inclusiv™ /

CDFI Funding Opportunities

June 3, 2022

/ Shared Values / Mission Alignment

V I \$ I F I

/ **inclusiv** /

GROW

RELEVANT

IMPACT

INNOVATION
WITH PURPOSE

/ Inclusiv / National Network of CDCUs





/ CDFI Fund / Largest Source of External Resources for CUs

1996-2000

\$3.5 billion deployed
to all CDFIs

\$500 million received
by credit unions

2021

\$1.4 billion deployed
to all CDFIs

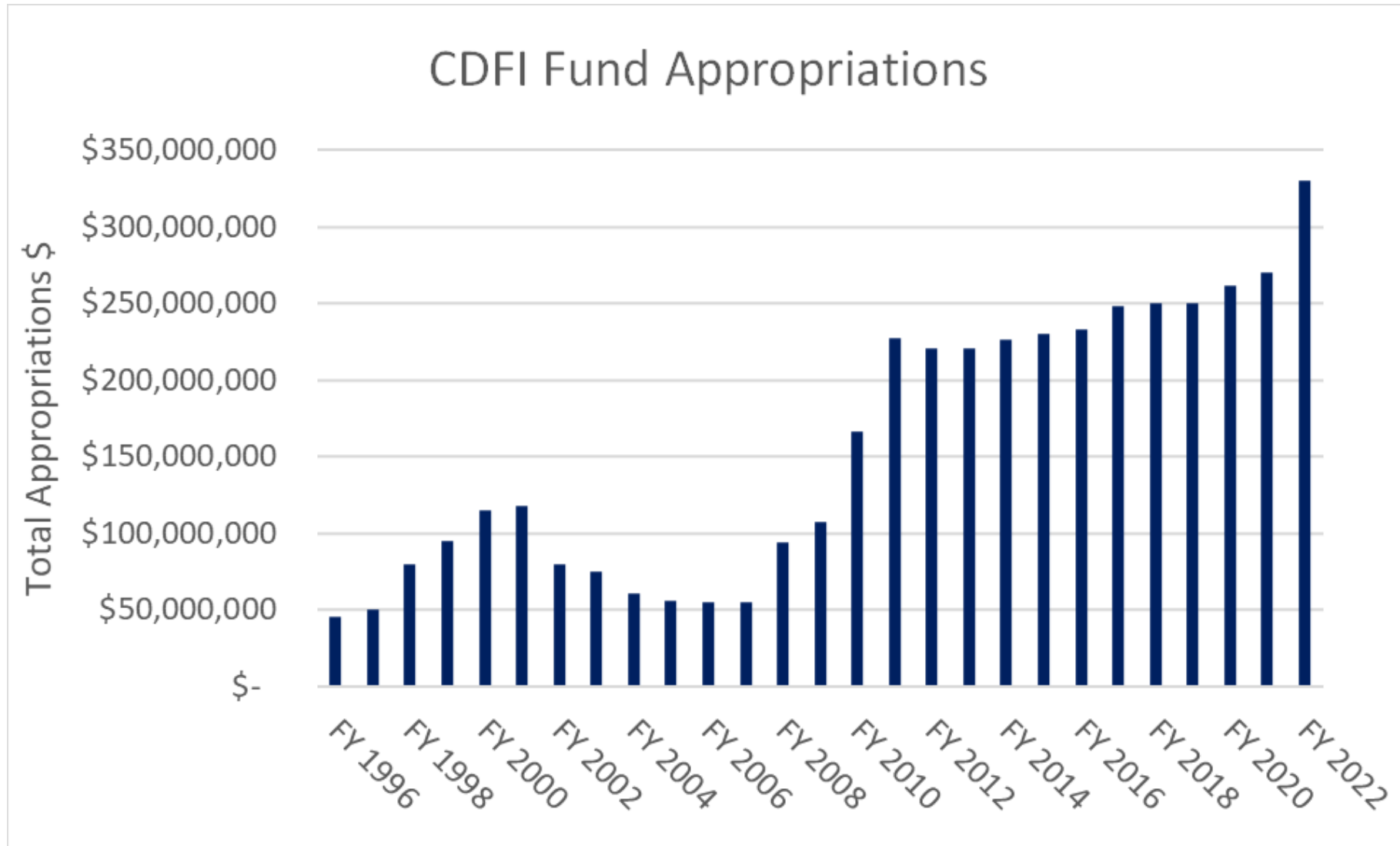
\$500 million received
by credit unions

2022

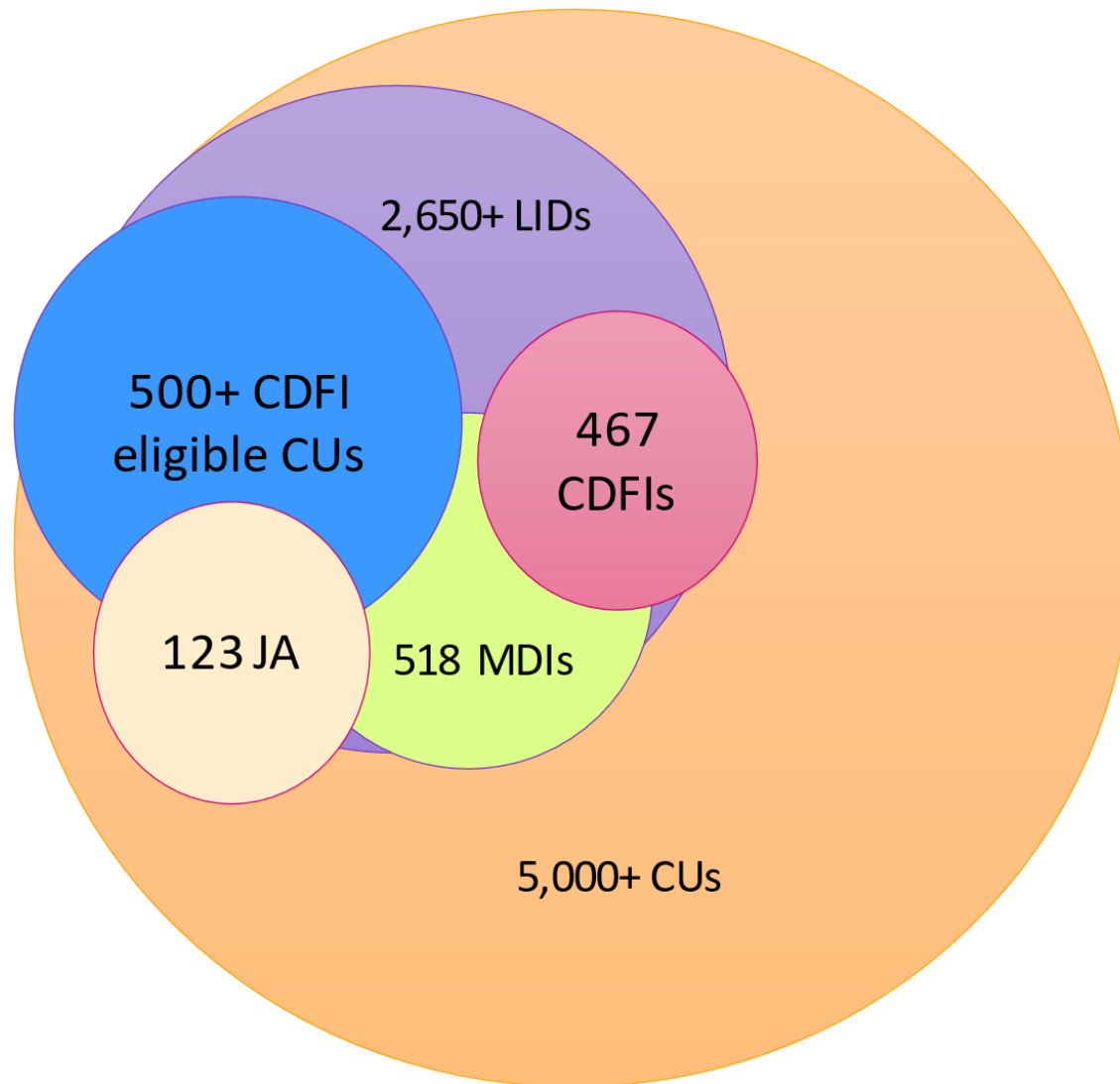
\$1.75 billion available
to all CDFIs

\$\$ credit unions?

/ Inclusiv Network / Advocacy at Work



/ Financial Inclusion Tools / Industry Breakdown



- **LID:** Low Income Designated (*)
- **MDI:** Minority Depository Institution
- **CDFI:** Community Development Financial Institution Certified
- **JA:** Juntos Avanzamos Designated

(*) A handful of CDFI CUs are not LIDs

/ Low-Income Designation / CDFI Certification

NCUA



Based on where your members live

- NCUA Low Income Designation confers significant regulatory benefits
 - ✓ Non-members deposits
 - ✓ Member Business Loan
 - ✓ Secondary Capital

Based on who you lend to

- CDFI Certification offers some regulatory benefits but more known for capital programs, including:
 - ✓ Financial & Technical Assistance Grants
 - ✓ Capital Magnet Fund
 - ✓ BEA Deposits



/ Steps to CDFI Certification / What is a CDFI?



