

March 2015

Credit Union Advisory Council

March 12, 2015



Meeting of the Credit Union Advisory Council

The Credit Union Advisory Council (CUAC) of the Consumer Financial Protection Bureau (CFPB) met in person at 8:30 a.m. on March 12, 2015. The CUAC met at the CFPB Headquarters located at 1275 First Street, NE, Washington, D.C.

Board members present	CFPB staff present
Rose Bartolomucci, Chair	CFPB Director, Richard Cordray
Kevin Foster Keddie, Vice Chair	Julian Alcazar
John Bernie Winnie	Steven Antonakes
Jason Lee	Patricia Brito
Mitchell Klein	Mike Byrne
Marcus Schaefer	Matt Cameron
Robert Falk	Paul Ceja
Robin Loftus	Kelly Cochran
Ron Ehrenreich	Dubis Correal
James McDaniel	Jennifer Draper
Robin Romano	Delicia Hand
Ronald Scott	Nicholas Hluchyj
David Seely	Thomas Kearney
Helen Godfrey Smith	Emmanuel Mañón
John Buckley	Zixta Martinez
Lily Lo	Paul Mondor

Ronald Scott	Margaret Plank
Helen Godfrey Smith	Janneke Ratcliffe
	Julie Vore
	Julian Alcazar

March 15, 2015

Welcome and agenda overview

Delicia Hand, staff director for Advisory Board and Councils Office

Steven Antonakes, deputy director and associate director for Supervision, Enforcement and Fair Lending

Rose Bartholomucci, Credit Union Advisory Council Chair

Chair Rose Bartholomucci called the CUAC meeting to order. She welcomed CUAC members and thanked them for their attendance at the meeting and for the opportunity to discuss issues affecting credit unions with CFPB staff. Staff Director Delicia Hand welcomed members and reviewed the agenda for the day.

Deputy Director Steven Antonakes welcomed the committee members and thanked them for their time and commitment. He provided an overview of the Bureau's recent accomplishments which included progress on tools such as "Owning a Home", "Paying for College", the mandatory arbitration report, and the Bureau's rulemaking agenda. CUAC members shared concerns about compliance with the title XIV mortgage rules and requirements for small credit unions.

Committee Breakout Sessions

Helen Godfrey Smith, Chair, Card, Payment, and Deposit Markets

The CUAC Card, Payments, and Deposit markets committee were briefed on the Your Money, Your Goals tool kit by staff from the Office of Financial Empowerment. Staff described the work of the financial empowerment office, and guided committee members through use cases of the toolkit. Your Money, Your Goals is a toolkit to help front line staff and volunteers as they work with consumers to make spending decisions that can help them reach their goals.

Robin Romano, Chair, Consumer Lending Committee

Chair Robin Romano called the Consumer Lending Committee meeting to order. The committee discussed peer-to-peer marketplace lending, the lending market, consumer benefits, and

consumer risks and trends. Staff provided an overview of the structure of this market, specifically debt-based lending, crowd funding, and noted that there are two categories of community crowd-funding and financial return crowd-funding as two examples. Staff noted that peer-to-peer lending was the most common description of debt-based lending and that these types of loans are installment loans. CUAC members and staff also discussed the differences among various types of the peer-to-peer lending, about credit reporting, about regulating payday loan servicers, and about delinquency of payday loans.

Robin Loftus, Chair, Mortgages Committee

The Mortgages Committee discussed proposed amendments being made to Title XIV related rules , noting asset thresholds, balloon loans, and new rural areas as matters of interest, as well as feedback on high cost loans and how low-rate environments impact the operation of credit unions. Members discussed issues relating to mortgage origination and loans and requirements for TILA-RESPA. Members noted that smaller credit unions are able to make exceptions for factors relating to DTI and other issues for households of lower incomes by having asset size limitations. Members also inquired about rural designation. Members also discussed concerns related to the readiness of credit unions and community banks to comply with these regulations. Additionally, they also mentioned concerns about reliance on mortgage data software vendors, contingency plans, and non-mortgage origination for smaller credit unions.

HMDA

Tom Kearney, senior counsel for Office of Regulations, Division of Research, Markets & Regulation

Tom Kearney, senior counsel for the Office of Regulations, discussed reporting requirements not required by Dodd-Frank and issues relating to HDMA. As of October 2014, the Bureau had received nearly 400 comments from the public regarding processes associated with these requirements. Members discussed the inclusion of home equity loans in reporting requirements when credit unions' systems currently have no knowledge of HDMA requirements and possess incapabilities to currently conform to processes. A member asked for clarity on the breakdowns between Dodd-Frank and non-Dodd Frank mandated additions to HDMA requirements.

Working Lunch- Communications and Ethics

Margaret Plank, senior counsel for General Law, Ethics & Oversight, Legal Division

Delicia Hand, staff director for Advisory Boards and Councils office, External Affairs Division

Delicia Hand, staff director of the Advisory Boards and Councils Office and Margaret Plank, senior counsel for General Law, Ethics & Oversight, led a discussion concerning ethics and communication while serving on the Council. Staff members provided guidance to members regarding best practices for communication and interaction with the Bureau. The CFPB staff then reviewed the ethics forms for the CUAC members to sign.

Regulatory Overview Discussion

Kelly Cochran, assistant director, Office of Regulations

Kelly Cochran, assistant director for the Office of Regulations provided an overview about recent proposals on credit card agreements, mortgage servicing rules, pre-paid card rules, and on the definitions of small and rural creditors under the various parts of the mortgage rules and Dodd-Frank.

CUAC members asked if the Bureau is looking at overdraft protection in the broader sense of terms than what is traditionally offered and considering the ability to repay loans. Members also noted that it is necessary to ensure rules are in place and highlighted the importance of enforcement of requirements for loans. CFPB staff responded that the Bureau's surveys have been useful for addressing these issues. A staff member spoke on the work that the Bureau done to study and assess markets and prioritize resources towards analysis of these issues.

CFPB Consumer Advisory Board public session

Zixta Martinez, associate director of External Affairs, welcomed audience members to the CUAC public meeting and introduced CUAC members and CFPB staff. Director Cordray addressed the CUAC and members of the public. The Director welcomed the chair, vice chair, and CUAC members. Director Cordray provided remarks about the roles and responsibilities of the credit

unions and charged them with the tasks of education and empowerment of consumers. He spoke Bureau's role in ensuring that financial products enhance both financial capability and economic stability for consumers and families. Following Director Cordray's remarks, CUAC chair, Rose Bartolomucci provided brief remarks. Janneke Ratcliffe, assistant director of the Office of Financial Education, and Dubis Correal, strategic partnerships and outreach coordinator, discussed financial education, empowerment, and well-being and the initiatives that the Bureau has brought forward to address these issues. CUAC members provided information regarding their institutions' programs directed on financial education and empowerment. The video of the session is available on consumerfinance.gov.

Adjournment

CUAC Chair Bartolomucci adjourned the meeting on March 15, 2015 at 5:00 p.m. EDT.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.



Delicia Reynolds Hand
Staff Director, Advisory Board and Councils Office
Consumer Financial Protection Bureau