

Compliance Journal

Special Focus

Who Must Sign The Mortgage?

When originating a mortgage loan, banks often find themselves asking “who needs to sign the mortgage”. It’s a great question and the trite, lawyerly answer, is “it depends”! Given the fact that Wisconsin is a community property state and has a marital property act which includes homestead protections, the answer is not necessarily easy.

There are, of course, certain straightforward scenarios that follow the “General Rule”. The General Rule is this: only those parties in title to the property securing the loan are required to sign the mortgage. Of course, there is an exception to the General Rule – when you have a *married* person(s) in title to the property securing the loan, the spouse of the titled individual *may* be required to sign the mortgage.

The following hypotheticals demonstrate application of the General Rule.

1. Mom and Daughter, both unmarried individuals, are borrowers on a loan. The loan will be secured by Mom’s home, for which Mom is the sole titleholder. Though Mom and Daughter are both borrowers, only Mom must sign the mortgage as the sole titleholder.
2. Same facts as (1) above, except both Mom and Grandma are in title to the property. Grandma is unmarried. In this case, though Mom and Daughter are borrowers, Mom and Grandma must sign the mortgage because they are both titleholders.
3. Son and Son’s Wife are borrowers on the loan and Dad is a Guarantor. The loan will be secured by a home

in which Son and Son’s wife permanently reside, but Dad and Uncle are the titleholders. Dad and Uncle are both unmarried. In this case, Dad and Uncle must sign the mortgage. Son and Son’s Wife are not required to sign the mortgage despite the fact that they are married and the property is their permanent residence – in this case, neither spouse is in title to the property and thus no exceptions to the General Rule apply, as described in further detail below.

Of course, every good rule has exceptions. In this case, the exception to the General Rule is as follows: If a *married* person is in title to the property securing the loan, the spouse of that individual will also be required to sign the mortgage if the conveyance alienates either or both spouses’ homestead interest, even if the spouse is not in title. *See* Wis. Stats §706.02(1)(f). This requirement to obtain the spouse’s signature (the “exception”), however, does not apply to purchase money mortgages. *See* Wis. Stats §706.02(1)(f). In other words, if the mortgage is a purchase money mortgage, you’re back to the General Rule and the spouse of the married titleholder will not be required to sign the mortgage if the spouse is not going to be listed as an owner of the property, even if the property is homestead property or either or both spouses.

Thus, assuming the bank is not originating a purchase money mortgage, the bank must require signatures of all titleholders PLUS the spouse of a married titleholder if the property is the homestead property of either or both spouses.

Banks should note that a “homestead” is defined under Wis. Stats. § 706.01(7) as “the dwelling, and so much of the land surrounding it as is reasonably necessary for use of the dwelling as a home, but not less than one-fourth acre, if available, and not exceeding 40 acres.” Customers should indicate to the Bank whether the property is homestead property and such information should be contained on the mortgage itself.

If the bank does not obtain the signature of the married titleholder and the spouse of the titleholder, the mortgage is void and unenforceable. This interpretation of Wis. Stats. § 706.02(1) and (1)(f) was recently confirmed in a 2017 court case – *U.S. Bank National Association v. Charles E. Stehno III*, 2017 WI App. 57 (August 30, 2017). In *Stehno*, the Bank attempted to foreclose on mortgages signed by Charles Stehno in December 2002 and April 2003. The property was Stehno’s homestead at the time he signed the mortgages. However, the mortgages were not signed by his then-spouse, Candice Wells. Therefore, according to the court, the mortgages were invalid from the start against both spouses because only Stehno signed them.

The following hypotheticals demonstrate application of the Exception to the General Rule:

1. Husband and Wife are refinancing their homestead property. They are both listed as borrowers on the loan. Husband is the sole titleholder on the property. Both Husband and Wife must sign the mortgage because it’s conveying an interest in the homestead property of both spouses on a non-purchase money loan.



