



COMPLIANCE MONTHLY

February 2018

Compliance Monthly is intended to keep you informed of regulatory changes in advance of their effective date so your institution can have the necessary policies, procedures and processes in place to be compliant at the time of enactment. Information contained in Compliance Monthly is not intended to provide specific advice and guidance. You should consult your own professional services provider in connection with matters affecting your own interests.

Finalized Rules:

CFPB Finalized Changes and Postpones Prepaid Rule

The CFPB finalized updates to its 2016 Prepaid Accounts Rule. The changes adjust requirements for resolving errors on unregistered accounts, provide greater flexibility for credit cards linked to digital wallets, and extend the effective date of the rule by one year to April 1, 2019. The CFPB also included other clarifications and minor adjustments to the rule.

Regulatory Agencies Increase CMP Maximums

The Federal Reserve Board, OCC and CFPB published final rules adjusting the amount of civil money penalty maximums of each civil penalty within their jurisdiction. The adjustments are required by the Inflation Adjustment Act. The inflation adjustments mandated by the Act serve to maintain the deterrent effect of civil penalties and to promote compliance with the law.

FEMA Suspending Communities in Five States

The Federal Emergency Management Agency has published a Final Rule identifying communities in the states of Florida, New York, Oregon, Texas and Washington that are scheduled for suspension from the National Flood Insurance Program on January 19, 2018, for noncompliance with the floodplain management requirements of the program.

Proposed Rules:

Fed Proposes Large Bank Risk Management Guidance

The Federal Reserve Board has requested comment on proposed guidance that would clarify the Board's supervisory expectations related to risk management for large financial institutions. The guidance is part of a broader initiative to develop a new rating system for large financial institutions that will align with the post-crisis supervisory program. In August 2017, the Board invited comment on the proposed rating system, which would reflect assessments of a firm's capital, liquidity, and governance and controls and also issued a proposal identifying attributes of effective boards of directors. The supervisory expectations described in the proposed guidance, as well as those for boards of directors, would help inform the Federal Reserve's overall supervisory evaluation of a firm's governance and controls. Comments are due by March 15, 2018.

For more information, call

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Other Compliance News:

Justice Department Reverses Marijuana Enforcement Policy

The Department of Justice has issued a memo on federal marijuana enforcement policy "announcing a return to the rule of law and the rescission of previous guidance documents." Justice's press release said that, since the passage of the Controlled Substances Act (CSA) in 1970, Congress has generally prohibited the cultivation, distribution, and possession of marijuana. In the memorandum, Attorney General Jeff Sessions directs all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to marijuana activities. The memo to United States Attorneys includes a list of five previous guidance documents being rescinded, including "Cole #2," issued on February 14, 2014, to all U.S. Attorneys, "Guidance Regarding Marijuana Related Financial Crimes."

CFPB Announces HMDA Tools Additions/FFIEC Updates Rate Spread Calculator Page

The CFPB announced that it has launched a HMDA Check Digit Tool and Rate Spread Calculator, both available on the CFPB/FFIEC Resources for HMDA filers webpage.

The FFIEC has updated the instructions on its Rate Spread Calculator page. The page includes a new link to the CFPB's rate spread calculator for loans with a final action date of January 1, 2018, or later.

NMLS License Reinstatement Period

The NMLS has announced the 2018 Renewal Period has ended as of December 31, 2017. The Reinstatement Period began on January 1 and ends at midnight EST on February 28. Review the State Licensing and Federal Registry Annual Renewal pages of the NMLS Resource Center for steps required for license or registration reinstatement.

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