



DCU BULLETIN

Division of Credit Unions

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January 23, 2014

No. B-14-02

COMPLIANCE EXAMINATION MANUAL PUBLISHED ON DCU WEBSITE

The Division of Credit Unions (DCU) posted our work-in-process examiners' manual for Compliance Exams (as described in Bulletin B-13-15) on our web site at <http://www.dfi.wa.gov/cu/bulletinslist.htm>. We are still in the process of completing the manual, so many sections are incomplete. As additional compliance sections are completed, they will be added to the published examiners' manual. However, we wanted to provide you with the units we have completed so you can use the manual for your reference.

The Examiners' Compliance Exam Manual will provide exam procedures for the consumer protection laws as listed on our website at <http://www.dfi.wa.gov/cu/laws.htm>.

We used several sources to assemble this manual. These sources may be useful if additional information is needed. For example, the Consumer Financial Protection Bureau has at least 13 regulations applicable to credit unions and up-to-date exam procedures. We took their exam procedures and revised them to better fit our limited resources. These sources we used included, but were not limited to:

(Listed in alphabetical order)

- The Consumer Financial Protection Bureau (CFPB) manual found at http://files.consumerfinance.gov/f/201210_cfpb_supervision-and-examination-manual-v2.pdf and 2013 updated procedures;
- The Federal Deposit Insurance Corporation (FDIC) Compliance Examination Manual found at <https://www.fdic.gov/regulations/compliance/manual/index.html>;
- The Federal Financial Institutions Examination Council (FFIEC) Examination Manual found at http://www.ffiec.gov/bsa_aml_infobase/pages_manual/manual_online.htm;
- The Office of Comptroller of the Currency (OCC) Examination Manual found at <http://www.occ.gov/publications/publications-by-type/comptrollers-handbook/ots/ots-exam-handbooks-compliance-laws-regulations.html>; and

- The National Credit Unions' (NCUA) Examiner Guide, Consumer Compliance chapter found at <http://www.ncua.gov/Legal/GuidesEtc/ExaminerGuide/chapter19.pdf> .

The Compliance Exam manual will be used especially for separate compliance exams of credit unions with assets greater than \$500 million. Due to limited DCU resources, the separate compliance examination will be scoped to focus on certain products or services, depending on a variety of factors, including but not limited to the following:

- Consumer complaints;
- Risk to consumers;
- Findings and issues during safety and soundness exams;
- Specific regulations especially if there have been changes (example: new disclosure integrating RESPA and TILA); or
- New product or service offerings by the credit union.

For credit unions with assets less than \$500M, the examiners will use the information in the compliance manual during the safety and soundness exam if they come across a compliance issue.

The areas of focus (such as loans secured by real estate or the examiner's review of the credit union management's oversight on compliance requirements) will be explicitly stated in the pre-examination letter. This letter will be prepared and sent to the credit union six to eight weeks prior to the anticipated commencement of the exam.

If you have any questions or would like more information, please contact Jane Johnson at jane.johnson@dfi.wa.gov or 360-902-0508.