

Practical Compliance

M&M Consulting, LLC Compliance Group

Julie Beaumont
(603) 325-5001
jbeaumont@mandm.consulting

Kim Conroy
(774) 275-7017
kconroy@mandm.consulting

Kendra Cruz
(781) 507-4579
kcruz@mandm.consulting

Jessica Coulombe
(774) 218-1004
jcoulombe@mandm.consulting

Jeff Hubbard
(603) 440-3702
jhubbard@mandm.consulting

Ana Maguire
(413) 244-9324
amaguire@mandm.consulting

Lisa Pandolfo
(207) 610-4079
lpandolfo@mandm.consulting

Marcy Rodrigue
(207) 240-6527
mrodrigue@mandm.consulting

Jane Scattergood
(603) 812-9736
iscattergood@mandm.consulting

Roy Thattacherry
(978) 646-7149
rthattacherry@mandm.consulting

Deborah Yates
(207) 677-6354
dyates@mandm.consulting

In This Issue

National Flood Insurance Program Reauthorization	1
Short Clips	3
Good to Know	7
Important Dates	9

National Flood Insurance Program Reauthorization

Here we go again!

It seems like we are continually faced with the prospect of an impending lapse in the National Flood Insurance Program (NFIP); with the government acting as if it were surprised or caught off guard each time the Program's reauthorization comes up for review and renewal (even though the government sets the time frame).

As you may recall from previous incidents, the government typically ends up providing a series of short-term, last minute extensions for the Program, before it ultimately gets around to formally reauthorizing it for an extended term. In the past, these potential lapses and multiple short-term extensions have generally proven to be more of a nuisance to work through; as they have been ultimately resolved with no material adverse impact on financial institutions and their borrowers.

This time around, however, the threat of a potential lapse in the NFIP may prove to be more than a nuisance that we may just need to wait out.

Current Status of the NFIP Lapse / Extension

On November 30, 2018, the House and Senate approved a seven-day extension of the National Flood Insurance Program (NFIP) that will keep the program from lapsing. This extension will take the program to December 7, 2018, the day by which Congress must pass a continuing resolution to continue funding the government and avoid a shutdown.

While Congress is considering various legislative options to keep the NFIP operating, any substantial reforms to the program are almost certain to be pushed into 2019 for consideration in the new Congress.

Given the must-pass nature of the government funding legislation, one potential outcome is to attach a short-term NFIP reauthorization legislation to any funding bill or bills. Attaching NFIP reauthorization legislation to the government funding bill, or some related bill, could also result in a short lapse in the program.

Also, on November 29, 2018, the U.S. Senate vote passed (S3628), a six-month reauthorization of the NFIP until May 31, 2019. As of this writing, it is not clear when and if the House will follow the Senate's lead.

The good news is that even if the House does not agree to the six-month extension, Congress could decide to include an NFIP extension in the continuing resolution for funding the government that is required by December 7th. The bad news, however, is that there is uncertainty as to whether Congress and the President will agree on funding; or if there will

be a government shutdown.

NFIP Overview

Flood insurance is required on loans secured by properties located or to be located within Special Flood Hazard Areas, which encompass many coastal and waterfront communities. The NFIP, administered by the Federal Emergency Management Agency (FEMA), is the only insurance broadly available for flood coverage in most parts of the nation.

As a federal program, the NFIP operates under congressional authority and relies on congressional authorization. When the NFIP lapses, either due to a shutdown of the federal government or because Congress does not reauthorize it, many loan closings in these areas are delayed or otherwise complicated, resulting in additional costs and borrower frustrations. Unfortunately, the potential for lapse has become increasingly common, with seven short-term extensions of the program and two brief lapses since 2016. Given the volatility of the program, we recommend that our clients be prepared for potential lapses.

Preparing for a Lapse

Lenders should be prepared and have a plan to avoid the potential disruption to loans scheduled to close during a lapse. Loans that require flood insurance can still close during a lapse in the NFIP, either by following certain NFIP and regulatory guidelines and ensuring that a system is in place to obtain policies as soon as the NFIP is reauthorized, or by obtaining private flood insurance.

