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# Compliance Corner

KEEPING OPERATION AND LOAN STAFF UPDATED IN THE EVER-CHANGING REGULATORY ENVIRONMENT.

## Local vs. Non-local: How can you tell?



Frontline staff: if you remember back to our Regulation CC (Expedited Funds Availability) training, you will remember that the length of hold we are allowed to place on certain items is determined by the check-processing region in which the financial institution is located. All checks located within the 7th district (where ISPFCU is located) are local and all checks located outside of the 7th district are non-local. While it is still true that a local check is one within our check-processing region, reorganizations by the Federal Reserve are making it more difficult to determine to which region a given institute belongs. Regions are combining and dividing on almost a monthly basis at the moment. Because of this,

we can no longer simply look at the first 2 digits of a routing number and determine the region of the check. Before, a check that had an 07 or 27 was considered local. Everything else was non-local. Easy as pie. This is no longer the case. The list has expanded so much that we must now look at the first 4 digits of a routing number to determine locality or non-locality of a check. Below, you will find the list as of November 15th, 2007. However, as this list is ever changing and expanding, you should bookmark the listed reference site on your computer. If you are ever in doubt, always remember to contact your supervisor or the compliance officer.



**Current List of Routing Numbers**  
Site: <http://www.bankersonline.com/regs/229/229.html>

0710	2710	0730	2730	0750	2750
0711	2711	0739	2739	0759	2759
0712	2712	1040	3040	1049	
0719	2719	1041	3041	3049	



# On the Horizon: Lending



*The Mother of all Lending Regulations gets a make-over*

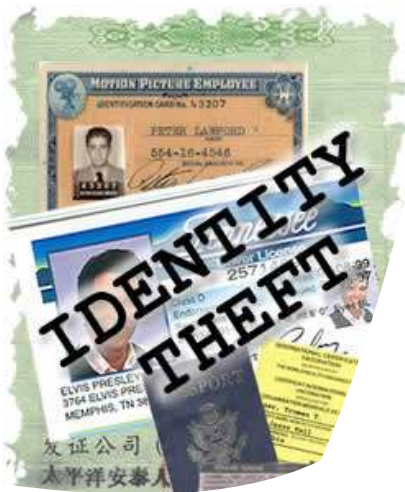
**Hold** on to your hats ladies and gentleman, Momma’s going out on the town! The comment period for proposed changes to the Truth-in-Lending Act (Regulation Z) just ended and current proposals have this “mother of all lending regulations” getting touched up or completely overhauled in almost every area of open-end lending, from what items need to be disclosed to what items make up the finance charge.

Even our fun friend, the Schummer box, is getting prettied up. The Federal Reserve Board will now make final decisions about which changes to include and which to exclude in the final regulation. But there is little doubt that the final changes are going to bring about significant changes in the timing, content, and look of disclosures consumers get when trying to comparison shop for open-end credit. Though the FRB insists the proposed changes were mainly to in-

crease protection and information for consumers wishing to obtain credit cards, the regulation will very likely end up crossing borders and affecting even closed-end lending. Please be sure to keep your eyes open for additional information in the next few months as the FRB makes their decisions and empowers the NCUA to make the rules to enforce the regulations. It’s going to be an interesting next couple of years!



“Greater clarity in credit disclosures allows consumers to make more-informed credit decisions and enhances competition among credit card issuers.”  
Federal Reserve Board  
Chairman  
Ben S. Bernanke



# On the Horizon: Operations



*New programs, procedures and policies in store for front line staff.*

**Though** the Big Kahuna of lending regulations may currently be in the direct gaze of law makers and regulatory authorities, those on the front line of credit union operations shouldn’t breathe too deep a breath of relief. It seems like things are always changing for the people who deal directly with members and money on a daily basis, and 2008 shouldn’t be any different.

One recent action by the FRB will make it a regulatory requirement to implement an Identity Theft Prevention Program. Additionally, we’ll be seeing new methods for enhanced due diligence, including new account worksheets and the ways in which we risk accounts or members. 2008 may also bring with it an increased emphasis on using the information learned from obtaining en-

hanced due diligence information to cross-sell ISPCU products and services. And the new “membership booklet” will be utilized to make signing up for products and services as easy as possible. The creation of a “disclosure booklet” will also allow MSRs to easily and efficiently present all required disclosures to members before relationships are formed between ISPCU and the potential member.

**He who rejects change is the architect of decay. The only human institution that rejects progress is the cemetery.**

HAROLD WILSON



November 23rd marks the official compliance deadline for the use of the new NCUA logo (with “insured to at least \$100,000) to be used not only in the displayed signs on our website and in our lobby, but also in any print advertisement for a share product. Be sure to help Jennifer out and make note of any brochure or ad. that still uses the old logo!