



Regulatory Compliance and Quality Control Calendar

Effective Date	Implementing Regulation or Agency	Change
04/01/11	Truth-in-Lending Act	<p>APR threshold trigger for requirement of mandatory escrow account on jumbo loans (loans exceeding the current FNMA/FHLMC limit) increased to 2.5% above the Average Prime Offer Rate.</p> <p>http://www.federalreserve.gov/newsevents/press/bcreg/20110223b.htm</p> <p>http://www.gpo.gov/fdsys/pkg/FR-2011-03-02/pdf/2011-4384.pdf</p>
04/01/11	Truth-in-Lending Act	<p>Interim final rule to ensure that real estate appraisers are free to use their independent professional judgment in assigning home values without the influence or pressure from transaction interested parties.</p> <p>The interim final rule:</p> <ul style="list-style-type: none"> • Prohibits coercion and other similar actions designed to cause appraisers to base the appraised value of properties on factors other than their independent judgment; • Prohibits appraisers and appraisal management companies hired by lenders from having financial or other interests in the properties or credit transactions; • Requires that creditors or settlement service providers that have information about appraiser misconduct file reports with the appropriate state licensing authorities; and • Requires the payment of reasonable and customary compensation to appraisers who are not employees of the creditors or of the appraisal management companies hired by the creditors. <p>http://www.allregs.com/ealerts/updates101115_AppraisalIndependence.htm</p> <p>http://www.federalreserve.gov/newsevents/press/bcreg/20101018a.htm</p> <p>http://edocket.access.gpo.gov/2010/pdf/2010-26671.pdf</p> <p>http://www.mbaa.org/files/Advocacy/2010/MBACommentLettertoFederalReserveonAppraisalRequirements.pdf</p>



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04/06/11	Truth-in-Lending Act	<p>Restrictions on loan officer compensation and steering</p> <ul style="list-style-type: none"> • Payments to a loan originator that vary based on the terms of a loan, other than the loan amount, are prohibited. • A loan originator may receive payment from a party other than the consumer (for example YSP from the creditor), only if the originator does not receive any direct compensation from the consumer. • A loan originator is prohibited from steering a consumer to a loan transaction that provides the loan originator with greater compensation compared to other transactions the loan officer is able to offer unless the loan is in the consumer's interest. • The anti-steering rule includes a "safe harbor" provided the borrower is presented with loan options that provide certain key factors. <p>http://www.hud.gov/offices/hsg/rmra/res/mlocomplrodup31811v3.pdf</p> <p>http://www.philadelphiafed.org/bank-resources/publications/consumer-compliance-outlook/outlook-live/2011/031711.pdf</p> <p>http://www.allregs.com/ealerts/updates100823_RegZandCompensation.htm</p> <p>http://www.federalreserve.gov/bankinfo/reg/regzcg.htm</p> <p>http://www.federalreserve.gov/newsevents/press/bcreg/20100816d.htm</p> <p>http://edocket.access.gpo.gov/2010/pdf/2010-22161.pdf</p>
04/18/11	HUD	<p>Annual mortgage insurance premiums increased by 24 bps effective for case numbers assigned as of today.</p> <p>As of case numbers requested today, mortgagees must certify at time of request that there is an active loan application for borrower and subject property.</p> <p>FHA systems begin automatic cancellation of uninsured case numbers where there has been no activity for 6 months since last action except for:</p> <ul style="list-style-type: none"> • Loans where an appraisal updated has been entered; and/or • Loans where the UMIP has been received <p>http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/files/11-10ml.pdf</p>



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05/02/11	Truth-in-Lending Act (Proposed)	<p>Comment period ends for proposed regulation changes.</p> <p>Proposal includes:</p> <ul style="list-style-type: none"> • Increase in the required minimum escrow period for HPML first mortgages from one to five years; • Extension of minimum escrow period for HPML first mortgages beyond five years in delinquency/default situations; • Escrow disclosure requirements a minimum of three business days prior to loan closing; and • Additional escrow disclosure requirements a minimum of three business days prior to the closing of an escrow account. <p>http://www.federalreserve.gov/newsevents/press/bcreg/20110223b.htm http://www.gpo.gov/fdsys/pkg/FR-2011-03-02/pdf/2011-4385.pdf</p>
05/11/11	FHLMC	<p>FHLMC Bulletin 2011-2 is effective for refinance mortgages with settlement dates on or after May 1, 2011.</p> <ul style="list-style-type: none"> • Verification of funds required for refinance mortgages • FHLMC-owned streamlined refinance mortgages eliminated • Purchase money mortgages must be seasoned for 120 days for the refinance to be classified as a “no cash-out refinance”. (Based on comparison of note dates. <p>http://www.freddiemac.com/sell/guide/bulletins/pdf/bl1102.pdf</p>
06/10/11	Securities Exchange Act (Proposed)	<p>Proposal requires that sponsors of asset-backed securities (ABS) retain at least 5% of the credit risk of the assets underlying the securities and would not permit sponsors to transfer or hedge that credit risk.</p> <p>Included are descriptions of loans that would not be subject to the requirements, including ABS that are collateralized exclusively by “qualified residential mortgages” (QRMs). Definition of QRM is established in the proposal and includes such criteria as:</p> <ul style="list-style-type: none"> • Borrower credit history; • Payment terms; • Debt-to-income ratios; and • Loan-to-value ratios <p>http://www.mortgagebankers.org/files/News/InternalResource/76305_fulltestimony.PDF http://www.mortgagebankers.org/files/Advocacy/2011/JointStatementWhitePaperonQualifiedResidentialMortgage(QRM).pdf http://www.federalreserve.gov/newsevents/press/bcreg/20110329a.htm http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20110329a1.pdf</p>



