



InfoSight Highlight

Have You Checked Out ComplySight Yet?

It's hard to find time in the day to get everything done, so it's understandable if you haven't had time to take a look at ComplySight. Well, now would be a good time to make sure you get some time squeezed into your schedule! We are offering a 30-day free trial option so that you have time to view ComplySight, play around with it, and see how it can enhance the compliance operations at your credit union. For more information, or to get set up for your 30-day trial, please email us at compliance@gcua.org.

GEORGIA CREDIT UNION

Affiliates

InfoSight
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Credit Union National Association

Compliance News

Homeownership Counseling Requirements

The Consumer Financial Protection Bureau (CFPB) has issued a Final Interpretive Rule, effective **April 21, 2015**, to provide further guidance of the homeownership counseling requirements for both high-cost mortgage loans (Truth in Lending) and federally related mortgage loans (RESPA). The new Interpretive Rule answers the following questions:

FEDERALLY-RELATED MORTGAGE LOAN **HOMEOWNERSHIP COUNSELING LIST**

Question: Our member currently lives in England and consequently does not have a current U.S. zip code, how can we generate a RESPA-compliant homeownership counselor list without the mortgage applicant's zip code?

Answer: According to [CUNA's Compliance Blog](#), you may use the zip code of the property securing the loan. As you note, RESPA's homeownership counseling rule (12 CFR 1024.20) requires lenders to provide a written list of homeownership counseling organizations in the loan applicant's location. The rule describes compliance with this requirement by using the loan applicant's five-digit zip code.

In a recent Interpretive Rule [RIN 3170-AA52], the CFPB has clarified that "where the applicant's address does not include a five-

Compliance Video

Compliance Connection Video

In this video, League InfoSight CEO Glory LeDu talks about the highlights from the 4th Quarter of 2018 and the 1st Quarter of 2019.

When S.2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, passed in 2018 there was a lot to understand! Glory LeDu, League InfoSight CEO, provides [Part 1 in this short video](#) to break it down for you.

Just a reminder that Compliance videos since 2016 can be found on YouTube at [the Compliance Connection](#)

digit zip code, e.g., the applicant currently lives overseas, making it impossible to generate a list based on the zip code of the applicant's current address, the lender may use the five-digit zip code of the property securing the mortgage to generate the list.”

Question: Our member lives in a rural area that uses post office boxes to receive mail. When generating a homeownership counseling list as required by CFPB's mortgage rules, do we use the mailing address or the property address?

Answer: According to the CFPB, when a mortgage applicant's current address and mailing address are different, you may use the member's mailing address to generate the homeownership counseling list. The CFPB further clarifies that a lender may also use an applicant's mailing address to generate a list if the mailing address includes a zip code, while the current address does not.

Question: When delivering the homeownership counseling list to our mortgage applicants the rule allows us to combine the list with other Regulation Z and Regulation X disclosures – can we also include state mortgage disclosures?

Answer: Yes. The CFPB has clarified that combining the homeownership counseling list with other mortgage disclosures is allowed, as long as all other requirements are met and unless combining such disclosures is otherwise prohibited.

Question: If our credit union uses its own tool to generate the RESPA-required homeownership counseling list for our members applying for a mortgage loan, are we required to use the same geolocator as the CFPB's tool?

Answer: No. The CFPB uses a third-party, commercially-available geolocation tool to match counseling organizations to a zip code. Lenders are not required to use the same geolocator or geocoding system as the Bureau, as long as the results are generated in accordance with the rule (12 CFR 1024.20) and the instructions to ensure consistency.

[channel](#), where they are generally updated quarterly.

Compliance Calendar

May 25

Memorial Day - Federal Holiday

July 3

Independence Day - Federal Holiday

July 18

Higher-Priced Mortgage Loans: Modified exemptions for loans secured by manufactured homes

July 23

Changes to Posting Rules for ACH Transactions (Federal Reserve) Effective date

[Click here for upcoming compliance dates.](#)

Compliance Training

April 28, 2015

[IRA Contributions](#) - Webinar
12:00 – 1:30 p.m. EST

May 5, 2015

[Understanding and Processing Transfers and Rollovers](#) - Webinar
12:00 – 1:30 p.m. EST

HIGH-COST MORTGAGE PRE-LOAN COUNSELING

Question: What qualifies as “high-cost mortgage counseling”?

