

working papers supporting each supervisory committee audit. The supervisory committee shall, upon request, provide NCUA staff unconditional access to such working papers, either at the offices of the credit union or at a mutually agreeable location, for purposes of inspecting such working papers.

**§715.11 Sanctions for failure to comply with this part.**

(a) *Sanctions.* Failure of a supervisory committee and/or its independent compensated auditor or other person to comply with the requirements of this section, or the terms of an engagement letter required by this section, is grounds for:

(1) The regional director to reject the supervisory committee audit and provide a reasonable opportunity to correct deficiencies;

(2) The regional director to impose the remedies available in §715.12, provided any of the conditions specified therein is present; and

(3) The NCUA Board to seek formal administrative sanctions against the supervisory committee and/or its independent, compensated auditor pursuant to section 206(r) of the Federal Credit Union Act, 12 U.S.C. 1786(r).

(b) *State Charters.* In the case of a federally-insured state chartered credit union, NCUA shall provide the state regulator an opportunity to timely impose a remedy satisfactory to NCUA before exercising its authority under §741.202 of this chapter to impose a sanction permitted under paragraph (a) of this section.

**§715.12 Statutory audit remedies for Federal credit unions.**

(a) *Audit by alternative licensed person.* The NCUA Board may compel a federal credit union to obtain a supervisory committee audit which meets the minimum requirements of §715.5 or §715.7, and which is performed by an independent person who is licensed by the State or jurisdiction in which the credit union is principally located, for any fiscal year in which any of the following three conditions is present:

(1) The Supervisory Committee has not obtained an annual financial state-

ment audit or performed a supervisory committee audit; or

(2) The Supervisory Committee has obtained a financial statement audit or performed a supervisory committee audit which does not meet the requirements of part 715 including those in §715.8.

(3) The credit union has experienced serious and persistent recordkeeping deficiencies as defined in paragraph (c) of this section.

(b) *Financial statement audit required.* The NCUA Board may compel a federal credit union to obtain a financial statement audit performed in accordance with GAAS by an independent person who is licensed by the State or jurisdiction in which the credit union is principally located (even if such audit is not required by §715.5), for any fiscal year in which the credit union has experienced serious and persistent recordkeeping deficiencies as defined in paragraph (c) of this section. The objective of a financial statement audit performed under this paragraph is to reconstruct the records of the credit union sufficient to allow an unqualified or, if necessary, a qualified opinion on the credit union's financial statements. An adverse opinion or disclaimer of opinion should be the exception rather than the norm.

(c) *“Serious and persistent record-keeping deficiencies.”* A record-keeping deficiency is “serious” if the NCUA Board reasonably believes that the board of directors and management of the credit union have not timely met financial reporting objectives and established practices and procedures sufficient to safeguard members' assets. A serious recordkeeping deficiency is “persistent” when it continues beyond a usual, expected or reasonable period of time.

**PART 716—PRIVACY OF CONSUMER FINANCIAL INFORMATION**

AUTHORITY: 15 U.S.C. 6801 *et seq.*, 12 U.S.C. 1751 *et seq.*

SOURCE: 78 FR 32545, May 31, 2013, unless otherwise noted.

## § 716.1

### § 716.1 Cross reference.

The rules formerly at 12 CFR part 716 have been republished by the Consumer Financial Protection Bureau at 12 CFR part 1016, “Privacy of Consumer Financial Information (Regulation P)”.

## PART 717—FAIR CREDIT REPORTING

### Subpart A—General Provisions

Sec.

- 717.1 Purpose, scope, and effective dates.
- 717.2 Examples.
- 717.3 Definitions.

### Subpart B [Reserved]

### Subpart C—Affiliate Marketing

- 717.20 Coverage and definitions.
- 717.21 Affiliate marketing opt-out and exceptions.
- 717.22 Scope and duration of opt-out.
- 717.23 Contents of opt-out notice; consolidated and equivalent notices.
- 717.24 Reasonable opportunity to opt out.
- 717.25 Reasonable and simple methods of opting out.
- 717.26 Delivery of opt-out notices.
- 717.27 Renewal of opt-out.
- 717.28 Effective date, compliance date, and prospective application.

### Subpart D—Medical Information

- 717.30 Obtaining or using medical information in connection with a determination of eligibility for credit.
- 717.31 Limits on redisclosure of information.
- 717.32 Sharing medical information with affiliates.

### Subpart E—Duties of Furnishers of Information

- 717.40 Scope.
- 717.41 Definitions.
- 717.42 Reasonable policies and procedures concerning the accuracy and integrity of furnished information.
- 717.43 Direct disputes.

### Subparts F–H [Reserved]

### Subpart I—Duties of Users of Consumer Reports Regarding Address Discrepancies and Records Disposal

- 717.80–717.81 [Reserved]
- 717.82 Duties of users regarding address discrepancies.
- 717.83 Disposal of consumer information.

## 12 CFR Ch. VII (1–1–14 Edition)

### Subpart J—Identity Theft Red Flags

- 717.90 Duties regarding the detection, prevention, and mitigation of identity theft.
- 717.91 Duties of card issuers regarding changes of address.

APPENDICES A–B TO PART 717 [RESERVED]  
APPENDIX C TO PART 717—MODEL FORMS FOR OPT-OUT NOTICES  
APPENDIX D TO PART 717 [RESERVED]  
APPENDIX E TO PART 717—INTERAGENCY GUIDELINES CONCERNING THE ACCURACY AND INTEGRITY OF INFORMATION FURNISHED TO CONSUMER REPORTING AGENCIES  
APPENDICES F–I TO PART 717 [RESERVED]  
APPENDIX J TO PART 717—INTERAGENCY GUIDELINES ON IDENTITY THEFT DETECTION, PREVENTION, AND MITIGATION

AUTHORITY: 12 U.S.C. 1751 *et seq.*; 15 U.S.C. 1681a, 1681b, 1681c, 1681m, 1681s, 1681s–1, 1681t, 1681w, 6801 and 6805, Public Law 108–159, 117 Stat. 1952.

SOURCE: 69 FR 69273, Nov. 29, 2004, unless otherwise noted.

### Subpart A—General Provisions

SOURCE: 70 FR 70692, Nov. 22, 2005, unless otherwise noted.

#### § 717.1 Purpose, scope, and effective dates.

(a) *Purpose.* The purpose of this part is to implement the provisions of the Fair Credit Reporting Act. This part generally applies to federal credit unions that obtain and use information about consumers to determine the consumer’s eligibility for products, services, or employment, share such information among affiliates, and furnish information to consumer reporting agencies.

(b) *Scope.* (1) [Reserved]

(2) *Institutions covered.* (i) Except as otherwise provided in this part, the regulations in this part apply to federal credit unions.

[72 FR 62981, Nov. 7, 2007]

#### § 717.2 Examples.

The examples in this part are not exclusive. Compliance with an example, to the extent applicable, constitutes compliance with this part. Examples in a paragraph illustrate only the issue described in the paragraph and do not illustrate any other issue that may arise in this part.