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# Summary of Content Changes

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## General Notes

**Note 1:** Several policies in this update have formatting changes where words previously underlined as titles or for emphasis were changed to bold, as underlined words typically signify a hyperlink. These updates are being made to policies over time as the policies are updated. These instances are not individually noted in this summary, but are shown on the redlined version.

**Note 2:** Several policies in this update had instances of references within a policy to another policy in the manual updated from “Section” to “Policy” to make the terminology more consistent across the model policies. These instances are not individually noted in this summary, but are shown on the redlined version.

**Note 3:** Policy 2185, Third Party Due Diligence & Oversight, had a spelling correction in paragraph 2E. The word “principals” was corrected to “principles” in the phrase “...generally accepted accounting principles...” As this was the only change in the policy, it is simply a note, and the revised date is not shown as updated. If this policy is included in your manual, please check this paragraph, and update if necessary.

## **NEW** Policy 1530 - Social Media 2013-1

This is a new policy. This policy outlines the guidelines for appropriate use of social media by employees, including guidelines which reflect privacy laws and members right to privacy. This policy has two key fields. (Recommendation)

## Policy 2110 – Bank Secrecy Act/Anti-Money Laundering Program 2013-1

The BSA Policy was amended to reduce the time requirements which were reduced in 2013 from 25 days to 15 days. Additionally language citing paper filing requirements were deleted to conform to FinCEN’s requirements. Additional information on the new requirements is available through [FinCEN](#).

## Policy 2212 – Individual Retirement Arrangements 2013-1

Section (1)(E) and (3)(D) were amended to include the Traditional IRA 2013 contribution limit of \$5,500 which became effective January 1, 2013 based on [IRS Publications](#). Additionally, Section (2)(C) has been updated to reflect the increase for 2013 contribution limits to Roth IRAs which is now also \$5,500. Section (4) has been amended to provide the updated contribution limits for SEP IRAs from [IRS Publications](#) and more detailed information on Employer contributions to SEP plans. (Required)

## **Policy 2214 – Health Savings Accounts**

**2013-1**

Amended the contribution limit which can be no greater than \$3,250 in 2013 for an individual health plan and \$6,450 for a family health plan. Further information on Health Savings Accounts is available at the [HSA Center](#). (Required)

## **Policy 2280 – Share Insurance**

**2013-1**

Information was removed in Section (6) regarding non-interest bearing accounts and unlimited share insurance coverage. The unlimited share insurance coverage expired on December 31, 2012. This information was provided to credit unions in [NCUA Letter to Credit Unions 12-CU-14](#). (Required)

## **Policy 2615 – ATM/Debit Cards**

**2013-1**

The policy was amended to include information in Section (6) to further clarify the effective date of the Americans With Disabilities ACT; which is March 2012. (Clarification)

## **Policy 3165 – Loan Workouts and Nonaccrual Status**

**2013-1**

The language in Section (2) was revised to include a more specific reference to loan workouts. Further clarification was added in Section (2)(E) to include language from the [NCUA Loan Workouts and Nonaccrual Policy](#) (12 CFR 741) regulation to provide assurance that the credit union loan workouts would not be used to hide delinquency or to extend future losses onto future periods. Additional language was added to Section (4)(G) clarifying that loan workouts would not be extended to finance unpaid interest or credit union fees, as required by 12 CFR 741. The procedure for determining nonaccrual status, from Section (8)(A), on a loan was further refined to match the regulatory language of 12 CFR 741 to include loans maintained on a cash basis or if full payment is not expected. Section (8)(C) was also amended to match the regulatory requirements that business loans not be returned to accrual status until the member had made six consecutive timely payment under the restructured loan. (Clarification)

## **Policy 3170 – Troubled Debt Restructuring**

**2013-1**

References to the Financial Accounting Standards Board (FASB) were amended to reflect the accounting standards change to Accounting Standard Codification (ASC). The Trouble Debt Restructuring policy guidelines, Section (1), were amended to include the ASCs definition of a troubled debt restructuring (TDR) from ASC 310-40, *Troubled Debt Restructurings by Creditors*, which defines a TDR loan as existing when a loan modification is granted by the credit union and the member is experiencing financial difficulty and the credit union grants a concession. Section (3)(A) was amended to include the new reporting requirements for TDR loans that a loan be reported on the restructured contract terms. Section (4)(B) was updated to include information about the 5300 CALL Report.

### **Policy 3170 – Troubled Debt Restructuring (continued)**

The procedure for determining nonaccrual status, from Section (8)(A), on a loan was further refined to match the regulatory language of [NCUA Loan Workouts and Nonaccrual Policy](#), 12 CFR 741 to include loans maintained on a cash basis or if full payment is not expected. Section (8)(C) was also amended to match the regulatory requirements that business loans not be returned to accrual status until the member had made six consecutive timely payment under the restructured loan. (Required)

### **Policy 6100 – General Investment Policy**

**2013-1**

Due to the [NCUA's Supervisory Letter No. 10-CU-03](#) this policy has been updates to include further clarification that investments with concentrations that exceed 100% of the Credit Union's net worth will be monitored carefully. (Recommendation)

### **Policy 6015 – ASC 320 Compliance (new title)**

**2013-1**

This policy, formerly titled FASB 115 Compliance, has been updated to reflect the change in designation from Financial Accounting Standards Board (FASB) to Accounting Standards Codification (ASC). (Recommendation)