Answer: According to the CFPB, to be considered “high-cost mortgage counseling” a member must receive counseling about the key terms of the mortgage transaction as set out in the Good Faith Estimate and, after August 1st, the Loan Estimate. Examples of such terms of the mortgage transaction include the initial interest rate, the initial monthly payment, whether the payment may increase, how the minimum periodic payment will be determined, and fees imposed by the credit union.

High-cost mortgage counseling must also cover the member's budget, including income, assets, financial obligations, and expenses. Additionally, the mortgage counseling must address the affordability of the mortgage transaction for the member. Note that a statement that your member has received counseling on the advisability of the high-cost mortgage does not require the counselor to have made a judgment or determination as to the appropriateness of the mortgage transaction for the member.

Question: Are we complying with the high-cost mortgage counseling requirement if we have our member call a counselor from our offices and we are present during the counseling session to assist with questions the counselor may have about the terms of the loan?

Answer: A homeownership mortgage counselor must be allowed to request that the creditor not participate or listen in on the call. Concerns have been raised that high-cost mortgage counseling by telephone in the creditor’s office while the creditor is present and listening in could diminish the quality of the counseling.

Also, to preserve counselor independence and prevent conflicts of interest it is critical that the credit union does not “steer” or in any way direct the member to choose a particular counselor or counseling organization. Although the rule does not prohibit a credit union from providing a member with objective information related to counselors or counseling organizations in response to an inquiry, the credit union

May 6, 2015
Trust Accounts - Webinar
12:00 – 1:00 p.m. EST

May 12, 2015
IRA Distributions - Webinar
12:00 – 1:30 p.m. EST

May 13, 2015
Cyber Crime - No Gun Needed, Detecting and Preventing a Corporate Account Takeover - Webinar
2:00 – 3:00 p.m. EST

May 13, 2015
Estate Accounts, POAs, Rep Payee and Guardian Accounts - Webinar
12:00 – 1:00 p.m. EST

May 19, 2015
Required Minimum Distributions (RMDs) - Webinar
12:00 – 1:30 p.m. EST

May 20, 2015
Deceased Member Accounts - Webinar
12:00 – 1:00 p.m. EST

May 26, 2015
IRA Reporting - Webinar
12:00 – 1:30 p.m. EST

May 28, 2015
Indirect Lending - The CFPBs View on Auto Dealership Relationships - Webinar
12:00 – 1:00 p.m. EST

June 1, 2015
The Basics of Consumer

may not repeatedly highlight or otherwise distinguish the same counselor in any materials.

The CFPB notes in the Interpretive Rule [[RIN 3170-AA52](#)] that to comply with HOEPA's anti-steering provision a counselor must be allowed to request that the creditor not participate or listen in on the call. On the other hand, a counselor is also allowed to request that a creditor participate in a call or a portion of a call.

Institutions to be Liable for Incorrect ACH Data

Treasury has announced the Bureau of the Fiscal Service will begin holding financial institutions liable for providing incorrect automated clearing house (ACH) enrollment information to a Federal agency resulting in an erroneous or fraudulent payment and subsequent loss to the Government. Liability will be imposed if Treasury determines that enrollment information or a correction entry forwarded by the institution included erroneous information. The updated *Green Book* section on the Reclamation Procedures for Erroneous Enrollments provides more information.

Your CU Should Know...

SAR Stats Updated: FinCEN has issued the April 2015 SAR Stats quarterly update, which provides information on Suspicious Activity Reports (SARs) filed through March 31, 2015.

HUD Changes Distressed Asset Stabilization Program: HUD has announced significant changes to its Distressed Asset Stabilization Program (DASP). Loan servicers will now be required to delay foreclosure for a year and to evaluate all borrowers for the Home Affordable Modification Program (HAMP) or a similar loss mitigation program. Additional improvements to the Neighborhood Stabilization Outcome (NSO) sales portion of DASP are aimed at increasing non-profit participation. They include giving non-profits a

[Lending Part 1](#) - Webinar
2:00 – 3:30 p.m. EST

June 4, 2015
[Home Equity Lending](#) - Webinar
2:00 – 3:30 p.m. EST

June 8, 2015
[The Basics of Consumer Lending Part 2](#) - Webinar
2:00 – 3:30 p.m. EST

June 11, 2015
[Consumer Lending Compliance 101](#) - Webinar
2:00 – 3:30 p.m. EST

