



June 1, 2015

Regulatory Compliance E-News

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

Frequently Asked Compliance Question

Question

When dealing with vendor management, should we require Identity Theft provisions in all contracts where the vendor/service provider has access to our customers' accounts?

Short Answer

Not necessarily. Regulation V does not specifically require Identity Theft language in a contract nor are provisions required for all service providers with access to customers' accounts. The Regulation specifies that oversight is required for those service providers that perform an activity in connection with a covered account. Examiners expect institutions to take steps to ensure that these activities are conducted in order to detect, prevent, and mitigate the risk of identity theft...[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, or Brian Shea, CRCM, at 617-261-8133 or bshea@wolfandco.com.

Important Regulatory Dates

2015

June 1 - Maximum returned deposited item fee amount for Massachusetts institutions increases to \$6.84

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

CFPB Issues Bulletin on Public Housing Discrimination



On May 11, 2015, the Consumer Financial Protection Bureau (“CFPB”) issued a bulletin relating to Fair Lending practices over consumers receiving public housing assistance.

The bulletin focuses in particular on individuals receiving assistance from the Section 8 Housing Choice Voucher Homeownership Program.

Under the Equal Credit Opportunity Act (“ECOA”), creditors are prohibited from discriminating against applicants because some or all of their income is from a public assistance program. Excluding or refusing to consider vouchers under the Section 8 program could be considered a violation of ECOA.

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

OFAC Releases Terrorist Assets Report



On May 7, 2015, the United States Department of the Treasury released the Terrorist Assets report to Congress detailing assets in the U.S. that relate to terrorist countries and international terrorism program designees.

The report is produced on an annual basis, and reflects activities for calendar year 2014.

The Terrorist Assets Report can be found [here](#).

OCC Issues Newsletter on Financing Small Multifamily Rental Properties



On May 19, 2015, the OCC published its latest edition of ‘Community Developments Investments’, an electronic newsletter that focuses on small multifamily rental property financing.

Noting that such properties house approximately a third of the country’s renters, the OCC newsletter discusses the ways banks may get involved in financing these properties for their own investment portfolios or for sale on the secondary market.

FinCEN Provides Additional FBAR E-Filing Method

On May 8, 2015, the Financial Crimes Enforcement Network (“FinCEN”) announced that the BSA E-Filing System has been adjusted to provide alternative means by which individuals can file the Report of Foreign Bank and Financial Accounts (“FBAR”).



Filers have the ability to continue to use the current method via Adobe PDF, or to alternatively utilize a browser-exclusive format. FinCEN’s press release contains information on the two different types of methods. The two options are only available to individual filers.

FinCEN’s press release can be found [here](#).

OCC Publishes Integrated Corporate Activities Rules

On May 18, 2015, the Office of the Comptroller of the Currency (“OCC”) published a final rule integrating rules regarding policies and procedures for corporate transactions and activities involving national banks and federal savings associations.



The purpose of this rule is to eliminate unnecessary requirements consistent with safety and soundness standards and to promote fairness in supervision. The rule becomes effective July 1, 2015.

The final rule can be found [here](#).

FTC Launches New Resource for Identity Theft Victims

On May 14, 2015, the Federal Trade Commission (“FTC”) released a new resource in an attempt to make it easier for victims of identity theft to report and recover from such theft.



[IdentityTheft.gov](#) provides an interactive checklist that walks users through the steps they need to take to recover from fraud and

The newsletter also discusses current OCC supervisory policies for the financing of multi-family properties and Community Reinvestment Act considerations.

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

Department of Education Issues Proposed Rulemaking Over College Bank Accounts



On May 18, 2015, the Department of Education published a proposed rule intended to limit certain types of arrangements that colleges can make with financial institutions that fund federally guaranteed student loans.

The rule would disallow colleges from requiring that students open an account with a specific financial institution in order to receive a loan disbursement. Further, colleges would have to provide a list of accounts through which students may receive loan disbursements.

The rule would also prevent financial institutions from prioritizing student loan disbursements to their own accounts as opposed to those of preexisting student accounts.

In addition, financial institutions would be prohibited from assessing point of sale or overdraft fees on any college-endorsed account, and would be required to give students "reasonable access" to ATMs without surcharges at which they may access loan funds.

The proposed rule also contains various other rules and prohibitions. Comments on the proposed rule are due by July 2, 2015.

The proposed rule can be found [here](#).

NCUA Issues Opinion Letter on Membership Fees



On May 1, 2015, the National Credit Union Administration ("NCUA") issued a legal opinion letter. The letter was issued in response to a question as to whether federal credit unions can charge monthly membership fees.

to ensure that it does not recur. The web site also offers specialized tips based on the type of identity theft that has occurred.

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

CFPB Launches Inquiry into Student Loan Servicing

On May 14, 2015, the CFPB announced that it is launching an inquiry into student loan servicing practices. Student loans currently make up the second largest consumer debt market in the country.



The CFPB is seeking input on ways to help ensure borrowers receive quality loan servicing. In particular they are seeking information on industry practices that create repayment challenges and hurdles for distressed borrowers.

The CFPB is also looking for insight on economic incentives affecting service quality, the application of consumer protections in other markets, and availability of information about the student loan market.

The deadline to submit comments is July 13, 2015. As part of its press release the CFPB also announced the re-launching of a repay student debt tool and issued a fact sheet about student debt stress.

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

NY Superintendent to Step Down

On May 20, 2015, it was announced by the New York Department of Financial Services that the Superintendent, Benjamin Lawsky, will be stepping down. Lawsky has served as Superintendent of the agency since its creation four years ago.



The Department of Financial Services' press release can be found [here](#).

The NCUA responded that credit unions cannot charge periodic membership fees, but they may charge uniform entrance fees and account or service related fees. Such fees cannot serve as a condition for continued membership at the credit union.

The opinion letter can be found [here](#).

Contact



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PDFs of the Regulatory Compliance E-News 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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