



We hope you had a wonderful Independence Day!

CFPB Rules – Threshold Adjustments

Truth in Lending

The CFPB has recently issued a new rule which announced certain annual threshold adjustments under **Regulation Z**.

Effective January 1, 2017, certain thresholds will be adjusted for the **CARD Act**, **HOEPA** and **ATR/QM** rules. This issuance also revises one of the 2016 safe harbor penalty fee amounts applicable to open-end consumer credit plans under the CARD Act, which became effective upon publication in the Federal Register, which was June 27, 2016.

SCS will issue a Compliance Alert on Regulation Z threshold adjustments at a later date. If you would like to read the CFPB's final rule, you may find it [here](#).

Civil Monetary Penalties

In a separately-issued ruling, the CFPB also published for public comment an interim final rule to adjust the civil monetary penalties within the CFPB's jurisdiction for inflation.

The rule covers a wide variety of adjustments, including the following:

- RESPA / Annual Cap – adjusted from \$100,000 to \$178,156
- SAFE Act / Per Violation – adjusted from \$25,000 to \$27,455
- TILA / 1st Violation – adjusted from \$10,000 to \$10,875
- TILA / Subsequent Violations – adjusted from \$20,000 to \$21,749

If you would like to read the CFPB's rule, you may find it [here](#).

Did You Miss Our 2Q Be Prepared! Webinar?

Online Compliance Consulting clients have access to the recording of this presentation, which included a discussion of **BSA/AML regulatory hot spots**, with a heavy focus on the **new customer due diligence requirements**. Simply access "Compliance Webinars" from the Online Dashboard and listen to the presentation on your schedule.

Online Compliance Consulting Update!

The Online Compliance Consulting Dashboard has been enhanced!

- **Our new and improved website includes the following new tools and resources:**

- ✓ NEW Compliance Alert – BSA / New Customer Due Diligence Requirements
- ✓ 2Q 2016 – Be Prepared! Compliance Update Webinar & Slides
- ✓ 2 TILA-RESPA SCS Quick Reference Guides for Integrated Disclosures
- ✓ SCS Transcript of the CFPB's Construction Lending Webinar
- ✓ Flood Insurance Calculator Tool
- ✓ Enhanced Implementation Checklists
- ✓ Quick Links to Regulations and Rulemaking Sites

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

Technology-Related Issues

Mortgage Servicing

In a June press release, the CFPB released a statement highlighting that **mortgage servicers' ongoing technology failures** often lead to rule violations. It has been noticed that these failures result in harm to customers and puts the servicer in violation of the new servicing rules. Besides the press release, the CFPB has also released an **updated mortgage servicing exam manual** to spur the industry to comply. The press release may be found [here](#).

Ransomware

Did you know that on average, more than 4,000 ransomware attacks have occurred daily since January 1, 2016? Ransomware is a form of malware that targets critical data for purposes of extortion. "**How to Protect Your Networks from Ransomware**" is an interagency guidance document which was created for **Chief Information/Security Officers** which provides a great synopsis of best practices and mitigation strategies to prevent ransomware incidents. We highly recommend that your IT staff be made aware of this resource, which may be found [here](#).

Proposed Privacy Rule Changes

Earlier this month, a proposed rule was published to amend **Regulation P**. The proposed amendments are being made to implement an earlier statutory amendment to GLBA, which provides an exception to the annual notice requirement (i.e. part of the Fixing America's Surface Transportation Act (**FAST Act**)). The proposal removes the current Regulation P provision that allows for use of the alternative delivery method for annual privacy notices because the CFPB believes the alternate delivery method will no longer be used in light of the annual notice exception. The comment period closes on August 10, 2016. It is anticipated that the proposed amendments would become effective 30 days after the final rule is published. The proposed rule 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 on upcoming regulatory requirements.

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



Mark your calendar for our next **Be Prepared!** Compliance Update webinar. It is scheduled for **September 22, 2016**.

When available, details can be found on BankersWEB, [here](#).

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