



A one-day seminar offering an overview of the final rules and recent revisions.

How is your progress towards compliance with the new mortgage rules? Now that the effective date is here, is your mortgage lending staff prepared and effectively trained? Have you completed your implementation plan to comply? Do your policies and procedures reflect the appropriate provisions as amended in the final rules? If you are struggling to comply, need to have a better understanding of the new rules or just a refresher to ensure that your institution is in compliance, we are here to help with your compliance needs.

The Consumer Financial Protection Bureau (CFPB) has issued the long-awaited final rules which have a huge effect on the consumer mortgage lending process. New requirements mandated by the Dodd-Frank Act affect most mortgage loans and mortgage lenders, with specific emphasis on Higher Priced Mortgage Loans (HPMLs) and High Cost Mortgage Loans. These new rules establish minimum underwriting requirements for mortgage loans, expand escrow requirements and restrictions when making HPMLs, establish additional appraisal requirements, lower thresholds for determining High Cost Mortgage Loans, prescribe new mortgage servicing requirements and disclosures, and revise the rules related to loan originator compensation. Mortgage lender's policies and procedures will also need to be revised in order to accommodate all of these new rules.

Lenders will have seven compliance options in underwriting and originating mortgage loans. Lenders making mortgage loans under the general Ability-to-Repay standard will be required to consider and verify eight specific underwriting factors. In addition, underwriting the monthly payment for purposes of calculating the borrower's ability to repay will vary based on whether the loan is a fixed rate, variable rate, or has a balloon payment feature. Lenders choosing to originate Qualified Mortgage loans, in order to take

advantage of special protections from liability, will also have to satisfy new underwriting requirements, payment calculations, and a limit on points and fees charges to be eligible. Also, new standards must be satisfied to originate balloon-payment Qualified Mortgages and to facilitate the new "streamlined" refinance of a non-standard mortgage loan.

Throughout 2013, the CFPB further amended the final rules. These amendments were designed to assist smaller creditors by extending Qualified Mortgage status to creditors holding loans in their own portfolio and permitting certain small creditors to continue to originate balloon loans for two years after the effective date. These amendments also allow certain exceptions to requirements that loan originator compensation be included in total permissible points and fees for Qualified Mortgages and High Cost Mortgage Loans.

This one-day program is designed to provide you with the necessary knowledge to ensure compliance with the recent changes affecting Regulations Z, B, and RESPA with a particular emphasis on the challenges faced by smaller (community-based) financial institutions. It will not only describe the specific requirements of the final rules, but it will offer methods and examples of documenting and verifying compliance to the satisfaction of your examiners and regulatory authorities.

THE MANUAL The manual contains a comprehensive yet "plain language" explanation of each topic covered. Like all of our seminar manuals, it is organized and designed to serve not only as a teaching guide at the seminar but also as an ongoing reference guide.

WHO SHOULD ATTEND Because the new rule now incorporates what were formerly "safety and soundness" considerations into the compliance arena, it is strongly recommended that attendance not be limited to compliance officers, but include senior management and loan officers as well.

Program Level: Intermediate

HERE'S WHAT YOU'LL LEARN

Ability-to-Repay/Qualified Mortgages (Effective January 10, 2014)

- How to meet the general Ability-to-Repay standard
 - Appropriate methods for considering and verifying the eight prominent underwriting criteria
 - Underwriting payments for adjustable rate mortgage loans and higher-priced balloon loans
- Issues regarding originating Qualified Mortgage Loans
 - "Safe Harbor" vs. "Presumption of Compliance"
 - Limitations on points and fees and on other loan terms to qualify for the special protection from liability
- Balloon-Payment Qualified Mortgages
 - Eligibility requirements
 - How are "rural" and "underserved" areas designated for purposes of the exception
- Refinancing of a non-standard mortgage
 - Elements of the streamlined refinance option

Expanded Escrow Requirements for HPMLs (Effective June 1, 2013)

- New escrow requirements
- Exemptions for certain small creditors
- Discussion of "rural" and "underserved" areas

Expanded Protections Under the Home Ownership and Equity Protections Act of 1994 – HOEPA (Effective January 10, 2014)

- Expanded coverage tests
- New thresholds and index for determining High Cost Mortgages
- Additional restrictions for HOEPA transactions
- Relationship of HELOCs to HOEPA coverage

RESPA and TILA Homeownership Counseling Rules (Effective January 10, 2014)

- Counseling requirements on certain loans which result in negative amortization
- New requirement to provide list of homeownership counselors

RESPA and TILA Servicing Rules (Effective January 10, 2014)

- **Periodic billing statements** for closed-end mortgage loans
- New adjustable rate mortgage interest rate adjustment and payment change notices
- Prompt payment crediting and payoff statements
- New force-placed insurance obligations and notification
- Error resolution and information requests
- Early intervention with delinquent borrowers
- Continuity of contact with delinquent borrowers
- Loss mitigation procedures
- Small servicer exemption