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07/01/11	HUD	<p>Waiver for both parties in a principal-authorization relationship to obtain DE approval eliminated.</p> <p>http://www.hud.gov/utilities/intercept.cfm?/offices/adm/hudclips/letters/mortgagee/files/10-20ml.pdf</p> <p>http://portal.hud.gov/hudportal/documents/huddoc?id=SpecialEdition12202010.pdf</p> <p>http://portal.hud.gov/hudportal/documents/huddoc?id=Waivers.pdf</p>
07/21/11	Dodd-Frank Wall Street Reform and Consumer Protection Act	<p>Transfer date when regulatory and enforcement authority will be transferred to the Consumer Financial Protection Bureau for the following federal consumer protection laws:</p> <ul style="list-style-type: none"> • Real Estate Settlement Procedures Act • Truth in Lending Act • Alternative Mortgage Transaction Parity Act • Consumer Leasing Act • Electronic Fund Transfer Act • Equal Credit Opportunity Act • Fair Credit Billing Act • Fair Credit Reporting Act • Home Owners Protection Act • Fair Debt Collection Practices Act • Home Mortgage Disclosure Act • Home Ownership and Equity Protection Act • Truth in Savings Act • S.A.F.E. Mortgage Licensing Act
07/22/11	Truth-in-Lending Act (Proposed)	<p>Comment period ends on proposal that would require creditors to determine a consumer's ability to repay a mortgage before making a loan and establish minimum underwriting standards. The proposal contains four options for complying with ability to repay.</p> <p>Additionally, the proposal would implement prepayment penalty limitations from Dodd-Frank.</p> <p>http://www.federalreserve.gov/newsevents/press/bcreg/20110419a.htm</p> <p>http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20110419a1.pdf</p> <p>http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20110419b1.pdf</p>



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07/29/11	SAFE Act	<p>All loan officers employed by federally regulated institutions must be registered on the NMLS system.</p> <p>http://mortgage.nationwidelicensingsystem.org/SAFE/Pages/default.aspx</p> <p>http://www.gpo.gov/fdsys/pkg/FR-2010-07-28/pdf/2010-18148.pdf</p> <p>http://www.gpo.gov/fdsys/pkg/FR-2011-02-03/pdf/2011-2378.pdf</p> <p>http://mortgage.nationwidelicensingsystem.org/fedreg/Pages/GettingStartedFedCo.aspx</p> <p>http://mortgage.nationwidelicensingsystem.org/fedreg/Pages/GettingStartedRMLO.aspx</p>
09/1/11	FNMA/FHLMC	<p>Uniform Appraisal Dataset requirements are effective for appraisals completed on the following forms:</p> <ul style="list-style-type: none"> • Uniform Residential Appraisal Report (1004/70) • Individual Condominium Unit Appraisal Report (1073/465) • Exterior-Only Inspection Individual Condominium Unit Appraisal Report (1075/466) • Exterior-Only Inspection Residential Appraisal Report (2055) <p>https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2010/II1015.pdf</p> <p>http://www.freddiemac.com/sell/guide/bulletins/pdf/bll1031.pdf</p>
10/01/11	Truth-in-Lending Act	<p>Compliance with clarification of disclosure of 5/1 ARMs and interest-only loans becomes mandatory.</p> <p>http://edocket.access.gpo.gov/2010/pdf/2010-32534.pdf</p>
12/01/11	FNMA/FHLMC	<p>Appraisals completed in conjunction with applications on or after this date must be submitted to the Uniform Collateral Data Portal before the delivery date of the mortgage.</p> <p>https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2010/II1015.pdf</p> <p>http://www.freddiemac.com/sell/guide/bulletins/pdf/bll1031.pdf</p>
03/19/12	FNMA/FHLMC	<p>Regardless of application date, appraisals on all loans delivered as of today must be submitted to the Uniform Collateral Data Portal before the delivery date of the mortgage loan.</p> <p>https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2010/II1015.pdf</p> <p>http://www.freddiemac.com/sell/guide/bulletins/pdf/bll1031.pdf</p>