In 2010, the [FDIC](#), [OCC](#), [Federal Reserve](#), and the [NCUA](#) each released guidance for their respective institutions on what to do should there be a lapse in the NFIP. This guidance remains applicable today. In addition, [FEMA](#) issued its own Guidance on Potential Lapse in National Flood Insurance Program in 2017 with respect to "Write Your Own" (WYO) policies. It is well worth the time and effort to review the appropriate guidance, and to consult with counsel as far as applying it to your institution's specific business operations.

Remember that flood determinations, disclosures and notices to borrowers and other regulatory requirements must continue during a lapse. It's also important to evaluate safety and soundness related risks, and to ensure that management is apprised of those risks during a lapse. For example, you should consider the overall portfolio risk created by a lapse in coverage, particularly if your institution has a significant amount of loans secured by property located in a special flood hazard area.

You might consider advising borrowers with existing NFIP policies to consider renewing their policies early if their renewal date falls within a potential lapse. For example, if the current NFIP authorization expires on December 7th, and their policy is scheduled to renew on December 14th, the borrower might benefit by paying the renewal premium prior to December 14th, ensuring that flood insurance coverage for the property remains in force even if there is a lapse. FEMA has the authority to ensure the payment of valid claims with available funds during a lapse.

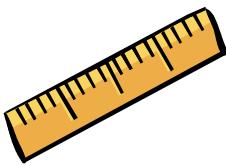
Post Lapse / Reauthorization Considerations

Once the NFIP has been reauthorized, be sure to determine whether the reauthorization is retroactive; and what that means to your institution and to your borrowers. Retroactivity determines the effective date of coverage for any policies applied for during the lapse. If the reauthorization is retroactive to the date of the program lapse, then policies are effective as of the date of application and payment. If the reauthorization is not retroactive, then policies are not effective until the actual date of reauthorization, at the earliest. In this latter scenario, any losses sustained during the lapse are not recoverable under the NFIP.

Financial Institutions and their borrowers would benefit from reviewing and understanding the distinction between the two types of reauthorization, and their associated risk.

We all would benefit if the government could come up with a more permanent plan for funding and authorizing the NFIP; and end the ongoing periodic threat of lapses in the future.

Short Clips



FED PUBLISHES FINAL AMENDMENTS TO REGULATION J

On 11/30/18, the Federal Reserve System's (Fed) final amendments to Regulation J were published in the [Federal Register](#). The amendments clarify and simplify certain provisions of Regulation J, remove obsolete provisions, and align the rights and obligations of sending banks, paying banks, and Federal Reserve Banks (Reserve Banks) with the Board's recent amendments to Regulation CC to reflect the virtually all-electronic check collection and return environment. The final rule also amends Regulation J to clarify that terms used in financial messaging standards, such as ISO 20022, do not confer legal status or responsibilities. The Final Amendments are effective January 1, 2019.

CONGRESS AVERTS NFIP LAPSE

On 11/30/18, with authorization for the National Flood Insurance Program set to expire at midnight, both houses of Congress passed a seven-day extension of the program through Friday, 12/07/18. The Senate also passed a six-month extension bill. A longer-term NFIP reauthorization is expected to be attached to a spending bill that must be passed by 12/07/18 to keep the government open.

FHFA ANNOUNCES NEW LOAN LIMITS FOR 2019

On 11/27/18, the [Federal Housing Finance Agency \(FHFA\) announced](#) that it will raise the maximum conforming loan limits for Fannie Mae and Freddie Mac mortgages purchased in 2019 from \$453,100 to \$484,350. The announcement marks the third time FHFA has increased the baseline loan limit since 2006.

In high-cost areas, such as Los Angeles, New York, San Francisco and Washington, D.C., the maximum loan limit will be \$726,525, which is 150 percent of \$484,350. Meanwhile, limits will rise in all but 47 counties in the country.

INCREASED THRESHOLDS FOR EXEMPT TRANSACTIONS

On 11/21/18, financial regulators issued a [joint press release](#) announcing that the dollar

threshold at which higher-priced mortgages become subject to requirements will increase from \$26,000 to \$26,700 in 2019. Similarly, the 2019 exemption thresholds for consumer credit and lease transactions under [Regulation Z \(Truth in Lending Act\)](#) and [Regulation M \(Consumer Leasing Act\)](#) will increase from \$55,800 to \$57,200, as published in the Federal Register on 11/23/18.

