

MEMORANDUM

To: Subscribers to *Real Estate Lending Compliance Manual*

From: Sheshunoff Information Services

Subject: Highlights

Enclosed is the current update to your *Real Estate Lending Compliance Manual*. This update covers the following topics:

- *Flood insurance*. New information on National Flood Insurance Reform Act requirements, insurance coverage amounts for second mortgages, and penalties and liabilities has been added to Chapter 6. Regulatory agencies' proposed questions and answers regarding flood insurance are also discussed; the agencies will be providing supporting Q&A for FEMA's *Mandatory Purchase of Flood Insurance Guidelines*, published in 2007.
- *RESPA changes*. In March HUD announced a sweeping proposal to rewrite RESPA regulations and make dramatic changes to good faith estimate and HUD-1/1A disclosures. A new section in Chapter 8 discusses the proposed changes and their effect on the application and closing process.
- *FCRA/FACT Act*. A new section in Chapter 11B discusses a proposal issued by the Federal Reserve Board and the Federal Trade Commission that would require consumers to be notified when they receive credit on less favorable terms than other consumers (i.e., risk-based pricing).
- Miscellaneous changes were made to Chapters 9 and 10.