

September 15, 2015

Regulatory Compliance E-News

Your source for guidance on regulatory issues and updates that may impact your organization.

Frequently Asked Compliance Question

Question

Under what scenarios are we permitted to advertise that we offer a “free” ATM/Debit card?

Short Answer

A financial institution will only be able to advertise the ATM/Debit Card access device as “free” as long as there are no fees imposed by the institution for the card. When there are fees associated with special services that may impact the card, the institution will want to make a determination on a case by case basis as to whether that fee materially impacts the ability to call the card “free”...[click here to view the answer details](#).

If you have a question that you would like us to answer in an upcoming Regulatory Compliance E-News, contact [Stephen King, JD, AMLP](#), at 617-428-5448 or sking@wolfandco.com, or Brian Shea, CRCM, at 617-261-8133 or bshea@wolfandco.com.

Small Business, Small Farm and Community Development Lending Data Released



On August 25, 2015, three federal regulatory agencies, the Federal Reserve, Federal Deposit Insurance Corporation (“FDIC”) and the Office of the Comptroller of the Currency (“OCC”) announced that data relative to small business, small farm, and community development lending has been made available to the public.

The data was reported to the Federal Financial Institutions Examination Council (“FFIEC”) as part of 2014 Community Reinvestment Act (“CRA”) data collection. The FFIEC has also issued disclosure statements for this activity, for which reporting institutions will need to ensure is included in their CRA public file.

The press release can be found [here](#).

FFIEC Announces Changes and Additions to Census Tracts for HMDA and CRA

On August 27, 2015, the FFIEC posted information regarding changes to census tracts and counties that have occurred in 2013, 2014 and 2015. While the FFIEC has previously posted information relative to these changes; due to questions that have arisen, the FFIEC made the additional announcement relative to these changes on its web site.



As part of this announcement, the FFIEC has linked to a previous statement relative to the usage of American Community Survey data. The information updated will affect Home Mortgage Disclosure Act (“HMDA”) and CRA data collection for future reporting.

The news release can be found [here](#).

CFPB Publishes Monthly Complaint Spotlight Highlighting Credit Reporting Complaints



On August 25, 2015, the Consumer Financial Protection Bureau (“CFPB”) released its monthly publication spotlighting a particular area of trending consumer complaints. The August release focuses on credit reporting, revealing that the majority of credit reporting complaints were in regards to incorrect information reflected on consumer credit reports.

The CFPB’s press release also references complaint data that’s nation-wide and data that focuses on the Los Angeles metropolitan area.

The press release and monthly complaint report can be found [here](#).

Massachusetts Division of Banks Issues Examination Appeal Process Bulletin

The Massachusetts Division of Banks (the “Division”) recently released Regulatory Bulletin 1.1-106, which discusses the process to be followed by banks, credit unions, and mortgage lenders for appealing ratings of 3, 4 or 5 as relating to risk management, financial or consumer protection compliance examinations.



The Bulletin discusses the Division’s process for conducting a discussion of preliminary findings prior to the completion of an examination at which time interested individuals may provide documentation and information to dispute findings.

The reviewed entity is then given forty-five days after the receipt of a report of examination to formally appeal the rating. In the event of appeals over joint examinations with other regulatory agencies, the Division will provide the reviewed entity’s request and material to the other regulatory agencies.

The regulatory bulletin can be found [here](#).

Important Regulatory Dates

2015

October 1 - Federal flood rule changes regarding detached structures and force placement take effect

October 3 - The Truth in Lending Act (“TILA”) and Real Estate Settlement Procedures Act (“RESPA”) Disclosure Integration rules become effective

November 10 - Mandatory compliance date for Massachusetts institutions to utilize separate flood notice

December 31 - Sunset of Servicemembers Civil Relief Act (“SCRA”) foreclosure protections that were extended from ninety days to one year following a period of active duty

2016

January 1 - Federal flood Escrow and other rule changes take effect

October 3 - Military Lending Act amendments become mandatory for most lending products

2017

October 3 - Military Lending Act amendments become mandatory for certain credit card products

Contact



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PDFs of the Regulatory Compliance E-News and featured questions with full detailed answers from 2015 can be found [here](#).

This information in this newsletter is based on our preliminary analysis of the regulatory language. It is communicated with the understanding that the Firm is not rendering legal services. If legal advice is required, the services of an attorney should be sought.

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