

## MEMORANDUM

To: Subscribers to *Retail Loan Officer's Desk Reference*

From: Ed Pace, Senior Vice President, Sheshunoff Information Services, Inc.

Subject: 09.1 Update

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### CONTACT THE AUTHOR

Your author invites a two-way dialogue with subscribers. His email address is [eepace@gmail.com](mailto:eepace@gmail.com). Please include a telephone number in your email. If you have subscription problems or would like information on another Sheshunoff product, please call our client services department at 1-800-456-2340. We also invite you to visit our Web site at [www.sheshunoff.com](http://www.sheshunoff.com).

### THIS QUARTER'S SUPPORT PAPERS AND NEWSLETTERS

- **White Paper: Deeds in Lieu of Foreclosure.** For the upcoming years deeds in lieu of foreclosure will be a common way of solving problem loans. This is not as simple a procedure as most people think. This quarter we are sending you a guidance paper on this important subject.
- **White Paper: Administering Problem Loans.** This white paper is for loan officers. It's available on the CD in the White Papers folder, so you have a choice: you can either pass it out as is or customize it for your specific needs. Either way, it contains valuable guidance for loan officers.
- **Legal and Regulatory Issues Newsletter.** This is a recurring newsletter that reports on compliance and regulatory matters that cross our desks between updates.
- **Interesting Court Cases Newsletter.** This is also a recurring newsletter. It is based on recently reported bank court cases.

### THIS QUARTER'S CHANGES TO YOUR MANUAL

- **Collecting Non-consumer Problem Loans.** New Chapter 9A is an adjunct to Chapter 9. Between these two chapters there is all the fundamental guidance a loan officer needs as he or she copes with problem loans. (See Chapter 9A.)
- **Deeds in Lieu of Foreclosure.** The material in this revised chapter is similar to the white paper on this subject. Distribute this material to loan officers. (See Chapter 12.)
- **CRA Compliance.** By far the most important revision to the information on the Community Reinvestment Act (CRA) in this update was the replacement of 2006 regulatory questions and answers with 2009 questions and answers. The Fed's 2009 questions and answers are the most comprehensive we have ever seen. (See Chapter 30.)
- **Bank Secrecy Act Compliance.** This quarter we are adding a chapter to your manual on Bank Secrecy Act compliance. This is a subject that has become a hot button for all bank officers and supervisory personnel who have a desk in a lobby. Therefore, it is an apt topic for a retail loan officer's desk reference. (See Chapter 33.)

- **Other Compliance Guidance.** This quarter we revised all the chapters in your manual (Chapters 25 through 30) pertaining to regulatory compliance. Following is a summary of additional compliance changes:
  - **Servicemembers Civil Relief Act (SCRA).** The SCRA was extensively changed late last year. Revised information reflects that change. (See Chapter 27.)
  - **Fair Credit Reporting Act (FCRA).** In our discussion of FCRA, we added information on protection of (and use of) customer medical information that becomes known to loan officers. (See Chapter 27.)
  - **Home Mortgage Disclosure Act (HMDA).** We rewrote our chapter on HMDA compliance. The act is unnecessarily causing grief to a large number of banks. Don't let it happen to your bank in 2009. (See Chapter 28.)
  - **New FEMA Flood Form.** The Federal Emergency Management Agency (FEMA) replaced their standard flood hazard determination form. The new form must be used after June 16, 2009. (See Chapter 29.)
- **Interest Rate Futures.** We updated charts that can be used to predict future interest rates. We also updated charts containing 25 years of historical interest rates. (See Chapter 37.)

## YOUR CD

Feel free to copy and customize the files on the CD. These files are in Microsoft Word<sup>®</sup> and Excel<sup>®</sup> formats. Among these files are chapters in the manual, previous issues of white papers and newsletters, and the following support folders:

- Bankruptcy Papers (These papers explain important techniques that can be used to minimize bankruptcy losses. Consult these papers regularly when bankruptcy situations arise.)
- Compliance Papers (This folder contains about 50 regulatory compliance papers, all written in lay language.)
- Excel Files (Spreadsheets in this folder work in conjunction with models that appear either in the manual or on the CD.)
- Financial Statement Analysis Papers (These papers provide instructions on how to spread and analyze commercial business financial statements. Among the files are Excel spreadsheets specifically developed so that they can be used to spread and analyze financial statements at your bank.)
- Problem Loan Management Papers (These papers explain how you should manage problem loans as they progress through various stages of deterioration and/or recovery.)