

RKL Risk Management Regulatory Compliance Report

September 2017



RKL Risk Management's quarterly compliance report identifies proposed and finalized, federally issued consumer compliance/regulatory items.

JULY – FINAL ISSUANCES

Topic	CFPB Issues Final Rule Regulating Arbitration Agreements
Date	July 10, 2017
Description	Pursuant to section 1028(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203), the Bureau of Consumer Financial Protection (Bureau) has issued this final rule establishing 12 CFR part 1040 to regulate arbitration agreements in contracts for specified consumer financial product and services. First, the final rule prohibits covered providers of certain consumer financial products and services from using an agreement with a consumer that provides for arbitration of any future dispute between the parties to bar the consumer from filing or participating in a class action concerning the covered consumer financial product or service. Second, the final rule requires covered providers that are involved in an arbitration pursuant to a pre-dispute arbitration agreement to submit specified arbitral records to the Bureau and also to submit specified court records. The Bureau has also adopted official interpretations to the proposed regulation.
Links / Additional Details	https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201707_cfpb_Arbitration-Agreements-Rule.pdf

Topic	CFPB Amends Disclosure Requirements Under TILA
Date	July 7, 2017
Description	This final rule modifies the federal mortgage disclosure requirements under the Real Estate Settlement Procedures Act and the Truth in Lending Act that are implemented in Regulation Z. This rule memorializes the Bureau's informal guidance on various issues and makes additional clarifications and technical amendments. This rule also creates tolerances for the total of payments, adjusts a partial exemption mainly affecting housing finance agencies and nonprofits, extends coverage of the TILA-RESPA integrated disclosure (integrated disclosure) requirements to all cooperative units, and provides guidance on sharing the integrated disclosures with various parties involved in the mortgage origination process.
Links / Additional Details	Effective Date: October 10, 2017 https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201707_cfpb_Final-Rule_Amendments-to-Federal-Mortgage-Disclosure-Requirements_TILA.pdf

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Topic	CFPB Publishes Policy Guidance Regarding Early Compliance with 2016 Servicing Amendments
Date	June 30, 2017
Description	The CFPB's 2016 Mortgage Servicing Final Rule takes effect on either Thursday, October 19, 2017, or Thursday, April 19, 2018. The Bureau has heard concerns that these midweek effective dates could create operational challenges for servicers. Industry participants have notified the Bureau that implementing the 2016 Mortgage Servicing Final Rule during the weekend, with early compliance beginning on the Monday before each of the respective Thursday effective dates, would address these concerns. The Bureau does not, therefore, intend to take supervisory or enforcement action for violations of existing Regulation X or Regulation Z resulting from a servicer's compliance with the 2016 Mortgage Servicing Final Rule occurring up to three days before the applicable effective dates. For these purposes, "up to three days before the applicable effective dates" means, for the amendments that will take effect on Thursday, October 19, 2017, the period of Monday, October 16, through Wednesday, October 18, 2017; and, for the amendments that will take effect on Thursday, April 19, 2018, the period of Monday, April 16, through Wednesday, April 18, 2018.
Links / Additional Details	https://www.federalregister.gov/documents/2017/06/30/2017-13799/policy-guidance-on-supervisory-and-enforcement-priorities-regarding-early-compliance-with-the-2016

JULY – PROPOSED ISSUANCES

Topic	CFPB Proposes Temporary Threshold Increase for Certain Open-End HMDA Requirements
Date	July 14, 2017
Description	The Bureau of Consumer Financial Protection (Bureau) is proposing amendments to Regulation C that would, for a period of two years, increase the threshold for collecting and reporting data with respect to open-end lines of credit so that financial institutions originating fewer than 500 open-end lines of credit in either of the preceding two years would not be required to begin collecting such data until Jan. 1, 2020.
Sources/Additional Details	https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201707_cfpb_NPRM_HMDA-temporary-threshold-increases.pdf

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Topic	CFPB Proposes Amendments to TILA
Date	July 10, 2017
Description	The Bureau of Consumer Financial Protection (Bureau) is proposing to amend federal mortgage disclosure requirements under the Real Estate Settlement Procedures Act and the Truth in Lending Act that are implemented in Regulation Z. The proposed amendments relate to when a creditor may compare charges paid by or imposed on the consumer to amounts disclosed on a Closing Disclosure, instead of a Loan Estimate, to determine if an estimated closing cost was disclosed in good faith. Specifically, the proposed amendments would permit creditors to do so regardless of when the Closing Disclosure is provided relative to consummation.
Links / Additional Details	Comments close: October 10, 2017 https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201707_cfpb_Proposed-Rule_Amendments-to-Federal-Mortgage-Disclosure-Requirements_TILA.pdf