**NEW**

### **Policy 6115 – Concentration Risk**

**2013-1**

This is a new policy. This policy provides a framework so that the Board of Directors can address its philosophy on concentration risk and set limits commensurate with net worth levels, and the rationale as to how the limits fit into the overall strategic plan for the credit union. This Policy is based on the guidance provided inn [NCUA's Supervisory Letter No. 10-CU-03](#). (Recommendation)

### **Policy 6120 - Investment Accounting**

**2013-1**

This policy has been updated to reflect the change in designation from Financial Accounting Standards Board (FASB) to Accounting Standards Codification (ASC). (Recommendation)

### **Policy 6130 – Investment Controls and Monitoring**

**2013-1**

This policy update was made for credit unions who adopt the Concentration Risk Policy No. 6115 and makes reference to the new policy as a place of reference to obtain guidance on the Concentration Risk Policy for the Credit Union. This amendment was placed in Section (2). (Optional)

This policy has been updated to reflect the change in designation from Financial Accounting Standards Board (FASB) to Accounting Standards Codification (ASC). (Recommendation)

## **Policy 6220 – Non-Deposit Investment Products**

**2013-1**

The title of this policy has been change to truly reflect its focus. Additionally Section (1) has been amended to include the definition of non-deposit investments sold by a CUSO employee. Section (2)(A) has been revised to include the role of the Board of Directors in the evaluation of non-deposit investment product sales. Language in Section (2)(B) now includes language to assist credit unions with third party agreements and requires indemnification and product and service offerings. Third party due diligence is now addressed in Section (3)(D). These changes are based on [NCUA Letter 10-FCU-03, Sales of Nondeposit Investments](#). Based on the [NCUA Incidental Powers Rule 12 CFR 721](#) information has been added for Federal Credit Unions addressing earning income from finder activities. (Optional)

## **Policy 7101 - Loans**

**2013-1**

This policy has been updated to reflect the change in designation from Financial Accounting Standards Board (FASB) to Accounting Standards Codification (ASC). (Recommendation)

## **Policy 7115 – Credit Underwriting Standards**

**2013-1**

The Military Applicants requirements from Section (8) has been removed because it does not meet the regulatory requirements of the [Service Members Civil Relief Act](#) and has overly erroneous requirements in light of the Interagency Guidance on Mortgage Servicing Practices Concerning Military Homeowners, [NCUA Letter to Credit Unions 12-CU-07](#). (Recommendation)

## **Policy 7130 – Loan Authorization**

**2013-1**

This policy was amended to include senior loan officers in the General Policy Statement section. An additional change was made to Section (1)(C) to remove specific wording relating to “over lines” to make the policy more applicable to all credit unions. (Optional)

## **Policy 7213– Military Personnel Loans**

**2013-1**

This policy was amended to reflect the requirements of the [NCUA Letter to Credit Unions 12-CU-07](#), Interagency Guidance on Mortgage Servicing Practices Concerning Military Homeowners, and to address technical clarifications that were made to align the policy to the [Service Members Civil Relief Act](#). The General Policy Statement now includes a reference to the Interagency Guidance on Mortgage Servicing Practices Concerning Military Homeowners. Section (1)(A)(i) is further defined to include information on active service authorized by the President. Section (1)(C)(i) defines interest and provides guidance on how payments are reduced when meeting the requirements of the interest rate reduction. The regulatory requirement maintain the interest rate reduction for servicemembers for one year following the end of active duty status for mortgage loan debt is now included in Section (1)(C)(vii). Section (1)(I)(ii) has been revised to include the new twelve month period a credit union must wait to initiate foreclosure on an active duty servicemember. Section (3) has been added to address the new requirements for Mortgage Servicing Practices Concerning Military Homeowners. (Required)

**Policy 7420 – Member Business Loans**

**2013-1**

The General Policy Statement has been updated to define member business lending as an activity that does not include “loans to a borrower whose aggregate amount of business credit is less than \$50,000.” (Recommended)

**Policy 7430 – Participation Loans**

**2013-1**

This policy has been updated to reflect the change in designation from Financial Accounting Standards Board (FASB) to Accounting Standards Codification (ASC). (Recommendation)

**Policy 7600 – Loan Review and Classification**

**2013-1**

This policy has been updated to reflect the change in designation from Financial Accounting Standards Board (FASB) to Accounting Standards Codification (ASC). (Recommendation)

**Policy 7615 – Allowance for Loan and Lien Losses**

**2013-1**

This policy has been updated to reflect the change in designation from Financial Accounting Standards Board (FASB) to Accounting Standards Codification (ASC). (Recommendation)

**Policy 9200 – Home Mortgage Disclosure Act – Regulation C**

**2013-1**

Section (1)(C) This policy was amended to reflect the 2013 asset threshold of \$42 million. (Required)

**Policy 9220 – Home Ownership and Equity Protection Act**

**2013-1**

Based on the 2013 points and fees requirements this policy was updated to include the required fee amount of \$625.00 in Section (1)(B). (Required)

**Policy 9420 – Monetary Control Act**

**2013-1**

This policy was amended in Sections (2) and (3) to reflect the 2013 reserve requirement thresholds. (Required)