Special Focus

2. Daughter and Daughter's Husband are borrowers on second mortgage loan. The property securing the loan is titled in Dad's name only and it's Dad's homestead property. Dad is married to Stepmom who does not live in the property. Both Dad and Stepmom must sign the mortgage because this is a non-purchase money loan which conveys the homestead interest of one spouse.
3. Daughter and Son are refinancing their parents' homestead property and are borrowers on the loan. Dad is married to Mom and the property securing the loan is both Dad's and Mom's homestead. Dad and Grandma are in title to the property. Grandma is unmarried. Dad, Mom, and Grandma must sign the Mortgage. Dad and Grandma must sign

because they are titleholders. Mom must sign because this is a non-purchase money loan which conveys the homestead interest of Mom and Dad.

4. Husband and Wife are looking to originate a purchase money mortgage loan for which they will both be borrowers. The loan will be secured by property held by husband only. Husband only will live in the property as his homestead. In this case, only husband must sign the mortgage because this is a purchase money loan and, therefore, the Exception to the General Rule does not apply.

In summary, taken altogether, the signatures needed on a mortgage are as follows: (1) All titleholders and (2) if the loan is not secured by a purchase money mortgage,

the spouse of any married titleholder to the extent the property is the homestead of one or both spouses.

Finally, it's best to obtain a title insurance policy that lists the owners of the property being mortgaged. Title insurance companies will also list the names of all individuals required to sign the mortgage so banks may have additional comfort that the correct individuals are signing the mortgage.

WBA wishes to thank Atty. Lauren C. Capitini, Boardman & Clark, LLP for providing this article.

Learn more about the Wisconsin Marital Property Act at the [June session of the WBA Compliance Forum](#). ■

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Wisconsin Bankers Association

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Regulatory Spotlight

Agencies Propose Revisions to the Supplementary Leverage Ratio To Exclude Certain Central Bank Deposits of Banking Organizations Predominantly Engaged in Custody, Safekeeping and Asset Servicing Activities.

The Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) issued a proposal to implement section 402 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. Section 402 directs these agencies to amend

the supplementary leverage ratio of the regulatory capital rule to exclude certain funds of banking organizations deposited with central banks if the banking organization is predominantly engaged in custody, safekeeping, and asset servicing activities. Comments are due **07/01/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-30/pdf/2019-08448.pdf>. *Federal Register*, Vol. 84, No. 83, 04/30/2019, 18175-18186.

Agencies Request Comment on Information Collections.

- The Board of Governors of the Federal Reserve System (FRB), the Federal Depos-

it Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) announced they seek comment on the information collection titled Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices. The Agencies also gave notice that they sent the collection to OMB for review. Comments are due **06/18/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-19/pdf/2019-07841.pdf>. *Federal Register*, Vol. 84, No. 76, 04/19/2019, 16560-16567.

- The Board of Governors of the Federal Reserve System



Regulatory Spotlight

(FRB), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) announced they seek comment on the information collection titled Country Exposure Report. The Agencies also gave notice that they sent the collection to OMB for review. Comments are due **06/28/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-29/pdf/2019-08504.pdf>. *Federal Register*, Vol. 84, No. 82, 04/29/2019, 18120-18122.

CFPB Requests Comment on Information Collection.

- The Bureau of Consumer Financial Protection (CFPB) announced it seeks comment on the information collection titled Interstate Land Sales Full Disclosure Act. CFPB also gave notice that it sent the collection to OMB for review. Comments are due **05/22/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-22/pdf/2019-07985.pdf>. *Federal Register*, Vol. 84, No. 77, 04/22/2019, 16663-16664.
- CFPB announced it seeks comment on the information collection titled Joint Standards for Assessing the Diversity Policies and Practices. CFPB also gave notice that it sent the collection to OMB for review. Comments are due **05/23/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-23/pdf/2019-08094.pdf>. *Federal Register*, Vol. 84, No. 78, 04/23/2019, 16847.

CFPB Requests Comment on Potential Changes to Remittance Rule.