FHFA FINALIZES CHANGES TO FHLB AFFORDABLE HOUSING PROGRAM

On 11/20/18, the FHFA [finalized a proposal making changes to the Federal Home Loan Bank Affordable Housing Program](#). The final rule is intended to provide FHLBs with greater flexibility in how they can allocate their AHP contributions to the various programs based on the specific housing needs of their districts. The FHLBs must implement all changes by January 1, 2021.

The final rule authorizes the FHLBs to establish target funds to address specific affordable housing needs within their districts that are unmet or have been proven difficult to address through the FHLBs' general fund. FHLBs may authorize 40 percent of their total AHP funds to target funds. Additionally, the final rule omits the outcome-based framework for project selection included in the original proposal and instead amends the existing scoring framework to provide the FHLBs with additional flexibility to design their own systems.

FDIC SEEKS INFORMATION ON SMALL-DOLLAR LENDING

On 11/20/18, the FDIC's request for information (RFI) regarding steps it can take to encourage its supervised banks to offer small-dollar credit products to meet the needs of consumers was published in the [Federal Register](#). Comments are due by 01/22/19.

Specifically, the FDIC is seeking information about consumer demand for small-dollar credit products, features and characteristics of these products, and the benefits and risks to banks offering them. The FDIC is also interested in the challenges that stand in the way of banks' ability to offer small-dollar credit products, how technology can play a role in offering these products or assessing the creditworthiness of potential borrowers, and how alternative

products or services could supplement or complement small-dollar credit offerings.

FDIC RELEASES UPDATED VERSION OF “MONEY SMART FOR ADULTS”

On 11/14/18, the FDIC announced its release of the 2018 version of [Money Smart for Adults](#), an instructor-led financial education curriculum. The new release is designed to help consumers manage finances with confidence through practical knowledge, skills and resources. Financial institutions can use the curriculum to partner with nonprofits and government entities and offer financial education to their communities.

FFIEC WARNS OF OFAC COMPLIANCE RISK DUE TO RENEWED IRAN SANCTIONS

On 11/05/18, the FFIEC issued a [Joint Statement](#) alerting financial institutions of potential effects on information technology and other operations.

The statement did not contain any new supervisory expectations; but warned financial institutions of heightened OFAC compliance risk because of the new sanctions, particularly for institutions using products, services, software or technical services that are directly or indirectly delivered by a sanctioned entity. The agencies encouraged affected institutions to contact OFAC, legal counsel and their security offices for additional guidance.

FINCEN UPDATES LIST OF AML/CFT JURISDICTIONS

On 10/31/18, FinCEN released its [revised list of the jurisdictions that are subject to countermeasures or enhanced due diligence](#) due to anti-money laundering and counter-terrorist financing deficiencies (Section I), as well as jurisdictions with AML/CFT deficiencies that are working to correct them (Section II). The Bahamas, Botswana and Ghana were added to the Section II list due to lack of effective implementation of their AML/CFT frameworks.

CFPB UPDATES REG C SMALL ENTITY COMPLIANCE GUIDE

On 10/30/18, the CFPB updated its [Regulation C Small Entity Compliance Guide](#), incorporating the recent changes from S. 2155, and the 2018 Home Mortgage Disclosure Act rule.

FDIC PUBLISHES ADDENDUM TO DEPOSIT BROKER’S PROCESSING GUIDE

On 10/29/18, the FDIC published the [Part 370 Addendum to its Deposit Broker’s Processing Guide](#) to modernize and accelerate the deposit insurance determination process. Included in this updated process is an optional alternative file format for use in processing alternative recordkeeping entity accounts held at Part 370 covered institutions. The new process will replace several manual procedures and forms with electronic submissions and certifications.

AGENCIES RELEASE 2017 CRA DATA ON SMALL BUSINESS, COMMUNITY DEVELOPMENT LENDING

On 10/25/18, the federal banking agencies released the [2017 Community Reinvestment Act Data](#) on small business, small farm and community development lending. The CRA requires banks with more than \$1.2 billion in assets to report data in these areas.

