



Photo Credit – R. Coggins

FDIC Deposit Insurance – Rule Change

The FDIC's regulation for **Deposit Insurance Coverage** is contained in 12 CFR 330. Currently, the standard maximum deposit insurance amount is \$250,000. The insurance provided by the Federal Deposit Insurance Act and the regulation is based upon the ownership rights and capacities in which deposit accounts are maintained at insured depository institutions.

On July 22, the FDIC published a final rule **amending** the provisions for **joint ownership accounts** that will become effective **August 21, 2019**. The joint ownership account provisions provide information on the determination of insurance coverage for the **interest of each co-owner** of a "**qualifying joint account**." Prior to this new rule change, one of the criteria of a "qualifying joint account" is that each co-owner has "**personally signed a deposit account signature card**." The new rule provides an **alternative** to satisfy the signature card requirement by permitting an institution to rely on information contained in the **deposit account records** of the institution which establishes co-ownership. For example, the requirement could be satisfied by evidence that each co-owner was issued a debit card or that each co-owner has performed transactions on the account.

The FDIC anticipates that the new rule will provide **relief** for covered institutions by **reducing the burden** associated with obtaining deposit account signature cards personally signed by each co-owner. Interested persons may find the new final rule [here](#).

NEW OFAC Rules

In complying with **OFAC** rules, institutions are typically well-versed in setting up their program. Institutions document their policy and procedures, build their risk assessment, train staff and implement filtering processes that monitor

Online Compliance Consulting Update!

The Online Compliance Consulting Dashboard has been enhanced!

- NEW Compliance Alert – Reg. CC & Inflationary Adjustments
- UPDATED Compliance Calendar
- UPDATED Knowledge Base – Revised Reg. E Error Resolution Flowchart
- UPDATED Regulatory Deadline Workbook & Implement a Plan Checklists
- UPDATED Compliance Progress Section
- July 2019 News

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

activity and look for OFAC “hits.” These internal controls support general requirements that require the following:

- block accounts and other property of specified countries, entities and individuals; and
- prohibit or reject licensed trade and financial transactions with specified countries, entities and individuals.

So, what happens if you get a “hit” and need to interact with OFAC?

OFAC’s **Reporting, Procedures and Penalties Regulations** (31 CFR 501) provide numerous instructions and clarifies requirements on various, related topics. These regulations were recently amended via OFAC’s interim final rule that was published on **June 21, 2019**, and was **effective the day of publication**. OFAC is updating six sections of their regulations. Highlights include the following:

- **Reports on Blocked and Unblocked Property § 501.603** – *Initial blocking report instructions are expanded. Provisions are also extended to cover the reporting on the release of property. Annual reports of blocked property instructions have also been adjusted.*
- **Reports on Rejected Transactions § 501.604** – *Clarification has been made to the scope of transactions covered. Information to be included in reports is expanded. Provisions now permit the electronic submission of reports.*
- **Licensing Procedures § 501.801** – *Revisions require that applications for specific licenses to engage in any transactions otherwise prohibited must be filed through OFAC’s Reporting and License Applications forms page. Specific form information is provided for applications for the unblocking of funds.*
- **Reports to be Furnished on Demand § 501.602** – *Additional clarity is provided on electronic documents and usable formats.*
- **Penalties § 501.701** – *Information describing penalties is being adjusted.*
- **Procedures for Unblocking Funds Believed to Have Been Blocked Due to Mistaken Identity § 501.806** – *Procedures for unblocking funds believed to have been blocked due to mistaken identity have been revised.*

Interested persons may find the OFAC regulation [here](#) and may find the interim rule [here](#).

CFPB – UPDATED TRID FAQs

Recently, the CFPB updated their **frequently asked questions** (FAQs) for **TILA-RESPA integrated disclosure** (TRID) provisions. The FAQs have included information since January on corrected Closing Disclosures and the use of model forms. In May, the FAQs were adjusted to include information on construction loans. **However, most recently, the FAQs were enhanced to include information on providing Loan Estimates.**

The Bureau’s issuance contains 5 FAQs related to Loan Estimates. Included on that topic is the following:

Calendar Reminders

- **8/19** – Payday Lending Rule Effective (excluding underwriting provisions)
- **8/21** – FDIC Deposit Insurance Joint Account Rule Effective
- **9/3** – Reg. CC and Reg. DD Rule, Part 1 Effective
- **9/26** – Be Prepared! Quarterly Compliance Update
- **9/30** – Sunset of NFIP (if Congress does not reauthorize)



Mark your calendar for our next **Be Prepared!** Compliance Update webinar. It is scheduled for **September 26, 2019**.

When available, details may be found on BankersWeb, [here](#).

Q – What if a creditor needs to collect additional information (other than the six pieces of information that constitute an application for purposes of the TRID Rule) or verifying documents to process a pre-approval or pre-qualification request?

A - The TRID Rule does not prohibit a creditor from requesting and collecting additional information (beyond the six pieces of information that constitute an application under the TRID Rule) or verifying documents it deems necessary in connection with a request for a mortgage loan, including a request for a pre-approval or a pre-qualification letter. Consumers may voluntarily submit such information and documents prior to receiving a Loan Estimate. However, a creditor cannot condition provision of a Loan Estimate on the consumer submitting additional information (beyond the six pieces of information that constitute an application for purposes of the TRID Rule) or any verifying documents. It also must allow the consumer to submit the six pieces of information that constitute an application for purposes of the TRID Rule (without any verifying documents or additional information).

To read the rest of the answer to the question posted above and to see the other FAQs, interested persons may access the information [here](#).

Updated Guidance on Elder Financial Exploitation

The CFPB has recently updated their 2016 guidance related to the reporting of **suspected elder financial exploitation** by financial institutions. The guide **reiterates best practices** while providing updates that focus on reporting elder exploitation to **local, state or federal first responders**. This is provided as many financial institutions remain unsure of whether to report suspected exploitation due to privacy concerns.

Interested persons may find the updated guidance [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.

Contact Us

Sheshunoff Consulting + Solutions
901 S. Mopac Expressway
Barton Plaza V, Suite 140
Austin, TX 78746

© 2019 SCSR, L.L.C.

You have received this newsletter as either a complement to other SC+S services you receive, or in response to your request. If you no longer wish to receive this newsletter, please send an email to compliance@smslp.com.

No further reproduction or distribution is allowed outside your organization without permission.