

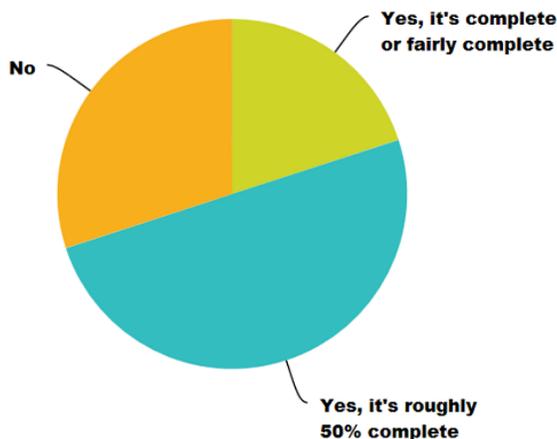


Don't Get Caught in the Rain by Ignoring HMDA Preparedness

The 2018 HMDA provisions will be here before we know it. With less than 9 months to prepare, it's very important to ensure you have set a clear path towards compliance.

We recently surveyed various institutions about their preparedness for the 2018 requirements. It appears a lot of institutions still have a great deal of work to do in order to be prepared for the January 1st requirements.

At this time, has an action plan been drafted for implementation of the 2018 HMDA rules?



When you consider that current HMDA reporting reflects **26 fields** and the 2018 Filing Instructions Guide reflects **110 fields**...complying with the new requirements can seem daunting. However, early planning with business lines and IT staff is an integral part of success. As part of our 1st quarter compliance webinar, we created a **2018 HMDA Project Plan template**. Our Online Compliance Consulting clients may find this tool, and a copy of our presentation, in the Knowledge Base. We've also added some new HMDA FAQs to our database to provide further clarification.

Online Compliance Consulting Update!

The Online Compliance Consulting Dashboard has been enhanced!

- **Knowledge Base Updates:**
 - ✓ 2018 HMDA Project Plan
 - ✓ 1st Q Be Prepared! Training Materials
 - ✓ March 2017 News
 - ✓ HMDA FAQs

To access this information and all other compliance features, go to: <http://compliance.smslp.com/>

A Friendly “TRID” Reminder

In our Online Compliance Consulting practice, we receive a lot of questions on a variety of “**TRID**” (**TILA RESPA Integrated Disclosures**) issues. On that topic, we want to pass along a friendly reminder about “**predisclosure activity**.”

Creditors may not impose a fee before the consumer has received the Loan Estimate and indicated an intent to proceed. The only exception provided by the regulation is for a bona fide and reasonable fee for the consumer’s credit report.

The reminder we’d like to pass along today is to not impose a fee too quickly in your process and that the commentary clarifies that a creditor “**imposes**” a fee if it requires the consumer to provide a **method of payment**, even if payment is not made at that time. That means that creditors **may not ask for a check prior to disclosure**, even if you inform the consumer that it will not be cashed until after disclosure and the receipt of intent. It also means that **a credit card number should not be required** to be provided before disclosure & intent is received.

Not So Fast...

Creditors should ensure that their process complies with these provisions. For more information, please refer to Reg. Z 1026.19(e)(2) and its commentary. You may find that information [here](#).

Attention Credit Unions

Late last month, the NCUA issued a **supervisory letter** (SL No. 17-01) to their field staff regarding the **evaluation of compliance risk**.

The letter provides information on an **updated** list of **compliance risk indicators**, which are part of the NCUA’s risk-focused examination program. Beginning March 31, 2017, the updated framework will be utilized. It incorporates and adds detail to current compliance risk indicators. The updated framework has three broad categories:

- **Board and Management Oversight,**
- **Compliance Programs,** and
- **Violations of Law and Consumer Harm.**

Each of these categories has various factors to be considered, which are highlighted in the letter. If you would like to read the NCUA’s issuance, you may find it [here](#).



CFPB Issuances

- **A Proposed Amendment to Regulation B** – This **proposal** is aimed at permitting additional flexibility in collecting **consumer demographic information** under Reg. B and helping to facilitate compliance with Reg. C / HMDA, which will include new subcategories of data collection. The proposal also includes adjustments to model forms. Details may be found [here](#).



Mark your calendar for our next **Be Prepared!** Compliance Update webinar. It is scheduled for **June 28, 2017**.

When available, details will be posted on BankersWEB, [here](#).

- **Insights from the Consumer Response Report** – “Understanding Consumer Experiences” is the focus of this annual report. The CFPB gains insight of consumer experiences as a result of accepting over **1 million consumer complaints** for more than 5 years. This report, covering 2016, provides a good statistical analysis of complaints categorized by products and services. For example, the analysis reflects that mortgage-related complaints are largely centered on conventional fixed rate mortgages and making payments. We recommend a review of this material as it represents a good overall view of weaknesses in the industry. The report may be found [here](#).
- **National Community Reinvestment Remarks** – The CFPB recently released Director Cordray’s remarks at the **National Community Reinvestment Coalition (NCRC)** Conference. Cordray discussed the leadership provided by the NCRC and how they have raised public awareness regarding the need for fairness and honesty in housing and economic development. Cordray also discussed **discrimination and redlining**, referring to such practices as not being “relics of a bygone era;” but are issues that they continue to root out. Interested stakeholders and CRA Officers may find these comments of interest, which may be found [here](#).

Convenient and Affordable Compliance Assistance

Do you need help preparing for the upcoming regulatory requirements? SC+S can help with our Online Compliance Consulting services, which combines the ease of online tools with the guidance of a compliance expert.

You will have access to an online compliance expert who will:

- Answer all of your compliance questions;
- Review your new policies and disclosures for compliance; and
- Train your Board of Directors on upcoming regulatory requirements.

You will also receive access to our online tools, including:

- Our Compliance Calendar;
- Our Dashboard Feature and Progress List, that enables you to determine what steps you will need to take to comply with the requirements and track your progress as you implement them;
- Our exclusive Knowledge Base of compliance Q&As; and
- FREE access to our quarterly Be Prepared! webinar series.

For more information or a free demo, contact Rhonda Coggins at 512-703-1509.

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