

Highlights

RESPA's Borrower Protections and Prohibited Practices

As mentioned in an article in today's newsletter, it's a good idea to be reminded of those activities that are considered a "kickback" when it comes to RESPA-related loans. The Detailed Analysis in the [Loans and Leasing channel](#) provides more specific details for your review.

Compliance News

Review of RESPA's Anti-kickback Provision

Section 8 of RESPA prohibits anyone from giving or accepting a fee, kickback, or anything of value in exchange for referrals of settlement services in connection with any loan covered by RESPA. The Act also prohibits fee splitting and receiving unearned fees for services not actually performed. These restrictions apply in any situation where settlement services are related to a federally related loan. The rendering of services by a mortgage broker is a "settlement service" for purposes of the rule.

Some examples: Let's suppose a real estate agent hosts an open house for brokers, and a mortgage lender offers to pay for lunch at the open house. This would violate RESPA because the mortgage lender has just provided a thing of value (lunch) in consideration for the referral of business in violation of RESPA's anti-kickback provision. Now, what if instead, the lender gave the real estate agent marketing materials, such as desk calendars, pens, and notepads, all of which promote the mortgage lender company's name. While this seems like it would be a "thing of value" on par with lunch, there is actually an exception in RESPA for normal promotional and educational activities that are not conditioned on the referral of business and that do not defray expenses that otherwise would be incurred by persons in a position to refer settlement service business. Likewise, if the mortgage lender had attended the open house to market its services or make a presentation, then paying for the lunch could be also be lawful. What about providing gifts or promotional gift cards in the context of a settlement service? This is not acceptable in most cases. In the past, HUD has settled with an appraiser who gave a mortgage company's employees restaurant gift certificates in exchange for referrals.

Another example: what if a real estate agent and a mortgage lender agree to place a joint advertisement in the paper together and both split the cost of the advertisement 50/50? Provided the ads were of equal size and the fees were split evenly, this would not be a

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Compliance Video

**Compliance Connection
Video**

[In this video](#), League InfoSight CEO Glory LeDu talks about the highlights from the 4th Quarter of 2018 and the 1st Quarter of 2019.

When S.2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, passed in 2018 there was a lot to understand! Glory LeDu, League InfoSight CEO, provides [Part 1 in this short video](#) to break it down for you.

RESPA violation. Nothing is RESPA prevents joint advertising, provided each party is paying their pro-rata share.

Source: CUNA Compliance Blog

Bureau updates TRID FAQs

The Consumer Financial Protection Bureau has updated its [TILA-RESPA Integrated Disclosure \("TRID"\) FAQs](#). The FAQs address questions relating to:

- Corrected closing disclosures and the three business-day waiting period before consummation
- Model forms
- Construction loans (added)

CFPB Launches Financial Education Tool for Active-Duty Servicemembers

The Consumer Financial Protection Bureau (CFPB) significantly expanded its Misadventures in Money Management financial education tool to active duty servicemembers. Misadventures in Money Management ([MIMM.gov](#)) was initially developed for future servicemembers who signed a contract to enlist in the armed forces, but had not yet shipped off to basic military training. Today the CFPB is expanding the program to be available for all servicemembers on active duty, including in the Reserve or the National Guard.

Source: CFPB

Register Now for June 18 Flood Insurance Webinar

[Online registration](#) is open for a June 18 webinar discussing [updates to the flood insurance rule](#).

The webinar, hosted by the National Credit Union Administration and four other federal financial regulatory agencies, is scheduled to begin at 2 p.m. Eastern and run approximately one hour. Participants will be able to log into the webinar and view it on mobile devices using the registration link.

Staff from the NCUA, the Board of Governors of the Federal Reserve System, the Farm Credit Administration, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency will cover topics including:

Compliance Calendar

May, 2019

- May 27th, 2019: Memorial Day - Federal Holiday

June, 2019

- June 21st, 2019: [Return for Questionable Transaction \(Effective Date\)](#)

July, 2019

- July 1st, 2019: [Loans in Areas Having Special Flood Hazards \(Effective Date\)](#)
- July 4th, 2019: Independence Day - Federal Holiday

August, 2019

- August 19th, 2019: [Payday Lending, Vehicle Title, and Certain High-Cost Installment Loans \(CFPB\)](#)

September, 2019

- September 2nd, 2019: Labor Day - Federal Holiday
- September 20th, 2019: [Providing Faster Funds](#)

- Mandatory acceptance of private flood insurance,
- Mandatory acceptance compliance aid,
- Discretionary acceptance of private flood insurance,
- Flood coverage provided by mutual aid societies, and
- Recommended preparations for compliance with the new rule.

A question-and-answer session will follow the presentation. Participants also may submit questions in advance at fedwebinar@sf.frb.org. Credit unions may wish to review the [NCUA's online flood insurance resources](#).

Source: NCUA

Advocacy Highlight

[This Week in Washington – June 3, 2019](#)

The FCC to vote this week on ruling to allow phone companies to block calls by default

The Federal Communications Commission (FCC) [announced its plans](#) to issue a Declaratory Order in its meeting on June 6, 2019 that would give telephone carriers the ability to block calls by default that they suspect to be unwanted robocalls-without regard to whether the calls are being placed by a business with a pre-existing business relationship with the consumer and/or with the consumer's express consent. The Order would also give consumers the ability to block all calls to their mobile phones except those from numbers in their contact list. We are concerned that, as a result, the proposed Order could significantly impede a credit union's communication with its members and are actively engaging Congress, NCUA, the FCC and others in efforts to reduce the harm this order could potentially cause.

If approved, the ruling will take effect immediately, while the Commission continues to solicit comments on mechanisms to avoid blocking legal calls and remedies for blocked legal calls under its SHAKEN/STIRRED framework as part of the Commission's Third Further Notice of Proposed Rulemaking.

[CUNA's 2019 Advocacy Agenda](#)

Keeping up with CUNA Advocacy

To stay abreast of the issues on which CUNA has provided input to lawmakers and regulators, [here is a list of those topics](#).

[Availability \(Effective Date\)](#)

October, 2019

- October 14th, 2019: Columbus Day - Federal Holiday

November, 2019

- November 11th, 2019: Veterans Day (observed) - Federal Holiday
- November 28th, 2019: Thanksgiving Day - Federal Holiday

Training

[Click Here for upcoming League Training Sessions](#)

CUNA Advocacy Update

The CUNA Advocacy Update is published at the beginning of every week and keeps you on top of the most important changes in Washington for credit unions--and what CUNA is doing to monitor, analyze, and influence government agencies and federal law. To receive this update, click on "Get CUNA Updates" on the [CUNA Advocacy page](#). Additional Advocacy efforts may also be found under [CUNA's Removing Barriers blog](#). With the recent updates to CUNA's website, Advocacy information has also changed. To view recent advocacy issues and see ways your credit union can become involved, visit the [Priorities](#) or [Actions](#) pages.

ComplySight – What IS it??

We recorded a "live" webinar earlier this year that provides information regarding ComplySight, League InfoSight's compliance management system and how it can benefit your credit union. If you've not seen it and have wondered just what it is and what it can do for you, [it's available here](#).

Free Trial Offer!

If you already know about ComplySight and you're interested in a "trial run" of ComplySight, League InfoSight is offering a free, 30-day trial so you can see the benefits first-hand. It's easy to get started. [Just visit us online and click on Free Trial Offer](#).

If this newsletter was forwarded to you and you'd like to be on the distribution list to the League Update going forward, [please email a request to be added!](#)