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Dodd-Frank Wall Street Reform and Consumer Protection Act Resources

Implementation Calendar:

<http://regreformtracker.aba.com/p/dodd-frank-calendar.html>

<http://www.paulhastings.com/FrankDoddEvents.aspx?id=ShowAll>

MBA Testimony on Dodd-Frank:

<http://www.mortgagebankers.org/files/Advocacy/2011/MBATestimonyonTheDodd-FrankAct.pdf>

Congressional Research Service report – Upcoming Regulations under Dodd-Frank

http://www.aba.com/aba/documents/winnews/DoddFrankAct_CRSSRulesReport_020111.pdf

MBA summary of Dodd-Frank:

<http://www.mortgagebankers.org/files/ResourceCenter/MIRA/MBASummaryofDoddFrank.pdf>

Allregs article series on Dodd-Frank:

http://www.allregs.com/ealerts/updates100719_financialReform.htm

http://www.allregs.com/ealerts/updates100802_Bureau_Cons_Finan_Prot.htm

http://www.allregs.com/ealerts/updates100816_BureauConsFinanProt-Ctd.htm

http://www.allregs.com/ealerts/updates100830_Reform_AnitPred.htm

http://www.allregs.com/ealerts/updates100903_Reform_AnitPred-B.htm

http://www.allregs.com/ealerts/updates101011_Reform_AnitPred-C.htm

http://www.allregs.com/ealerts/updates101025_Reform_AnitPred-EnG.htm

http://www.allregs.com/ealerts/updates101004_Reform_AnitPred-F.htm

http://www.allregs.com/ealerts/updates101101_Reform_AnitPred-D.htm

Copy of Dodd-Frank:

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h4173enr.txt.pdf



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Consumer Financial Protection Bureau Information

CFPB website:

<http://www.consumerfinance.gov/>

Legislation introduced to replace CFPB Director with 5 member commission:

<http://financialservices.house.gov/press/PRArticle.aspx?NewsID=1813>

http://financialservices.house.gov/media/pdf/BACHUS_002_xml.pdf

Warren defends CFPB mission:

<http://financialservices.house.gov/media/pdf/031611warren.pdf>

Warren provides details on CFPB structure and operations:

<http://www.aba.com/aba/documents/blogs/DoddFrank/WarrenToNeugebauerFeb2011.pdf>

Other Mortgage Industry News

MBA testimony on proposals for housing finance system:

<http://www.mortgagebankers.org/files/Advocacy/2011/MBATestimonyonProposalsforHousingFinanceSystem.pdf>

MBA "Principals for Ensuring Mortgage Liquidity":

<http://www.mbaa.org/files/ResourceCenter/GSE/PrinciplesonEnsuringMortgageLiquidity.pdf>

Obama Administration provides plan for reforming housing market and winding down FNMA/FHLMC:

<http://www.treasury.gov/press-center/press-releases/Pages/tg1059.aspx>

<http://www.treasury.gov/initiatives/Documents/Reforming%20America%27s%20Housing%20Finance%20Market.pdf>



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Archives:

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03/31/11	HUD	<p>Waiver for Loan Correspondent approval to close loans in Loan Correspondent's name eliminated.</p> <p>http://www.hud.gov/utilities/intercept.cfm?/offices/adm/hudclips/letters/mortgagee/files/10-20ml.pdf</p> <p>http://portal.hud.gov/hudportal/documents/huddoc?id=SpecialEdition12202010.pdf</p> <p>http://portal.hud.gov/hudportal/documents/huddoc?id=Waivers.pdf</p>
02/01/11	FHLMC	<p>All interior inspection appraisals must have interior photos. (FHLMC Guide Bulletin 2010-23).</p> <p>http://www.freddiemac.com/sell/guide/bulletins/pdf/bl1023.pdf</p>
02/01/11	FHLMC	<p>For all mortgages (AUS or manual underwrite), credit inquiries within 120 days must be verified to confirm if new debt was obtained (FHLMC Guide Bulletin 2010-19),</p> <p>http://www.freddiemac.com/sell/guide/bulletins/pdf/bl1019.pdf</p>
01/31/11	SAFE Act	<p>NMLS System began accepting federal registrations for federally regulated entities and loan officers employed by these institutions.</p> <p>http://mortgage.nationwidelicencingsystem.org/SAFE/Pages/default.aspx</p> <p>http://www.gpo.gov/fdsys/pkg/FR-2010-07-28/pdf/2010-18148.pdf</p> <p>http://mortgage.nationwidelicencingsystem.org/fedreg/Pages/GettingStartedFedCo.aspx</p> <p>http://mortgage.nationwidelicencingsystem.org/fedreg/Pages/GettingStartedRMLO.aspx</p>