The 718 reporting banks originated or purchased approximately 6.6 million small business loans totaling \$242 billion. The total number of loans originated by reporting banks decreased about 12% from 2016, while the dollar amount of originations increased 1%. Small farm loan originations increased 13%, while the total dollar amount of these loans increased 3.4%. Roughly 52% of the small business loans and 58% of the farm loans reported were made to firms with less than \$1 million in revenue.

Six hundred thirty (630) banks reported community development lending activity totaling \$96 billion, relatively unchanged from 2016.

FDIC TO RESCIND DUPLICATIVE DISCLOSURE REQUIREMENT

On 10/25/18, the FDIC issued a [Proposal to rescind Part 350 from the Code of Federal Regulations](#), removing an annual disclosure requirement that was duplicated by data publicly available on the FDIC’s website. The 1987 requirement called for FDIC-insured state non-member banks and foreign branches, but not state thrifts, to prepare annual disclosures of Call Report and other data.

The FDIC noted that other federal regulators have removed similar requirements, given the advancements in information technology. Information about the financial condition of

individual insured depository institutions is now reliably and directly offered to the public through the FDIC's and the FFIEC's websites. Comments are due by 11/26/18.

CFPB RELEASES 2019 FILING INSTRUCTIONS GUIDE

On 10/23/18, the CFPB released its [2019 Filing Instructions Guide](#) (FIG) for required data under the Home Mortgage Disclosure Act. The FIG is a technical resource to help institutions file HMDA data collected in 2019 and reported in 2020.

FFIEC UNVEils REDESIGNED BSA/AML WEBSITE

On 10/19/18, the FFIEC launched its newly redesigned [Bank Secrecy Act/Anti-Money Laundering InfoBase website](#), which is intended to share examination information with examiners, banks, the public and others. Improvements have been made to site navigation, search capabilities and mobile functionality. Site users may also download various sections of the FFIEC BSA/AML exam manual.

AGENCIES RELEASE UPDATED FAQs ON APPRAISAL REGULATIONS

On 10/16/18, the federal banking agencies issued [FAQs on Appraisal Regulations](#) intended to offer additional clarification concerning appraisal regulations and guidance. The FAQs do not introduce new policy or guidance. However, they address a range of topics including: regulatory and statutory requirements relating to appraisals and evaluations; review of appraisals and evaluations by financial institutions; exemptions in the appraisal rule; development of appraisals and evaluations; and appraisal independence.

OCC UPDATES COMPTROLLER'S HANDBOOK

On 10/15/18, the OCC published [three revised booklets](#) (*Agricultural Lending, Oil and Gas Exploration and Production Lending, and Trade Finance and Services*) of its Comptroller's Handbook. The updated booklets replace previously issued booklets of the same title and rescind several related bulletins.

FDIC AND CFPB UPDATE TOOL TO PREVENT ELDER FINANCIAL ABUSE

On 10/15/18, the FDIC announced the release of a Spanish-language version of its updated training program, [Money Smart for Older Adults](#). In

partnership with the CFPB, the FDIC developed the instructor-led training module to help financial institutions and other volunteers teach older adults and their caregivers to recognize and prevent fraud, scams and other types of financial exploitation. The curriculum and related materials are free; and may be downloaded from the FDIC website.

FINCEN ISSUES ADVISORY ON THE IRANIAN ACTIVITIES AND ATTEMPTS TO EXPLOIT THE FINANCIAL SYSTEM

On 10/11/18, FinCEN issued an [advisory to help financial institutions better detect and report potentially illicit transactions related to the Islamic Republic of Iran](#). The advisory is also intended to help foreign financial institutions better understand the obligations of their U.S. correspondents, to avoid exposure to U.S. sanctions, and to address the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) risks that Iranian activity poses to the international financial system. The advisory provides information on the threats the Iranian regime poses to the U.S. financial system as well as to institutions that have correspondent banking relationships with U.S. financial institutions, describes deceptive financial strategies that the Iranian regime uses to evade sanctions, and provides red flag indicators related to specific malign activities and typologies.

FED SEEKS FEEDBACK ON ITS ROLE IN FASTER PAYMENTS SETTLEMENT

On 10/03/18, the Federal Reserve System (Fed) issued a [request for comments on its potential actions to accelerate interbank settlement of faster payments](#), including the idea of the Fed banks developing a 24/7/365 real-time settlement service and a liquidity management tool to support this service. The suggestion was made in the 2017 final report of the Faster Payments Task Force.