June 17, 2015
[Advanced Exceptions with International ACH Transactions \(IAT\) OFAC Compliance](#) - Webinar
2:00 – 3:00 p.m. EST

June 18, 2015
[Financial Counseling - What to Look for and What to Know as a Lender](#) - Webinar
2:00 – 3:30 p.m. EST

June 25, 2015
[Use of Loan Guaranties Instead of Co-Signers](#) - Webinar
12:00 – 1:00 p.m. EST

June 30, 2015
[IRA Beneficiary Distributions](#) - Webinar
12:00 – 1:30 p.m. EST

BSA Training Opportunities through GCUA
[Click here for details](#)

first look at vacant properties, allowing purchasers to re-sell notes to non-profits, and offering a non-profit only pool.

FHFA Statement on HOA Super-Priority Liens: The Federal Housing Finance Agency (FHFA), in its role as Conservator of Fannie Mae and Freddie Mac, has issued a [statement](#) reminding those concerned that Federal law precludes involuntary extinguishment of Fannie Mae or Freddie Mac liens while the GSEs are under the conservatorship, and preempts state laws that would allow homeowners' association liens to defeat a Fannie Mae or Freddie Mac lien or other property interest. The statement reiterated the FHFA's intention to contest HOA foreclosures that threaten the GSEs' property interests.

April NCUA Report: NCUA has posted the [April 2015](#) edition of *The NCUA Report*. Items of that may be of interest:

- Five new areas of regulatory relief
- Reflections on GAC
- Questions and answers on changes to mortgage disclosures
- Maintaining accurate records

Nonprofit Counselors to Provide Consumer Credit Scores: The CFPB Blog features an [article](#) announcing that new agreements between the Fair Isaac Corporation (FICO) and the three large credit reporting agencies (TransUnion, Equifax, and Experian) will allow millions of consumers who receive nonprofit credit counseling, housing counseling, and other services to obtain a copy of the FICO score that these organizations have purchased. Prior to the new agreements, counseling organizations have generally been prohibited by their contracts with the credit reporting agencies from giving a consumer the credit report or score that they have purchased on the consumer's behalf. The Bureau reports that Experian is updating its policy so that nonprofit counselors will soon be able to share its reports.

CFPB Expands the Your Money, Your Goals Toolkit: The CFPB has posted an [article](#) to announce the release of three new versions of the CFPB "[Your Money, Your Goals](#)" toolkit designed to assist training efforts by organizations that engage volunteers, legal aid organizations, and workers organizations. The new toolkits also

contain additional resources including an implementation guide and presentation slides with trainer notes. The CFPB is teaming up with sites in 31 communities across 19 states to deliver workshops to community volunteers, legal aid staff, and other organizations that work with low-income consumers. These programs will enable organizations to train an additional 1,000 staff and volunteers this summer.

CFPB Takes Action Against Military Allotment Processor: The CFPB has announced it had taken action against Fort Knox National Company (a Kentucky corporation) and its subsidiary, Military Assistance Company, LLC (a Kentucky limited liability company) for unfair, deceptive and abusive practices in charging service members millions of dollars in hidden fees. The military allotment processor did not clearly disclose various recurring fees, which could total \$100 or more. Under a consent order entered into with the Bureau, the companies will pay about \$3.1 million in relief to harmed service members. Service members who may be eligible for relief will be contacted by the Bureau. The Department of Defense made changes to its Financial Management Regulation, effective earlier this year, that now prohibits service members from allotting pay to buy, lease or rent personal property.

Comment Calls

Three-Year Review of the Private Company Council

The Financial Accounting Foundation (FAF) is conducting a three-year review of the Private Company Council (PCC). The objectives of the review are to:

- Determine whether the PCC is meeting its primary responsibilities and mission;
- Provide an assessment of the PCC's continuing role and effectiveness; and
- Address changes that might be made to improve the PCC's effectiveness.

Please send any comments you may have to Selina Gambrell at selinag@gcua.org by **May 1st**.

The CUNA Regulatory Advocacy Report keeps you on top of the most important changes in Washington for credit unions--and what CUNA is

doing to monitor, analyze, and influence government agencies and federal law. You can view the current report and past reports from the archive.

Click [here](#) to request to be added to the mailing list for this and/or other GCUA email publications.

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Need a BSA, ACH or Website review? Email compliance@gcu.org.