



March 2, 2015

Regulatory Compliance E-News

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

Important Regulatory Dates

2015

April 7 - Massachusetts Bank Modernization Act takes effect

July 1 - Rhode Island mortgage servicer licensing rules take effect

July 18 - Certain Higher Priced Mortgage Appraisal Exemptions for existing manufactured homes expire

August 1 - The Truth in Lending Act ("TILA") and Real Estate Settlement Procedures Act ("RESPA") Disclosure Integration rules become mandatory

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 - Flood Escrow rule changes take effect

Upcoming Events & Webinars

2015

Webinars

March 10 - [2015 National ACH Association – Rules & Common Findings](#)

HUD Issues Final Rule on QM Points and Fees Limits Adjustment



On February 17, 2015, the Department of Housing and Urban Development ("HUD") published a final rule over its annual Qualified Mortgage ("QM") Rule adjustment.

HUD has amended its regulations to clarify that all annual adjustments to the qualified mortgage points and fees limit issued by the Consumer Financial Protection Bureau ("CFPB") apply to HUD's points and fees limit provision.

FFIEC Geocoding Data Updated With 2015 Census Information

The Federal Financial Institutions Examination Council ("FFIEC") has announced that its geocoding system has been adjusted to reflect updates made by the U.S. Census Bureau to some counties and census tracts for 2015.



HUD's final rule is effective upon its publication in the Federal Register, and affects single-family residential mortgages that HUD insures, guarantees or administers.

The Federal Register publication on this matter can be found [here](#).

CFPB Issues Report On Reverse Mortgages

 On February 9, 2015, the CFPB released a report highlighting the top complaints for reverse mortgages. In order to assist consumers who already have a reverse mortgage, the CFPB is also issuing an advisory with tips on planning ahead to help protect against the financial hardship that can be brought on by such a product.

The report covers 1,200 reverse mortgage complaints received by the CFPB between December 1, 2011, and December 31, 2014. Reverse mortgage complaints comprised approximately 1% of all mortgage complaints received by the CFPB during this time period and many complaints showed a mismatch between the consumer's expectations and the way the product truly functions.

The CFPB's press release can found [here](#).

OCC Issues Bulletin on CRA Asset-size Thresholds

 On February 6, 2015, the Office of the Comptroller of the Currency ("OCC") issued Bulletin 2015-10. The Bulletin announced revisions to the OCC's Community Reinvestment Act ("CRA") regulations that became effective on January 1, 2015.

Banks with assets of less than \$1.221 billion as of December 31 of either of the prior two calendar years will be considered a small bank or savings association. Banks with assets of at least \$305 million as of December 31 of both of the prior two calendar years and less than \$1.221 billion as of December 31 of either of the prior two calendar years will be considered an intermediate small bank or savings association.

Those banks meeting the small and intermediate asset-size thresholds are not subject to the reporting requirements applicable to large national banks or savings associations.

The Bulletin from the OCC can found [here](#).

Demographic data for the year 2015 will be updated upon release by the U.S. Census Bureau. It is important to select the correct activity year when using the FFIEC Geocoding System to ensure accurate information is received.

More information from the FFIEC can found [here](#).

FDIC Releases Additional Technical Assistance Video on CFPB Mortgage Rules

On February 13, 2015, the Federal Deposit Insurance Corporation ("FDIC") announced the release of the third in a series of three technical assistance videos developed to assist bank employees in meeting regulatory requirements. The newly released video covers mortgage servicing rules.



These videos address compliance with certain mortgage rules issued by the CFPB. Past videos in the series encompassed areas such as ability to repay, qualified mortgages and loan officer compensation.

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

OCC Issues Bulletin on Annual HPML Appraisal Threshold

On February 11, 2015, the OCC issued Bulletin 2015-15. The Bulletin announces that effective January 1, 2015, the adjusted exemption threshold amount will be \$25,500 or less for Higher Priced Mortgage Loan ("HPML") transactions that are exempt from the special appraisal requirements contained in the OCC's HPML regulations.