Specifically, the Fed is seeking comment on whether the Federal Reserve Banks should consider developing a real-time gross settlement service for faster payments that would settle faster payments using participating banks' balances in accounts at the 12 regional Fed banks. Meanwhile, the potential liquidity management tool would operate 24/7/365 to

facilitate the movement of funds during evenings, weekends and holidays when traditional settlement systems are not open.

The task force's 2017 report said that to be effective, a faster payments service would require interbank settlement within 30 minutes of an end user receiving a completed payment and that credit and liquidity risks arising from a settlement lag must be managed. Responses to the Fed's request are due by 12/14/18.

AGENCIES ISSUE STATEMENT ON SHARING RESOURCES FOR BSA COMPLIANCE

On 10/03/18, the financial regulatory agencies and FinCEN issued a [joint statement](#) outlining how financial institutions may enter into collaborative arrangements to share resources in order to more effectively manage their Bank Secrecy Act and anti-money laundering obligations. The agencies described several situations in which collaboration might be beneficial for financial institutions, such as conducting internal control functions, independent testing and BSA/AML training.

When entering into collaborative arrangements, financial institutions should carefully consider the arrangement in relation to the financial institution's risk profile, ensure adequate documentation, consider legal restrictions, establish appropriate oversight mechanisms, and ensure that the arrangement is consistent with sound principles of corporate governance, the statement said. However, the agencies added that each financial institution is ultimately responsible for ensuring compliance with BSA requirements, and that sharing resources in no way relieves an institution of this responsibility.

FDIC SEEKS FEEDBACK ON COMMUNICATION, TRANSPARENCY

On 10/05/18, the FDIC's request for information (RFI) regarding its communication methods and related initiatives was published in the [Federal Register](#). Comments are due by 12/04/18.

Specifically, the FDIC is seeking input on the various forms of communication it uses to provide information to financial institutions about regulations, policies and guidance, industry data, educational materials and other updates and how these channels could be improved or streamlined.

FINCEN ADVISORY WARNS OF RISKS LINKED TO CORRUPTION IN NICARAGUA

On 10/04/18, the Financial Crimes Enforcement Network (FinCEN) issued an [advisory](#) alerting U.S. financial institutions of the increasing risk that proceeds of political corruption from Nicaragua may enter or pass through the U.S. financial system. FinCEN expects that senior foreign political figures connected to the regime of Nicaraguan President Ortega could react to the perceived threat of further unrest, potential sanctions, or other factors by moving assets out of their accounts in Nicaragua or elsewhere. These assets could be the proceeds of corruption, and they may be directed into U.S. accounts, or laundered through the U.S. financial system. FinCEN requests that financial institutions file Suspicious Activity Reports (SARs), consistent with their existing Bank Secrecy Act (BSA) obligations, when they identify potential misuse of Nicaraguan public funds or potential proceeds of political corruption associated with senior foreign political figures connected to the Ortega regime.

FINCEN AND THE AGENCIES PROVIDE CIP RELIEF FOR PREMIUM FINANCE LOANS

On 09/28/18, FinCEN and the financial regulatory agencies on Friday announced an [exemption from the customer identification program rules](#) for premium finance loans made by financial institutions to commercial customers.

Financial institutions typically extend these loans to finance premiums for property and casualty insurance, which is deemed low risk for money laundering by FinCEN. However, they remained subject to CIP and beneficial ownership rules, which imposed a significant cost burden that made them unprofitable. It also made it difficult for financial institutions to compete with non-depositories that offered similar products, causing some financial institutions to exit the business.

FinCEN has previously acted to provide an exemption from beneficial ownership requirements. This latest exemption is another critical step that will allow financial institutions to maintain these business lines and ensure that premium finance loans remain within the regulated financial sector.

Good to Know

Send your questions to the
answerperson@mandm.consulting

Sending requests to the above address gets you a written response to your regulatory compliance questions. Emails sent to the answer person are received and responded to five days a week.

Q: We have been cited by our third-party QC company just recently on the Settlement Agent Contact State License ID not being filled in. The contacts that work for title agents may not have a license and do not have an NMLS. Can you provide some guidance on this?