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01/30/11	Truth-in-Lending Act	<p>Lender's cost disclosures must include a payment summary in the form of a table stating the following:</p> <ul style="list-style-type: none"> • The initial interest rate together with the corresponding monthly payment including any escrows for taxes and insurance; • For adjustable-rate or step-rate loans, the maximum interest rate and payment that can occur during the first five years and a "worst case" example showing the maximum rate and payment possible over the life of the loan; and • A statement that there is no guarantee that the consumer will be able to refinance the loan and that the consumer might not be able to avoid increased payments by refinancing their loans. <p>Clarification on the proper disclosure of 5/1 ARMs and interest-only loans has been published. Rules are effective January 30, 2011 but compliance with the clarification is not mandatory until October 1, 2011.</p> <p>http://www.federalreserve.gov/newsevents/press/bcreg/20100816b.htm</p> <p>http://edocket.access.gpo.gov/2010/pdf/2010-20663.pdf</p> <p>http://edocket.access.gpo.gov/2010/pdf/2010-32534.pdf</p>
01/01/11	Truth-in-Lending Act	<p>The new owner or assignee of a mortgage loan must notify the borrower in writing within 30 days after his mortgage loan is sold or otherwise transferred. The notice must include:</p> <ul style="list-style-type: none"> • The assignee's identity, address and phone number; • The date of transfer; • Contact information for an agent or party having authority to act on behalf of the assignee; • The location of the place where transfer of ownership of the debt is record; and • Any other relevant information regarding the assignee. <p>http://www.federalreserve.gov/newsevents/press/bcreg/20100816c.htm</p> <p>http://edocket.access.gpo.gov/2010/pdf/2010-20664.pdf</p>
01/01/11	Fair and Accurate Credit Transactions Act	<p>Creditors required to provide a consumer with a notice when, based on the consumer's credit report, the creditor provides credit to the consumer on less favorable terms than it provides to other consumers.</p> <p>http://www.federalreserve.gov/newsevents/press/bcreg/20091222b.htm</p> <p>http://www.gpo.gov/fdsys/pkg/FR-2010-01-15/pdf/E9-30678.pdf</p>



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01/01/11	HUD	<p>Mortgagees are responsible for approval and origination activities of third party originators. Both parties in principal/agent relationships must be DE approved. (Mortgagee Letter 2010-20).</p> <p>A waiver has been granted extending the deadline for obtaining DE approval until July 1, 2011.</p> <p>http://www.hud.gov/utilities/intercept.cfm?offices/adm/hudclips/letters/mortgagee/files/10-20ml.pdf http://portal.hud.gov/hudportal/documents/huddoc?id=SpecialEdition12202010.pdf http://portal.hud.gov/hudportal/documents/huddoc?id=Waivers.pdf</p>
12/31/10	Gramm-Leach-Bliley Act	<p>Use of the "Final Model Privacy Form" is required to obtain legal safe harbor under GLB.</p> <p>http://www.ftc.gov/privacy/privacyinitiatives/financial_rule_inrp http://edocket.access.gpo.gov/2009/pdf/E9-27882.pdf</p>
12/31/10	Fair and Accurate Credit Transactions Act	<p>"Red Flags" Rule effective for FTC regulated entities. The rule requires mortgage lenders to implement a written identity theft prevention program. The program must include:</p> <ul style="list-style-type: none"> • Identification of the red flags that may be encountered in day-to-day operations; • Procedures to detect the identified red flags; • Procedures for resolution of red flags detected; and • Policy for periodic re-evaluation of the plan. <p>http://www.ftc.gov/bcp/edu/pubs/business/idtheft/bus23.pdf http://www.ftc.gov/os/fedreg/2007/november/071109redflags.pdf</p>
12/31/10	HUD	<p>Loan Correspondent (broker) program is eliminated. (Mortgagee Letter 2010-20).</p> <p>A waiver has been granted to allow Loan Correspondents to maintain HUD approval until March 31, 2011 solely to close loans in the Loan Correspondent's name for loans which as of December 31, 2010 either</p> <ul style="list-style-type: none"> • HUD has issued a firm commitment; or • A DE underwriter has approved the loan. <p>http://www.hud.gov/utilities/intercept.cfm?offices/adm/hudclips/letters/mortgagee/files/10-20ml.pdf http://portal.hud.gov/hudportal/documents/huddoc?id=SpecialEdition12202010.pdf http://portal.hud.gov/hudportal/documents/huddoc?id=Waivers.pdf</p>