

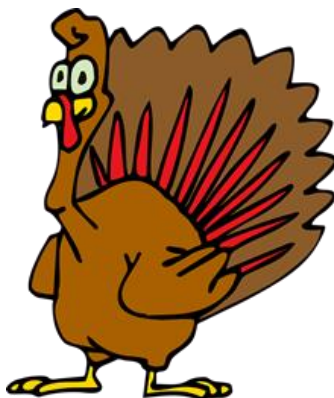
## Compliance eNewsletter

November 22, 2019 Vol. 13, Issue 45

### InfoSight News

#### InfoSight Highlight:

**Due to the Thanksgiving Holiday, there will be no InfoSight Newsletter on November 29. Have a happy and filling Turkey Day!**



### Compliance News

#### CFPB Issues Interpretive Rule on Screening and Training Requirements for Mortgage Loan Originators

The Consumer Financial Protection Bureau (Bureau) recently [issued an interpretive rule](#) clarifying screening and training requirements for financial institutions which employ loan originators with temporary authority. The rule will be effective on November 24, 2019.

On November 15, 2019, the Bureau updated the [small entity compliance guide](#) to reference the guidance in the interpretive rule on Regulation Z Screening and Training Requirements for Mortgage Loan Originators with Temporary Authority.

*Source: CFPB*

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## Are Credit Report Fees Considered Finance Charges?

**Question:** Roger, the new lending officer at ABC Federal Credit Union, is not sure whether credit report fees should be considered finance charges under Regulation Z so he has asked Carol, the credit union's compliance officer, for help. How should Carol respond to Roger concerning credit report fees?

- A. Credit report fees are always considered finance charges under Regulation Z.**
- B. Credit report fees are never considered finance charges under Regulation Z.**
- C. Credit report fees are considered finance charges on transactions secured by real property and are not considered as finance charges for all other loans.**
- D. Credit report fees are not considered finance charges on transactions secured by real property but are considered finance charges for all other loans.**

**Answer:** The correct answer is "D." Credit report fees are not considered finance charges on transactions secured by real property but are considered finance charges for all other loans.

Regulation Z Section 226.4(b)(4) indicates that credit report fees are considered finance charges unless specifically excluded. Paragraph (c) states that credit report fees are excluded from the finance charge for transactions secured by real property or in a residential mortgage transaction if the fees are bona fide and reasonable in amount.

*Source: CUNA Compliance Blog*

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## NCUA Board meeting agenda

The NCUA has posted the agenda for its 10:00 a.m. EST November 21, 2019, Board meeting. The matters to be discussed include the quarterly report of the Share Insurance Fund, guidance on prohibitions imposed by statute, and Part 722 (Real Estate Appraisals) of NCUA Rules and Regulations.

*Source: NCUA*

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## Financial Regulators Revise *Business Continuity Management* Booklet

The members of the [Federal Financial Institutions Examination Council \(FFIEC\)](#) [recently emphasized](#) that examiners understand how management of banks and other regulated entities, including depository financial institutions, nonbank financial

institutions, bank holding companies, and third-party service providers, have prepared their operations to avoid disruptions and to recover services.

The [updated Business Continuity Management booklet](#) focuses on enterprise-wide approaches that address technology, business operations, testing, and communication strategies critical to the continuity of the business. The booklet describes principles and practices for information technology (IT) and operations designed to achieve safety and soundness, consumer financial protection, and compliance with applicable laws, regulations, and rules.

*Source: FFIEC*

## Advocacy Highlight

### Senators introduce Veteran's MBL legislation

The day after Veteran's Day, Senators Dan Sullivan and Mazie Hirono introduced S. 2843, the Veteran's Member Business Loan Act. This legislation would exempt loans to veteran-owned businesses from the member business lending cap. Specifically, the bill would amend the Federal Credit Union Act to exclude extensions of credit made to veterans from the MBL definition. Credit unions are restricted in business lending by current law to 12.25% of their total assets. Stay tuned for more details on this legislation.

### Advocacy Resources

- [This Week in Washington – November 18, 2019](#)
- [Input to lawmakers and regulators](#)
- [CUNA Advocacy page](#)

## Compliance Calendar

- November 24th, 2019: SAFE Act. – MLO Registration
- November 28th, 2019: Thanksgiving Day - Federal Holiday
- December 2nd, 2019: NCUA Payday Alternative Loan 2 (PAL II)
- December 25th, 2019: Christmas Day - Federal Holiday
- December 31st, 2019: NMLS annual review period ends

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