



## Virginia Association of Community Banks: TILA and RESPA Integrated Disclosure Final Rule and 2015 Issues on the Financial Horizon

**01.21.2015**

### **Location**

VACB Training Facility  
7204 Glen Forest Drive, Suite 101  
Richmond, Virginia 23226:

Presenters : **Whit Whitham** and **Lee Lester**

About The Program :

### CFBP's TILA and RESPA Integrated Disclosure

The CFPB's TILA and RESPA integrated disclosure final rulewhite becomes effective on August 1, 2015. Is your bank ready? The final rule does more than combine the existing disclosures. It makes key changes to the rules affecting mortgage origination, from application through closing, that will have a significant impact on the bank's operations. With about six months left to the TILA/RESPA effective date, where should your bank be on the road to implementation? What challenges are you facing? What questions do you have? This session will provide answers to your questions and steps for your bank to take as you finalize your implementation of the rule.

### 2015 CFPB Issues on the Horizon

De-Risking Bank Customers: Use a Scalpel, not a Machete! Financial institutions are terminating or restricting business relationships with clients to avoid, rather than manage, the risks these businesses pose to banks. These terminations are a result of enforcement crackdowns over compliance lapses and regulator guidance that is described as frustratingly vague. As the larger banks close riskier accounts, these customers are looking at smaller institutions for services and these banks may lack the resources and expertise to manage this type of risk. The experts at Williams Mullen will address this practice and provide key considerations and best practices when determining whether to restrict or sever ties with this class of bank customers.

### Checking Account Access Determined by Credit Reports

The CFPB has been monitoring the way banks use credit reports when determining whether or not to open customer accounts; CFPB questions if this is the best and fairest use of credit reports. Their research has determined that currently there are many ways data is reported, usually with little

consistency and sometimes to the detriment of the customer. The CFPB is discussing how the screening process can be improved to give customers a more level playing field when opening new accounts. This session will discuss the potential impact the CFPB's research will have on future account openings by financial institutions and what the implications of a standardized screening process may mean to banks.

#### Credit Card Add-Ons: Red Flags on the Horizon

Credit card add-on products are on the radar for banking regulators, from a record-setting \$772 million settlement between Bank of America and the Consumer Financial Protection Bureau, to lawsuits filed by state Attorneys Generals, to the instant \$16 million action brought by the FDIC. Banks should continue to be diligent concerning compliance with relevant regulations and statutes, In order to avoid facing similar liability, to the tune of tens of millions of dollars. We will review recent FDIC activities and enforcements, and share best practices to avoiding UDAAP violations with the bank's credit card program.

#### Free Checking & Avoiding UDAAP Violations

Following several high visibility cases which involved advertising "Free" checking accounts, banks need to understand that free has to truly mean free. In the case with M&T Bank, the bank offered free checking with no strings attached, or so it appeared. The bank opened the free accounts, but in order to remain free, the customer had to meet the required activities attached to the checking account. If they did not, they were switched to a fee-based checking account without the customers' knowledge. This session will provide attendees with the tools and knowledge needed to ensure that their programs and offerings to do not violate UDAAP provisions.

## **Related People**

- Lee G. Lester – 804.420.6583 – llester@williamsmullen.com

## **Related Services**

- Banking & Financial Services
- Financial Services
- Consumer Finance