

## NCUA 2020 Exam Priorities Checklist

<b>Bank Secrecy Act &amp; Anti-Money Laundering (BSA &amp; AML)</b>	<b>Review Date</b>	<b>Status</b>
<ul style="list-style-type: none"> <li>• Review member due diligence policy</li> </ul>		
<ul style="list-style-type: none"> <li>• Verify process for identification and verification of beneficial ownership of legal entity members</li> </ul>		
<ul style="list-style-type: none"> <li>• Review filing procedures for SARs and CTRs to ensure timely reporting process</li> </ul>		
<b>Electronic Fund Transfer Act (Regulation E)</b>		
<ul style="list-style-type: none"> <li>• Review and update EFT policies and procedures</li> </ul>		
<ul style="list-style-type: none"> <li>• Review initial account disclosures</li> </ul>		
<ul style="list-style-type: none"> <li>• Review error resolution procedures and verify process for tracking</li> </ul>		
<b>Fair Credit Reporting Act (FCRA)</b>		
<ul style="list-style-type: none"> <li>• Review and update credit reporting policies and procedures</li> </ul>		
<ul style="list-style-type: none"> <li>• Verify accuracy of reporting to credit bureaus including the date used as the first delinquency</li> </ul>		
<b>Gramm-Leach Bliley Act (GLBA/Privacy Act)</b>		
<ul style="list-style-type: none"> <li>• Review process for identification and protection of member NPPI</li> </ul>		
<ul style="list-style-type: none"> <li>• Verify IT audits include considerations for GLBA</li> </ul>		
<b>Small Dollar Lending and Payday Alternative Loans</b>		
<ul style="list-style-type: none"> <li>• Review and verify (if applicable) policy and procedures to ensure loan limits and interest rate caps meet the requirements under the NCUA Payday Alternative rule updated December 2019</li> </ul>		
<b>Truth in Lending (Regulation Z)</b>		
<ul style="list-style-type: none"> <li>• Review procedures related to annual percentage rates and late charges, including application of loan payments - principal, interest, fees, and other charges</li> </ul>		
<ul style="list-style-type: none"> <li>• Verify written disclosures are consistent with practice and include accurate disclosure of finance charges and APRs</li> </ul>		
<b>Military Lending Act (MLA) &amp; Servicemembers Civil Relief Act (SCRA)</b>		
<ul style="list-style-type: none"> <li>• Review policies and procedures</li> </ul>		
<ul style="list-style-type: none"> <li>• Evaluate practices and controls to ensure compliance</li> </ul>		
<b>Credit Risk</b>		
<ul style="list-style-type: none"> <li>• Review and update loan underwriting standards and procedures</li> </ul>		
<ul style="list-style-type: none"> <li>• Verify process for analyzing the member's ability to meet debt service requirements without excessive reliance on the value of the collateral</li> </ul>		
<b>Concentration Risk</b>		
<ul style="list-style-type: none"> <li>• Review and update concentration policy</li> </ul>		
<ul style="list-style-type: none"> <li>• Verify procedures and controls for loans including participations, commercial lending, indirect lending, and residential real estate lending</li> </ul>		

<b>Current Expected Credit Losses (CECL)</b>		
<ul style="list-style-type: none"> <li>Develop plans for the implementation of the new accounting standard effective 2023</li> </ul>		
<b>Cybersecurity</b>		
<ul style="list-style-type: none"> <li>Completion of the ACET self-assessment tool</li> </ul>		
<ul style="list-style-type: none"> <li>Review of critical security controls</li> </ul>		
<b>LIBOR Cessation Planning</b>		
<ul style="list-style-type: none"> <li>Identify all LIBOR-related transactions including both on- and off-balance sheet exposures (number of transactions and balance amounts)</li> </ul>		
<ul style="list-style-type: none"> <li>Identify impacts to planning, governance, senior executive engagement, budgeting, and accounting</li> </ul>		
<b>Liquidity Risk</b>		
<ul style="list-style-type: none"> <li>Review the potential effects of changing interest rates on the market value of assets and borrowing capacity</li> </ul>		
<ul style="list-style-type: none"> <li>Assess liquidity risk modeling, including possible member share migrations, as well as changes in cash flow projections for an appropriate range of relevant factors</li> </ul>		
<ul style="list-style-type: none"> <li>Review for effective contingency funding plans to address any potential liquidity shortfalls</li> </ul>		
<b>Statutory &amp; Regulatory Updates</b>		
<u>Commercial Real Estate Appraisal Rule</u> <ul style="list-style-type: none"> <li>Review policy for updated real estate appraisal rule effective October 22, 2019.</li> </ul>		
<u>Private Flood Insurance Rule</u> <ul style="list-style-type: none"> <li>Review policies and procedures to allow acceptance of alternative flood insurance.</li> </ul>		
<u>Public Unit and Non-Member Shares Rule</u> <ul style="list-style-type: none"> <li>Demonstrate plan for the use of funds if its public unit and nonmember shares, combined with borrowing, exceeds 70 percent of paid-in and unimpaired capital and surplus</li> </ul>		
<u>Supervisory Committee Audits Rule</u> <ul style="list-style-type: none"> <li>Review Appendix A under Part 715 to review minimum Supervisory Committee audit requirements.</li> </ul>		
<u>Serving Hemp Businesses</u> <ul style="list-style-type: none"> <li>Review policies, procedures, and controls for offering products and services to hemp related businesses.</li> </ul>		

To learn more about the NCUA Supervisory Priorities for 2020, the full text of the letter is available [HERE](#).