



HMDA – Proposed Rule & Advance Notice of Proposed Rulemaking

HMDA is one compliance topic that seems to be **always under construction**.

As industry stakeholders, we're familiar with amended regulations that push us to adjust our procedures, revise our processes, update our systems and implement new training. While previously-issued rules have already been posted to our calendars, new proposals have been recently issued by the Bureau (Bureau of Consumer Financial Protection).

- In the first issuance, the Bureau is proposing to **amend Regulation C by increasing thresholds that impact institutional and transactional coverage**.
 - First, **the proposal** would increase the **closed-end** institutional and transactional coverage threshold to 50 closed-end mortgage loans, or alternatively 100 closed-end mortgage loans, in each of the two proceeding calendar years. **If approved**, institutions originating fewer than 50 closed-end mortgage loans, or alternatively 100 closed-end mortgage loans, in either of the two preceding calendar years would not be required to report data on closed-end mortgage loans as of **January 1, 2020**.
 - Second, **the proposal** would extend the temporary threshold of 500 open-end lines of credit for institutional and transactional coverage to **January 1, 2022**. After that extension expires, the proposal would adjust that threshold to 200 open-end lines of credit.
 - The proposal also incorporates into the regulation, provisions related to the Bureau's **interpretive and procedural rule** that was issued in August 2018.

Interested persons may submit comments by **June 12, 2019**. The Bureau's first proposal, as published in the Federal Register, may be found [here](#).

Online Compliance Consulting Update!

The Online Compliance Consulting Dashboard has been enhanced!

- NEW Knowledge Base Q&As – Regulation D
- NEW Knowledge Base Q&As – Regulation G
- Updated Resource – Record Retention Matrix
- Updated Calendar & Regulatory Deadlines Workbook – FDIC Rescission of Financial Disclosure Rule
- April 2019 News

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

Upcoming Calendar Reminders

- **5/31** – Sunset of NFIP (if Congress does not reauthorize)
- **6/27** – SC+S Be Prepared! Quarterly Compliance Update
- **7/1** – Private Flood Insurance Rules Effective
- **7/4** – Independence Day
- **7/30** – HMDA LAR Quarterly Update

- In the second issuance, the Bureau's **advance notice of proposed rulemaking** is focused on **data points and coverage of certain transactions**. Comments are being solicited that relate to:
 - making changes to the data points that the 2015 rule added to Reg. C or to make revisions to require additional information; and
 - reporting certain business or commercial purpose transactions.

Interested persons may submit comments by **July 8, 2019**. The Bureau's second proposal may be found [here](#).

BSA/AML Concerns – Continued Venezuelan Corruption

Earlier this month, FinCEN has updated dated their 2017 advisory on **Venezuela**. As detailed therein, this issuance is aimed at putting financial institutions on notice regarding the **continued widespread public corruption** in Venezuela under, what the U.S. Government considers, an illegitimate regime.

While the 15 page advisory is chockfull of information from an updated summary of the public corruption, to information on U.S. Government actions, and Venezuela-related prosecutions, as well as insight about the misuse of certain programs and schemes; and Venezuelan-issued digital currency; it also contains a list of 10 red flags that may help your institution identify and report suspicious activity.

As advisories like this one are periodically issued by FinCEN, it's important that they don't sit in your in-box. **So, what is a BSA/AML Officer to do?** To dive into that further, we encourage you to attend Sheshunoff's upcoming **Be Prepared! Quarterly Compliance Update webinar**. On **June 27th**, we'll be discussing this and more, as we cover **emerging issues in BSA/AML**.

Interested persons may find FinCEN's Advisory [here](#).

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

SC+S – BSA/AML Consulting

Our Consulting Services team offers compliance consulting and compliance administration program (CAP) support services to SCS audit clients and other institutions of all sizes and risk profiles. Our dedicated Compliance Consulting Director, is organizationally separate and independent from our audit services group, which allows us to provide consulting services to audit clients without impacting the independence of our audit team. Specifically, we offer a wide variety of BSA/AML-related assistance, including, but not limited to the following:

- Assistance with the development and enhancement of BSA-related risk assessments, including Marijuana-Related Business assessments;
- BSA/AML policy and procedure review and development;
- BSA Board and staff training;
- Implementation assistance and review of Marijuana-Related Business programs;
- Development of issue tracking and remediation programs;
- Examination preparation;



Mark your calendar for our next **Be Prepared!** Compliance Update webinar. It is scheduled for **June 27, 2019**.

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

- Development and administration of in-house BSA monitoring programs;
- Compliance and Audit Committee attendance; and
- Due diligence form review and development.

The regulatory compliance environment is constantly evolving and has become increasingly more complex. This is why many financial institutions have used our consulting and CAP services to fill in when a compliance officer leaves, to supplement existing resources during mergers, acquisitions and conversions and/or to respond to regulatory orders. Additionally, we have assisted clients with Marijuana-Related Business program enhancement and development across New England.

For more information, please contact our Compliance Consulting Director, Edward Milhorn at emilhorn@smslp.com.

"TRID" Disclosures for Assumptions

Question - ***Are "TRID" (TILA/RESPA Integrated Disclosures) required for an assumption?***

Answer - ***It depends on a variety of circumstances.***

Fortunately, the Bureau has recently provided clarification on the disclosure requirements in the form of a Factsheet. This new resource will be very helpful as it provides guidance when a new consumer is being added or substituted as an obligor on an existing closed-end consumer credit transaction secured by real property that is not a reverse mortgage.

Interested persons can find the issuance, containing a flow chart and narrative discussion, at the Bureau's website [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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