The adjustment reflects a 2% increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers from

OCC Issues Comptroller's Handbook on Deposit-Related Consumer Credit



On February 11, 2015, the OCC issued Bulletin 2015-13. The Bulletin announces the issuance of the "Deposit Related Consumer Credit" booklet, which will be included within the Comptroller's Handbook.

This document will replace the "Check Credit" booklet previously issued in March 1990. The booklet provides updated guidance and examination procedures that OCC examiners will use to assess a bank's deposit-related consumer credit activities.

Most notable is updated guidance on underwriting and account eligibility policies for overdraft protection services and other deposit related consumer credit products.

The Bulletin from the OCC can found [here](#).

NCUA Issues 2015 Regulation Review List



On February 9, 2015, the NCUA announced that it is accepting public comments on the list of regulations the agency will review in 2015.

The announcement is part of the agency's overall effort to streamline, modernize or eliminate regulations if the need occurs. Comments may be filed by email or standard mail and must be received by August 3, 2015.

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

FSOC Changes Nonbank Review Process



On February 4, 2015, the Department of the Treasury's Financial Stability Oversight Council ("FSOC") announced that it voted to adopt certain changes and formalize certain practices relating to its process for reviewing nonbank financial companies for potential designation.

Nonbank financial companies that are designated by the Council are subject to consolidated supervision by the Board of Governors of the Federal Reserve System and enhanced prudential standards.

April 2013 to April 2014.

The Bulletin from the OCC can found [here](#).

NCUA and SBA Announce New Partnership

On February 9, 2015, the National Credit Union Administration ("NCUA") and Small Business Administration ("SBA") announced the signing of a Memorandum of Understanding ("MOU").



Under the MOU, the NCUA and SBA will work on a series of educational initiatives during the next three years that include webinars, examiner training on SBA programs, data resources and media outreach.

The primary objective of the collaboration is increasing credit union awareness of SBA programs.

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

FinCEN to Extend Certain Reporting Requirements for Nonbank Entities

The Financial Crimes Enforcement Network ("FinCEN") has published in the February 10, 2015 Federal Register three notices relating to submissions to the Office of Management and Budget for approvals of extensions or renewals of certain form requirements.



The forms are not being changed as part of this renewal. They include the following:

- 80 FR 7526: Suspicious activity reporting requirements for residential mortgage lenders and originators

In particular these changes cover areas such as engagement with such companies under consideration by the Council, transparency to the public and engagement during annual re-evaluations of designations.

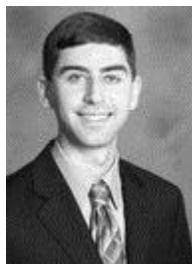
While the changes are effective immediately, the FSOC will accept comments from the public through March 25, 2015.

The press release from the Department Of the Treasury can found [here](#).

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PDFs of the Regulatory Compliance E-News from 2015 can be found [here](#).

- 80 FR 7527: Registration of Money Services Business, FinCEN Form 107
- 80 FR 7528: Suspicious activity reporting requirements for money services businesses

The comment period on each of the requests ends on April 13, 2015.

The Federal Register publication of the three notices can be found:

80 FR 7526 - [here](#)
80 FR 7527 - [here](#)
80 FR 7528 - [here](#)

Reminder on Massachusetts Bank Modernization Act Timing Requirements

Effective April 7, 2015, Massachusetts law will be amended in accordance with “An Act modernizing the banking laws and enhancing the competitiveness of state-chartered banks” (“Bank Modernization Act”).



While certain changes in the Act will provide relief for institutions in areas such as Electronic Fund Transfers and Funds Availability, federal changes in terms requirements over such regulations impose either twenty-one or thirty day advance notification obligations for adverse changes.

Any institutions seeking to make changes to their policies, practices and disclosures immediately on April 7, 2015, will need to ensure compliance with these requirements.

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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