



It's Time to Take a Look at... Diversity

Discussions of **Diversity** have increased. Most recently, on August 2nd, the **Federal Reserve**, **FDIC** and the **OCC** issued a joint press release on how the institutions they regulate may self-assess their diversity policies and practices. Prior to that, those agencies, as well as the **CFPB**, **SEC** and **NCUA** issued a joint announcement regarding the collection of related information.

To provide some background, the **Dodd-Frank Act** included a requirement that certain federal agencies establish an Office of Minority and Women Inclusion (OMWI). The OMWI Director at each agency was instructed to develop assessment standards for diversity policies and practices of its regulated institutions. While the standards became effective in 2015, it wasn't until July 2016 that approval was announced regarding the collection of voluntary self-assessments.

Financial institutions are "encouraged" to voluntarily disclose their diversity policies and practices, as well as information related to their self-assessments. The Agencies have issued various items, including some frequently asked questions about the standards for assessing diversity policies and practices.

If you would like to read these issuances, you may find them as follows:

- July 2016 – Joint Announcement - [Approval of Collection of Information](#)
- FRB, FDIC, OCC – [Press Release & FAQs](#)
- NCUA - [Letter to Credit Unions](#) & [Self-Assessment Checklist](#)

Collateral Appraisals and Valuations

Developing an in-depth understanding of the regulatory guidelines and prudent banking practices regarding collateral **appraisals and valuations** is critical to developing effective policies and protecting the institution from losses. **Do you need help determining when and why an appraisal is required on real estate loans? Do you need guidance on how to properly document appraisals, evaluations and non-real estate appraisals?**

If you answered yes to either of those questions, you may be interested in an upcoming webinar, presented by **Mark Uhler**, **Sheshunoff's Regional Manager of Loan Review**. If interested, you may find details [here](#).

Online Compliance Consulting Update!

The Online Compliance Consulting Dashboard has been enhanced!

- **Knowledge Base Updates:**

- ✓ 200+ Refreshed CRA Q&As
- ✓ 26 NEW FinCEN Customer Due Diligence Q&As
- ✓ 12 NEW HMDA FAQs from CFPB/FFIEC
- ✓ July 2016 News

- **Important Resource / Tool Updates:**

- ✓ Implementation Checklists
- ✓ Regulatory Deadlines Matrix
- ✓ Compliance Calendar

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

More Mortgage Rulemaking... only 1,194 pages!

Earlier this month, the CFPB issued a **final** rule to amend the 2013 mortgage servicing provisions under **Reg. Z / TILA** and **Reg. X / RESPA**. The updates provide greater protections for mortgage borrowers and homeowners. In part, it provides surviving family members with generally the same protections as borrowers.



The lengthy final rule (901 pages) amends several mortgage servicing provisions, including **loss mitigation** and **early intervention**. Other topics addressed include **successors in interest**, **debtors in bankruptcy** and borrowers who request a **cease of communication** under the Fair Debt Collection Practices Act (FDCPA). The new rule also impacts **periodic statement** requirements. Under the current rules, periodic statements and other loss mitigation information requirements are not applicable to borrowers in bankruptcy. However, this new final rule generally requires periodic statements to these borrowers in bankruptcy, as well as early intervention notices to advise them of options. The rule also contains a provision to relax statement requirements for charged off mortgage loans. Another important part of the new rule is that it clarifies when a borrower becomes **delinquent**.

Changes also impact **appendices** in both regulations and certain model forms and clauses.

A majority of the changes will become effective 1 year after publication, except for provisions related to bankruptcy periodic statements and successors in interest which will become effective 18 months after publication.

We will be updating our **Compliance Alerts** as appropriate. However, if you wish to read the final rule, it may be found [here](#).

In July, the CFPB also issued a **proposed** rule which impacts the federal mortgage disclosure requirements under RESPA and TILA, as implemented by Reg. Z. The proposal (293 pages) "memorializes" informal guidance the CFPB has issued on a variety of issues. It also proposes the establishment of tolerance thresholds for the "Total of Payments" disclosure.

The proposed rule's comment period closes on October 18, 2016. The rule may be found [here](#).

FDCPA Safe Harbor

In connection with the **final** rule mentioned above, amending the mortgage servicing rules, the CFPB also issued an interpretive rule under the **Fair Debt Collection Practices Act** (FDCPA). The issuance provides an advisory opinion, outlining a safe harbor to servicers from liability when they are complying with specified mortgage servicing rules. Therein, it specifies 3 situations that a servicer will not be found in violation of the FDCPA, when they communicate certain loan-related information as required by Regulation X or Z.

This rule and may be found [here](#).



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](#).

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.

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