A: Based on Comment [1026.38\(r\)-5](#), an institution is in compliance if it leaves the space for license number blank when there is no State/locality or other regulatory body requirement for such person to obtain such a license number. Further, our online research did not identify any State of Maine licensing requirement for settlement agents.

Q: We know that volunteer time for Community Service counts for CRA credit. For example, going to schools for “Teach Children to Save” days would count if it was an LMI school district. What about preparation time? The time spent in preparing for the class, getting the materials ready, etc. Would that also count as volunteer time for CRA purposes or is it only the time actually spent in the classroom?

A: Based on my experience, an institution only receives CRA credit for the time spent in the classroom.

Q: For HMDA purposes, would income be reported as N/A if we denied the loan based on FICO score or another non-income related item? How about for a withdrawn loan, if income was calculated? Would it be wise to report the income, regardless of disposition of the loan (even if non-originated), if an income calculation was completed?

A: With respect to income, [1003.4\(a\)\(10\)\(iii\)](#) states (emphasis added) that: “Except for covered loans or applications for which the credit decision did not consider or would not have considered income, the gross annual income

relied on in making the credit decision or, if a credit decision was not made, the gross annual income relied on in processing the application”.

If the credit decision did not or would not have required income consideration (e.g., business loans or multi-family properties) then you would not report it. If not readily apparent, you may want to consider documenting the reason that income is not being reported in the file.

Q: Do the Bank’s and loan originator’s NMLS Numbers need to be on the credit application, disclosures, note or loan contract, or the security instrument for an Equity Line of Credit / HELOC?

A: While portions of 1026.36 apply to both open-end and closed-end consumer credit transactions secured by a consumer's principal dwelling, the NMLS requirements under [1026.36\(g\)](#) do not include open-end lines of credit secured by a consumer's principal dwelling. Such transactions are excluded from the scope of this requirement under [1026.36\(b\)](#). However, you would still need to comply with the SAFE Act disclosure requirements that a registered mortgage loan originator provide his or her unique identifier to a consumer:

- Upon request;
- Before acting as a mortgage loan originator; and
- Through the originator's initial written communication with a consumer, if any, whether on paper or electronically.

Q: I am documenting our HMDA data resource book and am questioning the credit scores used when the AUS is GUS and the feedback sheet reflects a score and score provider for each borrower. It appears that both credit scores are used when we have two borrowers as a score and score provider are indicated on the feedback sheet with the result. Can you verify if my assumption is correct?

A: Based on my review of [1003.4\(a\)\(15\)](#) and the [HMDA GIR](#), I agree with your assumption that both credit scores are to be reflected on the LAR.

Q: Are we required to give our customers a 30-day notice prior to increasing our fee for processing deposit return items under the May 31,

2018 Decision Establishing Certain Maximum Dishonored Check Fees at Massachusetts State-Chartered Institutions?

A: Yes, you are required to offer a 30-day notice if your current DRI fees will be impacted and increased by this ruling. Section [1030.5\(a\)\(1\)](#) of Regulation DD states that: “*A depository institution shall give advance notice to affected consumers of any change in a term required to be disclosed under § 1030.4(b) of this part if the change may reduce the annual percentage yield or adversely affect the consumer. The notice shall include the effective date of the change. The notice shall be mailed or delivered at least 30 calendar days before the effective date of the change.*”

Q: If we are going to exercise our option to exempt the partial exemption fields, do we just leave the exempted fields blank on the LAR?

A: No. The specific requirements for reporting these fields are outlined in the [August 31, 2018 HMDA Interpretive and Procedural Rule](#).

Q: We have a customer who bought a property that had been foreclosed on from JP Morgan Chase. Instead of a Seller's CD, we are being provided with an ALTA Settlement Statement. I can't find anything that states this would be acceptable as the "Sellers CD." Could you please advise?

A: The ALTA Settlement Statement is not an acceptable alternative for the Sellers CD. [ALTA's website](#) even makes it clear that the ALTA Settlement Statement does not supplement, nor does it replace, the Closing Disclosure.