Topic	OCC, FRB and FDIC Propose Amendments to Real Estate Appraisal Requirements
Date	July 31, 2017
Description	The Agencies are inviting comment on a proposed rule to amend the agencies' regulations requiring appraisals of real estate for certain transactions. The proposal would increase the threshold level at or below which appraisals would not be required for commercial real estate transactions from \$250,000 to \$400,000. This proposed change to the appraisal threshold reflects comments the agencies received through the regulatory review process required by the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) and completed in early 2017. For commercial real estate transactions with a value at or below the proposed threshold, the amended rule would require institutions to obtain an evaluation of the real property collateral that is consistent with safe and sound banking practices if the institution does not obtain an appraisal by a state certified or licensed appraiser.
Links / Additional Details	Comments close: September 29, 2017 https://www.occ.treas.gov/news-issuances/federal-register/82fr35478.pdf

AUGUST – FINAL ISSUANCES

Topic	CFPB Issues Amendments to HMDA
Date	August 24, 2017
Description	The Bureau of Consumer Financial Protection (Bureau) is amending Regulation C to make technical corrections to and to clarify certain requirements adopted by the Bureau’s Home Mortgage Disclosure (Regulation C) final rule (2015 HMDA Final Rule or the Final Rule), which was published in the Federal Register on Oct. 28, 2015. The Bureau is also amending Regulation C to increase the threshold for collecting and reporting data about open-end lines of credit for a period of two years so that financial institutions originating fewer than 500 open-end lines of credit in either of the preceding two years would not be required to begin collecting such data until Jan. 1, 2020. The Bureau also is adopting a new reporting exclusion.
Links / Additional Details	https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201708_cfpb_final-rule_home-mortgage-disclosure_regulation-c.pdf

Topic	OCC Issues Guidance for Higher LTV Lending Programs in Communities Targeted for Revitalization
Date	August 21, 2017
Description	This guidance applies to any OCC-supervised banks wishing to establish a program for originating higher-LTV loans in communities targeted for revitalization. OCC Bulletin 2017-28 provides guidance for managing risks to banks and borrowers associated with programs in which residential mortgage loans are originated when the loan-to-value ratio (LTV) at origination exceeds 100 percent (referred to in this bulletin as higher-LTV loans).
Links / Additional Details	https://www.occ.treas.gov/news-issuances/bulletins/2017/bulletin-2017-28.html

SEPTEMBER – FINAL ISSUANCES

Topic	GSE's Issue URLA Implementation Timeline
Date	September 26, 2017
Description	Fannie and Freddie issued a timeline for the implementation of the redesigned Uniform Residential Loan Application. Among other important dates in the release, the GSE's state that the industry may begin using the redesigned URLA starting July 1, 2019. The GSEs will require the use of the redesigned URLA for all new loan applications in February 2020. The Demographic Information Addendum may be used immediately.
Links / Additional Details	https://www.fanniemae.com/content/news/urla-announcement-september-2017.pdf

Topic	CFPB Amends ECOA to Permit Compliance with HMDA
Date	September 20, 2017
Description	The Bureau of Consumer Financial Protection is issuing a final rule that amends Regulation B to permit creditors additional flexibility in complying with Regulation B in order to facilitate compliance with Regulation C, adds certain model forms and removes others from Regulation B, and makes various other amendments to Regulation B and its commentary to facilitate the collection and retention of information about the ethnicity, sex, and race of certain mortgage applicants.
Links / Additional Details	https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201709_cfpb_final-rule_regulation-b.pdf

SEPTEMBER – PROPOSED ISSUANCES

Topic	OCC, FRB and FDIC Propose Amendments to CRA
Date	September 20, 2017
Description	The Agencies propose to amend their regulations implementing the Community Reinvestment Act (CRA) to update the existing definitions of “home mortgage loan” and “consumer loan,” related cross references, and the public file content requirements to conform recent revisions made by the Consumer Financial Protection Bureau (Bureau) to Regulation C, which implements the Home Mortgage Disclosure Act (HMDA), and to remove obsolete references to the Neighborhood Stabilization Program (NSP).
Links / Additional Details	Comments close: October 20, 2017 https://www.occ.treas.gov/news-issuances/federal-register/82fr43910.pdf

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