

MEMORANDUM

To: Subscribers to *Self-Paced Regulatory Compliance Training for Lenders*

From: Sheshunoff Information Services

Subject: Highlights

This update to *Self-Paced Regulatory Compliance Training for Lenders* enhances your manual by adding coverage of the following information:

- **Subprime mortgage lending.** In July 2007, the federal banking agencies developed a *Statement on Subprime Mortgage Lending* to address emerging risks associated with certain subprime mortgage products and lending practices. In particular, the agencies were concerned about the growing use of ARM products that provide low initial payments based on a fixed introductory rate that expires after a short period, and then adjusts to a variable rate plus a margin for the remaining term of the loan. See Chapter 1.
- **Mortgage servicing disclosure statement.** Congress amended section 6 of RESPA several years ago and simplified the requirement for lenders to also disclose their transfer history. HUD intended to amend its Regulation X but failed to do so in two proposals in 1997 and 2002 due to controversial issues unrelated to the servicing disclosure. See Chapter 3 for more information regarding mortgage servicing rights.
- **Affiliate sharing of consumer information.** The federal regulatory agencies published final rules to implement the affiliate marketing provisions in the Fair and Accurate Credit Transactions Act of 2003, which amended the Fair Credit Reporting Act (FCRA). The rules were effective January 1, 2008 with mandatory compliance on October 1, 2008. See Chapter 6.
- **Updated one- to four-family loan documentation charts.** A new exhibit at the end of Chapter 15 has been added to provide new information concerning disclosure requirements for loans secured by one- to four-family real estate.