Q: I have an application that is HMDA reportable and withdrawn prior to credit decision being made. There is only an applicant, no co-applicant. I have reported the applicant credit score as code 8888 not applicable, and credit provider as code 9 not applicable. The issue I am having is that I am reporting the co-applicant credit score as 9999 no co-applicant, and the credit provider as code 10 no-co applicant, and I am receiving a validity error V664-1 and V664-2. I looked at the 2018 FIG but it doesn't reference

no co applicant. Correct me if I am wrong, but if there is co applicant should I code it that way, and not NA?

A: While I understand your interpretation from a common sense perspective, the way this exemption is phrased within the official interpretation found in [Comment 1003.4\(a\)\(15\)-4](#), the reporting for these specific applicant / co-applicant fields are deemed “not applicable”, even if there is no co-applicant, when a file is closed for incompleteness or when an application is withdrawn before a credit decision is made.

Q: We are in the process of changing our disclosures (limit increases, etc.) We are creating a disclosure booklet for our customers outlining changes to products, services, and disclosures. Are we required to send out all new disclosures or can we state the changes made to existing disclosures?

A: With respect to deposit products, Section [1030.5\(a\)\(1\)](#) of Regulation DD states that: “*A depository institution shall give advance notice to affected consumers of any change in a term required to be disclosed under § 1030.4(b) of this part if the change may reduce the annual percentage yield or adversely affect the consumer. The notice shall include the effective date of the change. The notice shall be mailed or delivered at least 30 calendar days before the effective date of the change.*” Subsequent change in terms to lending products are generally covered under Reg Z 1026.9(c) and 1026.17(e). In these cases, while the changes themselves need to be disclosed, it may be beneficial from a customer service perspective to issue the new disclosures along with a summary of changes to customers.

Important Dates- Don't Forget!

Generally, we retain the prior month, and go forward for at least a year as known. Dates are either effective dates of Final Rules, or end of the Comment Period for proposed rules.)

- 11/19/2018 [CFPB, FCRA](#). End of Comment Period regarding changes to two Model Disclosure Forms.
- 11/19/2018 [OCC, S. 2155-Mandated Charter Flexibility Proposal](#). End of Comment Period.
- 11/19/2018 [OCC, ANPR to Modernize CRA Regulations](#). End of Comment Period.
- 11/26/2018 [FDIC, Proposal to Rescind "Annual Disclosure Statement" \(12 CFR 350\)](#). End of Comment Period.
- 11/26/2018 [FRB, Proposal to Repeal its Versions of Regulations H & K](#). End of Comment Period.
- 11/27/2018 [Agencies, Proposed Rule Regarding Treatment of HVCRE](#). End of Comment Period.
- 12/04/2018 [FDIC, RFI - Feedback on Communication Methods and Initiatives](#). End of Comment Period.
- 12/14/2018 [Federal Reserve, Accelerating Interbank Settlement of Payments](#). End of Comment Period.
- 12/31/2018 [FHFA, HARP Extension](#). Program extended beyond original September 2017 end-date.
- 01/01/2019 [HMDA, Regulation C](#). Effective date for changes to enforcement and reporting provisions.
- 01/01/2019 [CFPB, Regulation Z](#). Effective date for annual changes in Regulation Z dollar thresholds.
- 01/01/2019 [Federal Reserve, Regulation CC](#). Effective date for changes involving electronic check liability provisions.
- 01/01/2019 [Federal Reserve, Regulation J](#). Effective date for final amendments that reflect the modernized collection process.
- 01/22/2019 [FDIC, RFI - Efforts to Encourage Small-Dollar Lending](#). End of Comment Period.
- 02/05/2019 [Agencies, Proposed Rule Raising Residential RE Appraisal Threshold](#). End of Comment Period.
- 02/08/2019 [Federal Reserve and CFPB, Regulation C, Proposed Amendments](#). End of Comment Period.
- 04/01/2019 [CFPB, Prepaid Accounts Rule](#). New mandatory compliance date for most Reg. E & Reg. Z changes, electronic transaction histories, and for submitting prepaid account agreements to the CFPB.
- 04/01/2020 [CFPB, Prepaid Accounts Rule](#). Revised mandatory compliance date for providing the full 24 months of written account transaction history upon request.
- 01/01/2020 [HMDA, Regulation C](#). Quarterly reporting for high volume reporters starts.
-