

MEMORANDUM

To: Subscribers to *Compliance Officer's Management Manual*

From: Sheshunoff Information Services

Subject: Highlights

Enclosed is the current update to your *Compliance Officer's Management Manual*. This update covers the following topics:

- *RESPA changes*. In March HUD announced a sweeping proposal to rewrite RESPA regulations and make dramatic changes to good faith estimate and HUD-11/1A disclosures. A new section in Chapter 9 discusses the proposed changes and their effect on the application and closing process.
- *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 12. 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.
- *FCRA/FACT Act*. A new section in Chapter 14 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).
- *Bank Secrecy Act*. In April FinCEN announced proposed revisions to some of the current rules for CTR exemptions. Proposed changes include eliminating the requirement to file exemption forms on depository institutions and government agencies and authorities, the biennial renewal requirement on Phase II exemptions, and the 12-month requirement as a minimum length of time to establish customer qualification for a Phase II exemption. The proposed revisions are discussed in a new section in Chapter 24.

Miscellaneous changes were made to Chapters 13, 15, and 19A.