



FEBRUARY 2013 BCG TELEPHONE BRIEFING

BCG MONTHLY TELEPHONE BRIEFING

Friday, February 15, 2013

12:00 pm-1:30 pm

(with live Q&A)

ALDRICH BONNEFIN & MOORE, PLC

Loan Originator Compensation Rules: Prohibitions, Amendments and New Qualification Requirements

A recent Consumer Financial Protection Bureau (CFPB) final rule amends Regulation Z to: (1) adopt two new prohibited practices relating to closed-end, dwelling-secured loans; (2) implement Reform Act changes to the current loan originator compensation rules; and (3) issue new loan originator qualification requirements. Effective June 1, 2013, the final rule prohibits the inclusion of clauses requiring a consumer to submit disputes concerning mortgage transactions to binding arbitration or other non-judicial procedures. Further, it prohibits a creditor from financing single-premium credit insurance. The new loan originator compensation and qualification requirements become effective January 10, 2014.

Final Rules on Higher-priced Mortgage Loans Under Regulation Z: Escrow Accounts and Appraisals

The CFPB has issued two separate final rules that impose new requirements for higher-priced mortgage loans (HPMLs). The first rule, effective June 1, 2013, implements provisions of the Dodd-Frank Reform Act requiring creditors to establish escrow accounts for certain mortgage transactions to help ensure that consumers set aside funds to pay property taxes, homeowners insurance premiums and other mortgage-related insurance. The final rule amends existing regulations to, among other things, require creditors to establish and maintain escrow accounts for at least five years. The second rule, which goes into effect January 18, 2014, implements provisions of the Reform Act requiring appraisals for HPMLs. In particular, creditors will be required to obtain an appraisal that meets certain standards, provide applicants with a notification regarding the use of appraisals and give applicants a copy of the written appraisal used. The HPML appraisal rule becomes effective on January 18, 2014.

Regulation B Final Rule: Providing Copies of Appraisals and Other Valuations

Currently under Regulation B, creditors are required to provide a copy of an appraisal used in connection with dwelling-secured applications for credit upon a consumer's written request. The CFPB has issued a final rule to require creditors to automatically – that is, without an applicant's request – provide copies of appraisals and other written valuations to loan applicants in connection with an application for a first-lien mortgage loan, effective January 18, 2014.

FEBRUARY MONTHLY TELEPHONE BRIEFING

Aldrich Bonnefin & Moore, PLC is hosting a monthly telephone briefing for Bankers' Compliance Group members. The meeting will be on **Friday, February 15, 2013**. This meeting will be presented live and will include three question and answer sessions. Members can ask questions by telephone, fax or e-mail. Each member that registers for the monthly telephone briefing will be given a password, which will allow them to participate in the telephone briefing.

Organize Your Participants

This announcement is sent to our main contacts in order to encourage the institution to organize multiple attendees to participate at one location or several locations concurrently. In this manner, several attendees can be accommodated in one conference room with a speakerphone.

Download Handouts

For convenience, members can go to the BCG website, **www.bankerscompliancegroup.com**, and easily download this month's handouts. An instruction sheet for the briefing will be emailed if a member registers for the briefing.

Not Able to Listen to the Program? Log on to Our Website!

Should you or others at your institution miss the broadcast, you can tune into our streaming audio available on the BCG website. There will also be a package available which includes a CD of the meeting and the handouts. The package is available upon request at no additional cost. Contact Laura Jagerman at 800-742-3600 or **LJagerman@ABMLawFirm.com** to request this package.

REGISTER ONLINE ANNUALLY AT:

<http://register.bankerscompliancegroup.com/subadmin/>