Appraisals for HPMLs (Effective January 18, 2014)

- New requirements for appraisals
- When an additional independent appraisal is required
- Required disclosures
- Exemptions from the high-cost mortgage appraisal rule

Loan Originator Compensation (Effective January 1, 2014)

- Clarification of definition of loan originator
- Loan originator qualification requirements
- Loan originator's name and identifier required on certain loan documentation (Effective January 10, 2014)
- Recordkeeping requirements
- Ban on requiring consumers to submit disputes to mandatory arbitration (Effective June 1, 2013)
- Ban on financing premiums for credit insurance (Effective January 10, 2014)

Disclosure and Delivery Requirements for Copies of Appraisals - Regulation B (Effective January 18, 2014)

- Timing requirements to notify applicants of their right to receive a copy of appraisals developed
- Requirements to provide applicants a copy of each appraisal promptly upon completion or at least three business days before consummation, whichever is earlier
- Applicants ability to waive the timing requirement for providing these copies
- Prohibition against charging for the copy of appraisals and other written valuations

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Seminar Speaker

Kathleen Mayes is a Senior Consultant at PBS. Prior to joining the firm in 2000, Ms. Mayes served as a compliance examiner for the Federal Deposit Insurance Corporation in the San Francisco Region. Ms. Mayes has nearly fifteen years experience with the FDIC and Federal Home Loan Bank/Office of Thrift Supervision. In addition to her compliance experience, Ms. Mayes served as a senior supervisory analyst with the FHLB/OTS, supervising multi-billion dollar savings and loan associations and holding companies and recommending action regarding institutions exhibiting adverse financial operating trends, violations of law and regulations, and other problems. Ms. Mayes is a Certified Regulatory Compliance Manager.



Dates & Locations

MOVING FORWARD WITH THE DODD-FRANK RULES IN 2014

March 25, 2014

Embassy Suites Hotel
1815 S Meridian Avenue
Oklahoma City, OK 73108
405-682-6000

The seminars below are also being presented at the location above. If you did not receive a flyer for a seminar below, contact your association or visit: www.probank.com.

MORTGAGE LENDING - START TO FINISH March 26, 2014

MASTERING HMDA March 27, 2014

Seminar Agenda

Registration 8:30 am
Program 9:00 am - 4:00 pm
Lunch (included) 12:00 noon - 1:00 pm

All times are local at seminar site.

Instructional Method: Group-Live

Additional Information

The Manual Attendees receive a detailed seminar manual with narrative explanations of regulatory requirements and examination procedures. The manual is an excellent resource for future reference.

Suggested Dress Meeting room temperatures are often difficult to control. Please dress for comfort. Business casual dress is appropriate for all PBS seminars.

Field Of Study Specialized Knowledge and Applications.

Confirmations You will receive a written confirmation of your seminar registration within ten days after we receive payment. If an e-mail address is provided, your confirmation will be sent via e-mail. Please make sure to add registrar@probank.com to your list of approved e-mail addresses.

Cancellation Policy If you cancel at least seven days prior to the seminar date, we grant full refunds. If you cancel six days or less, there will be a cancellation fee of \$100 for each day of the seminar. Refunds will not be granted for "no-shows" or for cancellations received on the date of the seminar. Substitutions are welcome at any time. If PBS cancels a seminar for any reason, we will refund the entire registration fee and supply you with a complimentary copy of the manual.

Questions? Call 800-523-4778 For program questions, more information or refunds, ask for ext. 205 or ext. 235. For administrative policies, such as complaint resolution, ask for ext. 237.

Please Note We reserve the right to change speakers or reschedule/cancel session when necessary.

Credit Hours Eligible for 6.5 CPE or 6.75 CRCM credits.



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SEMINAR FEE INCLUDES:

- ✓ Lunch
- ✓ Coffee Breaks
- ✓ All Course Materials

Breakfast and parking are on your own.

MOVING FORWARD WITH THE DODD-FRANK RULES IN 2014 - COMMUNITY BANKERS ASSOCIATION OF OKLAHOMA

I/WE WILL ATTEND THE SEMINAR IN OKLAHOMA CITY ON MARCH 25, 2014
CITY PROGRAM DATE

INSTITUTION INFORMATION

FINANCIAL INSTITUTION

MAILING ADDRESS/PO BOX

CITY STATE ZIP CODE

TELEPHONE #

ROUTING/MICR #

Presented in 2014 by Professional Bank Services, Inc.

ATTENDEE NAMES & EMAIL ADDRESSES (Photocopy This Form As Necessary)

ATTENDEE #1

E-MAIL ADDRESS

ATTENDEE #2

E-MAIL ADDRESS

ATTENDEE #3

E-MAIL ADDRESS

TOTAL REGISTRATION FEE ENCLOSED: \$

PAYMENT INFORMATION

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CVV (SECURITY CODE)

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CARDHOLDER'S NAME

CARDHOLDER'S BILLING ADDRESS

CITY/STATE/ZIP

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