

July 2022 Free Compliance Newsletter

FREE REGULATOR TRAINING – INTERAGENCY FLOOD Q&AS

The regulatory agencies are doing a joint session on the recent flood Q&As on July 27, 2022. Free training is always a bonus, and it's straight from the regulators. You can sign up for the Outlook Live session [here](#).

THE ACADEMY FOR EXCELLENCE IN LEADERSHIP

Staying on the training track, we wanted to inform you about some great leadership training our friends at Cain Ellsworth are doing. As many of you may know, Tory is a retired military officer, and he has completed months of leadership training in his 20-year career. He feels very strongly that leaders are grown, not born. He really encourages you to take a look. Here's what Cain Ellsworth has to say about this leadership training.

The coming decade will see the departure of a host of community bank leaders. Is the next generation ready to take the reins of leadership? If they aren't, the impact on our communities would be devastating. Fortunately, most community banks recognize the need to prepare and develop their future leaders. They just aren't sure how to get started.

The Academy for Excellence in Leadership will help ensure your next generation of leaders is receiving the tools, training, and development they need – and want. Participants will become high-yield, low maintenance leaders through continuous learning delivered in manageable doses throughout the year. The Academy will challenge, grow, and develop your bank's leaders in a way that fits the needs of those leaders and the bank itself. If you are interested in learning more, check out the website [here](#).

FDIC CONSUMER COMPLIANCE EXAMINATION MANUAL UPDATE

The FDIC updated several sections of the CEM:

- **Examination and Visitation Frequency (II-12.1):** This chapter was updated to clarify when specific examination types will occur, explain timing for banks crossing asset thresholds, and clarify allowable discretion for regional offices to schedule earlier examinations.
- **Electronic Fund Transfer Act (VI-2.1):** This chapter was updated to reflect new regulatory threshold amounts.

Even if the FDIC is not your primary regulator, you should use this very valuable resource. We use it constantly. You can view the manual [here](#).

FINCEN'S ADVISORY ON ELDER FINANCIAL EXPLOITATION

FinCEN issued an advisory to alert financial institutions to the rising trend of elder financial exploitation (EFE). EFE involves the illegal or improper use of an older adult's funds, property, or assets, and is often perpetrated either through theft or scams. The advisory highlights new EFE typologies and red flags since FinCEN issued its first advisory on the issue in 2011.

You can read FinCEN's press release [here](#). FinCEN's advisory can be found [here](#).

CFPB BEGINNER'S GUIDE TO HMDA DATA

The CFPB published the Beginner's Guide to Accessing and Using Home Mortgage Disclosure Act Data. The guide will serve as a resource to support a range of stakeholders in accessing and using HMDA data, the largest source of publicly available data on mortgage lending in the United States.

The purpose of the Beginner's Guide is to introduce the HMDA data to potential users who have little to no experience with handling and analyzing raw data. It is designed to support users by providing:

- An explanation of what the data are and which institutions report them;
- Data products available to the public and how to access and use them; and
- Step-by-step instructions on how to create useful data summaries for specific geographies.

The Beginner's Guide can be found [here](#).

CFPB ISSUES 2021 SERVICEMEMBER AFFAIRS ANNUAL REPORT

The CFPB released its annual report on the top financial concerns facing servicemembers, veterans, and military families, based on the complaints they submitted to the CFPB. Concerns reported by the servicemembers include billing inaccuracies and that debt collectors used aggressive tactics to recover allegedly unpaid medical bills. Servicemembers also reported failures by credit reporting companies in helping to resolve inaccuracies and other credit reporting issues.

Since 2011, servicemembers, veterans, and military families have submitted more than 250,000 consumer complaints to the CFPB. In 2021, they submitted more than 42,000 complaints with more than 60% of the complaints being about credit reporting and debt collection.

The CFPB's press release can be found [here](#). The Annual Report can be found [here](#).

REGULATORS RELEASE HOST STATE LOAN-TO-DEPOSIT (LTD) RATIOS

Here is one of those obscure regulations that you may need to know about. If you are chartered in a state, and have branches in another state, you need to know your LTD ratio in all states where you have a branch outside of your home state. The short of it is the law prohibits you from crossing state lines, taking deposits, and not reinvesting them as loans. To ensure institutions don't do that, your statewide LTD must be at least half of the host state. If this applies to you, you can read more on this regulation in the FDIC Compliance Examination Manual [here](#). You can find the link to the LTDs [here](#).