

April 15, 2015

## Regulatory Compliance E-News

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

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### Frequently Asked Compliance Question

#### Question

Our card vendor (Master Card or VISA) requires us to obtain a written form from the customer before it will proceed with processing a Regulation E error resolution claim. Are we permitted to delay or decline the claim when the customer does not provide us with something in writing?

#### Short Answer

A financial institution must begin and finish without delay an error resolution claim within the timeframes established by Regulation E, even if it never receives a signed or written affidavit from the customer....[click here to view the more detailed answer.](#)

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](mailto:sking@wolfandco.com), or Brian Shea, CRCM, at 617-261-8133 or [bshea@wolfandco.com](mailto:bshea@wolfandco.com).

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### Important Regulatory Dates

#### 2015

**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

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### CFPB Issues Updated Supervision and Examination Manual



Effective April 1, 2015, the Consumer Financial Protection Bureau ("CFPB") has issued updated versions of the RESPA Procedures as well as the TILA Procedures.

### CFPB Announces New Mortgage Shopping Toolkit to Replace the HUD Booklet

On March 31, 2015, the CFPB released its new Mortgage Shopping Toolkit, replacing the Department of Housing and Urban Development's ("HUD") Settlement Cost Booklet.



Both sections of the CFPB Supervision and Examination Manual reflect examination procedures applicable to the TILA-RESPA Integrated Disclosure Rules, which become effective concerning applications received on or after August 1, 2015, and Mortgage Servicing Requirements, which became effective in January 2014.

The TILA Procedures section also contains updated examination procedures for Higher-Priced Mortgage Loan Appraisal and Escrow Account rules which became effective in January 2014.

The complete Manual, as well as the sections containing updates, can be found [here](#).

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## CFPB Explains the Role of Small Businesses in the Rulemaking Process



On March 26, 2015, the CFPB released a blog post to explain the role of small businesses within the process of originating or amending consumer financial protection rules.

As part of the Dodd-Frank Act, the CFPB is required to organize a Small Business Review Panel when working on a rule that could have significant economic impact on small entities.

The blog post details the process followed by the CFPB, Small Business Administration and the Office of Management and Budget's Office of Information and Regulatory Affairs in considering, vetting and synthesizing a new rule.

The CFPB's blog post can be found [here](#).

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## OCC Issues Bulletin on SCRA Extensions for Certain Protections



On April 1, 2015, the Office of the Comptroller of the Currency ("OCC") issued Bulletin 2015-21 noting that the temporary Servicemembers Civil Relief Act ("SCRA") protection against the foreclosure or seizure of mortgage property within one year following a servicemember's period of military service has been extended until December 31, 2015.

This extension of protection is reflected in the updated SCRA Notice Disclosure which is required to be provided to residential borrowers within forty-five days of a missed payment.

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

As part of the "Know Before You Owe" initiative, the Toolkit aims to help consumers take full advantage of the new Loan Estimate and Closing Disclosure forms that lenders are required to begin using in August 2015.

The Toolkit includes interactive worksheets, checklists, discussion topics and research tips to help consumers find out valuable information before proceeding with the transaction. Usage of the Toolkit will become effective on August 1, 2015, along with the other Integrated Disclosure rules.

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

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## CFPB Issues Proposed Rule on Payday Lending

On March 26, 2015, the CFPB announced that it is considering to propose rules that would end the "debt traps" created by short-term credit products such as payday loans.



The CFPB published an outline of proposals under review of the Small Business Review Panel in order to gather additional feedback from small lenders.

The aim of these proposals is to curtail the abusive practices associated with short-term credit products such as not underwriting for affordable payments, repeatedly refinancing loans, holding security interest in a vehicle and accessing the consumer's account for repayment.

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

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## NY DFS Issues Elder Financial Exploitation Guidance

On February 26, 2015, the Superintendent of the New York State Department of Financial Services ("DFS") issued guidance to financial institutions recommending that they take a more active role in preventing elder financial exploitation.



DFS has found that institutions are underreporting abuse cases. All financial institutions can play an important role in preventing elder financial abuse by adopting red flag protocols; enhancing staff training; and reporting suspected abuse to Adult Protective Services.

## Contact



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

Elder abuse has become a more prevalent issue in the country in recent years as the population of elderly citizens has grown as a percentage. The guidance directs financial institutions to report suspected financial exploitation to relevant authorities.

The DFS Guidance 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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