- As of 2020 more than 900 CUs in the “CDFI Zone”
- 33% were CDFI Certified

/ Next Steps /

- Learn more. Visit our website www.inclusiv.org and review [CDFI resources](#) there. Join our distribution list and sign up for our CDFI office hours [here](#).
- Join Inclusiv, the national network of CDFI credit unions. Dues are based on assets size. Immediate **complimentary** membership benefits:
 - **CDFI eligibility analysis**
 - Annual CDFI Certification Report
 - Participation in CDFI Learning Center
 - CDFI guidance and support
 - CDFI Advocacy and representation
 - Access to only national CDFI credit union network
 - **VisiFI users have access to only integrated CDFI reporting module**

/ Support for Inclusiv Members /

CDFI Support Team

Membership & MDI Support Team

JA Support Team



Chriselle Martinez
CDFI Program Director
cmartinez@inclusiv.org

Terry Ratigan
Senior Consultant
tratigan@inclusiv.org

Monica Copeland
Senior Program Officer
mcopeland@inclusiv.org

Jules Epstein-Hebert
Director of Membership
jhebert@inclusiv.org

Pablo DeFilippi
EVP Inclusiv Network
Pablo@inclusiv.org

Rene Vargas-Martinez
Senior Program Officer
rvargasmartinez@inclusiv.org

/ Support for Inclusiv Members /

Clean Energy Financing



Neda Arabshahi
Director
narabshahi@inclusiv.org

Secondary Market



Hannah Kramer
Senior Program Officer
hkramer@inclusiv.org

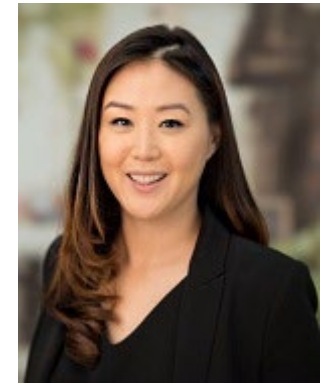


Bob Mundy
Manager, Inclusiv Mortgage
bmundy@inclusiv.org

Secondary Capital



Ahmed Campbell
Director of Lending Development
acampbell@inclusiv.org



Cathi Kim
Director, Inclusiv/Capital
ckim@inclusiv.org



Regulatory Focus

The following outlines new/upcoming regulatory matters being monitored by and/or responded to by VisiFI.



Computer-Security Incident Notification

Summary: The final rule requires a banking organization to notify its primary federal regulator of any significant computer-security incident as soon as possible and no later than 36 hours after the banking organization determines that a cyber incident has occurred.

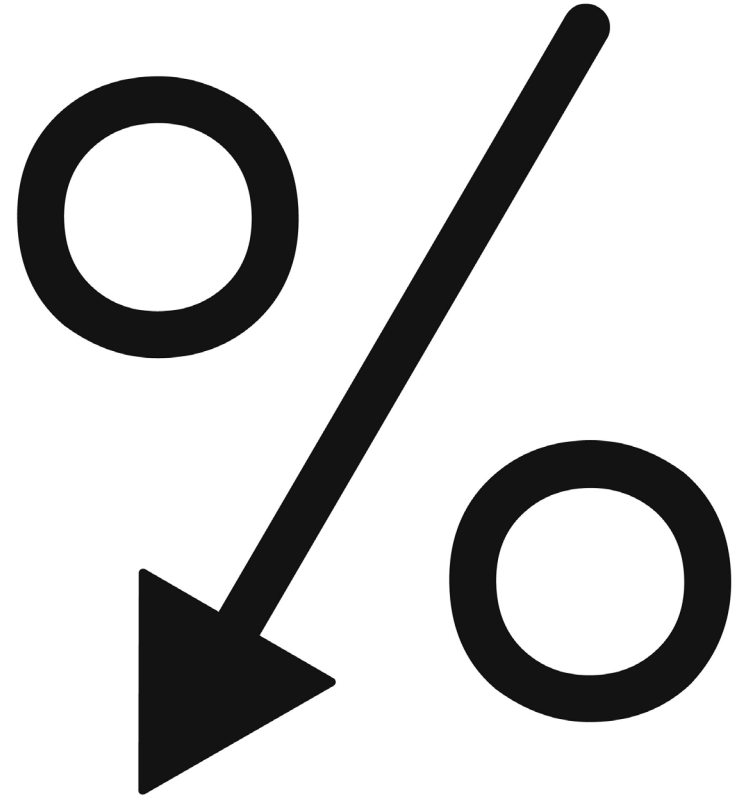
Effective Date: May 1, 2022



Current Expected Credit Losses (CECL)

Summary: This new accounting standard requires “timelier” recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. It requires organizations to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts.

