



PART OF YOUR COMPLIANCE TEAM

JANUARY 2023 FREE COMPLIANCE NEWSLETTER

HAPPY NEW YEAR!

Welcome to 2023! Hopefully this year will be better than the last few. If you haven't seen it yet, there are some jokes/pictures going around the internet asking to see the terms and conditions of 2023 before we agree to start it. Hopefully this next year brings health and prosperity to you and your organization. We are proud to say that we just celebrated our 5-year anniversary a few weeks ago. Thanks to all of you for being a part of that.

25% OFF DISCOUNT – FAIR LENDING SCHOOL AND FAIR LENDING EXPERT CERTIFICATION

If you haven't checked out our fair lending school or our popular Fair Lending Expert (FLE) certification, now is the best time to do so. As you decide how to allocate your 2023 training budgets, we want you to be aware that we are running a 25% off discount on both the school and certification in January and February 2023. If you want to sign up, use the coupon code **fairlending** to receive the discount for each member of your organization.

CFPB FINDS GUARD AND RESERVE MEMBERS ARE PAYING MILLIONS IN EXTRA INTEREST EACH YEAR

The CFPB released research revealing that Reserve and National Guard members called to active duty are paying an extra \$9 million in interest every year because they are not always receiving the benefit of their right to rate reductions under the Servicemembers Civil Relief Act (SCRA). The SCRA gives servicemembers called to active duty a right to reduce their rate to 6%, but according to CFPB research, only small fractions of activated Guard and Reservists receive interest rate reductions. You can see the press release [HERE](#) or read the full report [HERE](#).

We review SCRA policies and procedures often, and we also review SCRA requests. However, with rates being so low for so long, we haven't seen many requests. Now that rates have increased, you should expect more SCRA relief requests in the upcoming months and years. Now is a good time to revisit your program to make sure you are ready to handle a relief request in the future.

CHANGES TO HMDA'S CLOSED-END LOAN REPORTING THRESHOLD

As you likely know, the CFPB rule interpretation in 2020 to increase the closed-end reporting threshold from 25 to 100 has now gone back to 25. However, the CFPB has offered some guidance on how it will handle reporting in 2020, 2021, and 2022 in regards to violations. The CFPB has stated that they do not view action regarding these institution's HMDA data as a priority. Thus, the CFPB does not intend to initiate enforcement actions or cite violations for failing to collect or report those years. In other words, if you originated more than 25 but less than 100 closed-end loans, and did not collect and report, you don't need to go back and collect and report that data. They have not opined, however, on what to do in 2023. The consensus we have heard is to get ready to report in 2023 if you are over 25 in the past two years. Here's the short blog on the [CFPB website](#).

UPDATED HELOC BOOKLET

There is a new HELOC booklet. For those of you that make HELOCs, make sure you update your procedures to include the latest version of the HELOC booklet that was updated in December 2022. It can be found [HERE](#).



2023 UPDATED THRESHOLDS

With a new year comes new thresholds for different regulations – Effective January 1, 2023

Community Reinvestment Act

- Small bank means an institution that, as of December 31 or either of the prior two calendar years, had assets of less than \$1.503 billion.
- Intermediate small bank means a small institution with assets of at least \$376 million as of December 31 of both of the prior two calendar years and less than \$1.503 billion as of December 31 of either of the prior two calendar years.

Truth-in-Lending Act

There are several adjustments regarding open-end credit, HOEPA, and Qualified Mortgages. They can all be found on Page 2 of the document [HERE](#). Escrow HPML thresholds can be found [HERE](#).

Home Mortgage Disclosure Act

The asset threshold size for [HMDA](#) exempt reporters has increased from \$50 million to \$54 million.

Civil Money Penalties

Hopefully you never have a reason to know or care about this, but in case you're wondering, the table for civil penalties can be found on Page 4 of the CFPB document found [HERE](#).

CFPB ORDERS WELLS FARGO TO PAY \$3.7 BILLION FOR WIDESPREAD MISMANAGEMENT OF AUTO LOANS, MORTGAGES, AND DEPOSIT ACCOUNTS

The CFPB is ordering Wells Fargo Bank to pay more than \$2 billion in redress to consumers and a \$1.7 billion civil penalty for legal violations across several of its largest product lines. The bank's illegal conduct led to billions of dollars in financial harm to its customers and, for thousands of customers, the loss of their vehicles and homes. Consumers were illegally assessed fees and interest charges on auto and mortgage loans, had their cars wrongly repossessed, and had payments to auto and mortgage loans misapplied by the bank. Wells Fargo also charged consumers unlawful surprise overdraft fees and applied other incorrect charges to checking and savings accounts. Under the terms of the order, Wells Fargo will pay redress to the over 16 million affected consumer accounts, and pay a \$1.7 billion fine, which will go to the CFPB's Civil Penalty Fund, where it will be used to provide relief to victims of consumer financial law violations. You can read the full consent order [HERE](#).