



We Appreciate Our Clients!

Before our February comes to a close, we want to send a special note of thanks to our clients. YOU are the reason we are here and we appreciate your business.

CFPB – New Strategic Plan

Earlier this month, the CFPB released their **Strategic Plan** for years 2018 – 2022.

At a high level, their press release describes that their plans will focus on "equally protecting the legal rights of all, including those regulated by the Bureau, and will engage in rulemaking where appropriate to address unwarranted regulatory burdens." Further, within Mick Mulvaney's opening letter, he discussed the need for a more coherent strategic direction, adding that "we have committed to fulfill the Bureau's statutory responsibility, but go no further."

Three Strategic Goals Included in the Plan

- **Ensure that all consumers have access to markets for consumer financial products and services.** Objectives include providing financial education, addressing outdated regulations, and ensuring markets operate transparently and efficiently.
- **Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive.** Objectives include protecting consumers from UDAAP and discrimination and enforcing federal law consistently.
- **Foster operational excellence through efficient and effective processes, governance, and security of resources and information.** Objectives include safeguarding the CFPB's systems, maintaining a

Online Compliance Consulting Update!

The Online Compliance Consulting Dashboard has been enhanced!

- NEW Training – Beneficial Ownership Rules Webinar – January 2018
- Updated Alert – SCRA
- Updated TILA-RESPA Resources
- NEW HMDA Resource
- Updated BSA Resources
- NEW Thought Leadership Resources
- NEW Knowledge Base Updates:
 - BSA FAQs
 - FCRA FAQs
- January 2018 News

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

talented workforce, and managing risk and promoting accountability within the CFPB.

Interested persons may find additional information on the CFPB's Strategic Plan [here](#).

Prepaid Accounts – Updated Rules

As we've reported on previously, in 2016, the CFPB issued a new rule amending **Regulations E and Z** to create and implement new consumer protections for **prepaid accounts**. Since the initial rule was published, a subsequent amendment was published that delayed the effective date from October 2017 to April 2018. Since that time, the CFPB has issued yet another new final rule impacting implementation.

Update to Prepaid Account Provisions

Just last month, a new final rule was published in the Federal Register making further amendments. Based on industry feedback and observation of unanticipated issues, the CFPB is making several modifications to various provisions contained in the rule. The changes are intended to facilitate compliance and relieve burden.

Besides the modification of error resolution provisions, limitations on liability in certain circumstances, and various other adjustments and technical corrections, the new rule extends the overall effective date to **April 1, 2019**.

We will update our Compliance Alert on Prepaid Accounts after our review of this new rule is complete. Interested persons may find additional information on this new final rule [here](#).

Payday, Vehicle Title, & Certain High-Cost Installment Loans – New Rule

In late 2017, the CFPB issued a new final rule to create consumer protections for certain products – **payday, vehicle title, and certain high-cost installment loans**. Since the issuance of that new rule, the CFPB has issued a statement related to the effective date. While the effective date was January 16, 2018, most provisions do not require compliance until **August 19, 2019**.

The rule is described as having two primary parts:

- First, the CFPB identifies as an “unfair and abusive practice” for lenders to make certain short-term and longer-term balloon payment loans, without first making a reasonable determination that the consumers have the ability to repay such loans.
- Second, for certain loans with an APR greater than 36% that are repaid directly from a consumer's account, the rule identifies as an “unfair and abusive practice” to attempt to withdraw payment from the account after two consecutive attempts have failed, unless other actions are taken. The rule includes certain notice requirements.

The rule also contains provisions related to lenders who are making certain loans to furnish specific loan data to registered “information systems.” The rule



Mark your calendar for our next **Be Prepared!** Compliance Update webinar. It is scheduled for **March 22, 2018**.

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

also includes processes and criteria for entities to apply to become registered information systems.

If you are interested in reading this new final rule, you may find it [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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