Effective Date: January 1, 2023



Reg E Consumer Protections

- Reg E - Liability Protections for a Consumer
- Automated Overdraft Programs
- Non-Sufficient Funds Fees
- Representment of Unpaid Transactions





For Your Information

The following items are being provided for informational purposes only. Action is not required on VisiFI's part.

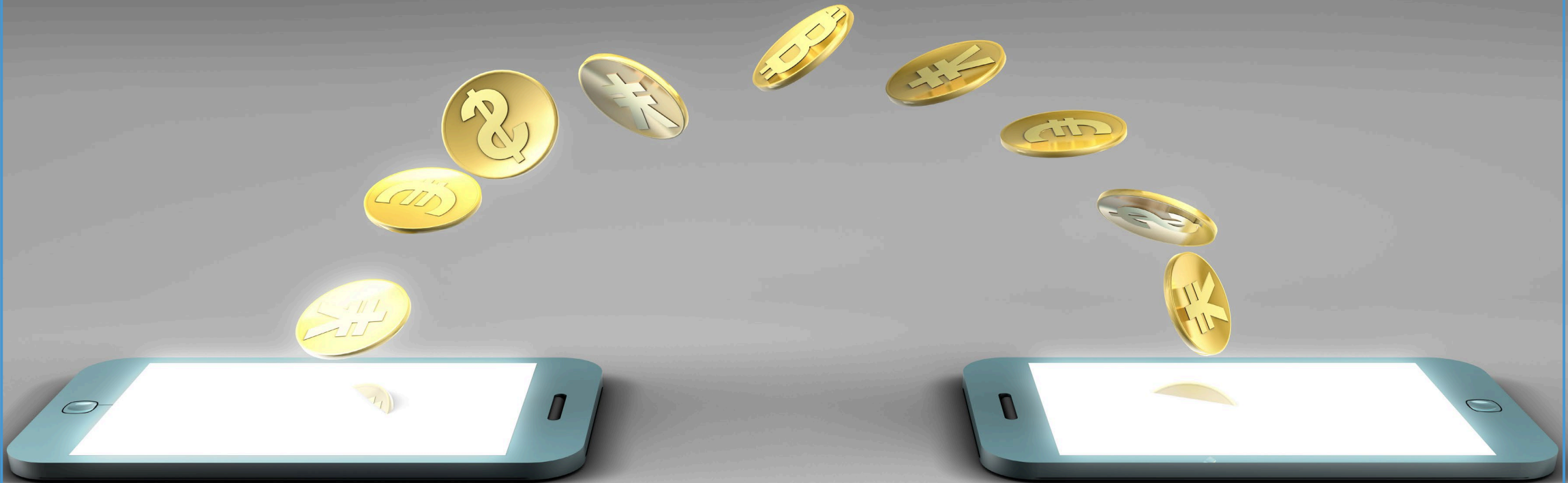




NACHA Micro-Entry Rule – Phase I

Summary: NACHA has updated their rules and effective on September 16, 2022 “Micro-Entries” will be defined as ACH credits of less than \$1, and any offsetting debits, for account validation.

Effective Date: September 16, 2022



NACHA Micro-Entry Rule – Phase II

Summary: Phase 2 of the rule requires originators to use commercially reasonable fraud detection, including monitoring forward and return Micro-Entry volumes.

Effective Date: March 17, 2023





PCA: Earning Retention Waivers and Net Worth Restoration Plans

Summary: The NCUA is extending the temporary changes to the prompt corrective action (PCA) regulations. The first change is to waive the earnings retention requirement for federally insured credit unions classified as adequately capitalized. The second modifies the specific documentation required for net worth restoration plans for credit unions that become undercapitalized.

Effective Date: March 31, 2023

Lending Hot Topics

- Risk Considerations – Post Pandemic
- Fair Lending
- Consumer Compliance Laws & Debt Collection





Brian Lauer

Partner, Messick, Lauer & Smith P.C.

Speaker

Author