CFPB seeks information and evidence that may inform possible changes to CFPB's remittance rules that would not eliminate, but would mitigate the effects of the expiration of a statutory exception

for certain financial institutions. Electronic Fund Transfers Act (EFTA) expressly limits the length of the temporary exception to **07/21/2020** and does not authorize CFPB to extend this term. Therefore, the exception will expire on **07/21/2020** unless Congress changes the law. In addition, CFPB seeks information and evidence related to the scope of coverage of the rule, including whether to change a safe harbor threshold in the rule that determines whether a person makes remittance transfers in the normal course of its business, and whether an exception for small financial institutions may be appropriate. Comments are due **06/28/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-29/pdf/2019-08455.pdf>. *Federal Register*, Vol. 84, No. 82, 04/29/2019, 17971-17977.

CFPB Requests Comment on Regulation C Data Points.

CFPB issued an Advance Notice of Proposed Rulemaking (ANPR) to solicit comments relating to whether to make changes to the data points that CFPB's October 2015 final rule implementing the Home Mortgage Disclosure Act (HMDA) added to Regulation C or revised to require additional information. Additionally, CFPB is issuing the ANPR to solicit comments relating to the requirement that institutions report certain business- or commercial-purpose transactions under Regulation C. Comments are due **07/08/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-08/pdf/2019-08979.pdf>. *Federal Register*, Vol. 84, No. 89, 05/08/2019, 20049-20053.

FRB Finalizes Rule on Collection of Administrative Debts.

The Board of Governors of the Federal Reserve System (FRB) is issuing new regulations to provide for the collection of debts owing to the United States arising out of FRB's operations or its enforcement and other regulatory activities. The rule is effective **04/16/2019**. The notice may be viewed at: <https://www.govinfo.gov/con->

[tent/pkg/FR-2019-04-16/pdf/2019-07537.pdf](https://www.govinfo.gov/content/pkg/FR-2019-04-16/pdf/2019-07537.pdf). *Federal Register*, Vol. 84, No. 73, 04/16/2019, 15502-15505.

FRB Finalizes Reserve Requirements of Depository Institutions.

FRB is amending Regulation D (Reserve Requirements of Depository Institutions) to revise the rate of interest paid on balances maintained to satisfy reserve balance requirements ("IORR") and the rate of interest paid on excess balances ("IOER") maintained at Federal Reserve Banks by or on behalf of eligible institutions. The final amendments specify that IORR is 2.35 percent and IOER is 2.35 percent, a 0.05 percentage point decrease from their prior levels. The amendments are intended to enhance the role of such rates of interest in maintaining the Federal funds rate into the target range established by the Federal Open Market Committee. The rule is effective **05/10/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-10/pdf/2019-09687.pdf>. *Federal Register*, Vol. 84, No. 91, 05/10/2019, 20541-20542.

FRB Proposes Amendments to Regulation EE.

FRB issued a proposal to amend Regulation EE to include certain new entities in the definition of "financial institution" contained in section 402 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) so that they will be covered by FDICIA's netting provisions. The proposal would also clarify how the existing activities-based test in Regulation EE applies following a consolidation of legal entities. Comments are due **07/01/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-02/pdf/2019-08898.pdf>. *Federal Register*, Vol. 84, No. 85, 05/02/2019, 18741-18746.

FRB Requests Comment on Information Collections.

- FRB announced it seeks comment on the information collection titled



Regulatory Spotlight

Investment in Bank Premises Notification. FRB also gave notice that it sent the collection to OMB for review. Comments are due **06/11/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-12/pdf/2019-07274.pdf>. *Federal Register*, Vol. 84, No. 71, 04/12/2019, 14938-14939.

- FRB announced it seeks comment on the information collection titled Semiannual Report of Derivatives Activity. FRB also gave notice that it sent the collection to OMB for review. Comments are due **06/17/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-17/pdf/2019-07650.pdf>. *Federal Register*, Vol. 84, No. 74, 04/17/2019, 16015-16016.
- FRB announced it seeks comment on the information collection titled Senior Credit Officer Opinion Survey on Dealer Financing Terms. FRB also gave notice that it sent the collection to OMB for review. Comments are due **06/17/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-17/pdf/2019-07663.pdf>. *Federal Register*, Vol. 84, No. 74, 04/17/2019, 16014-16015.
- FRB announced it seeks comment on the information collection titled Reporting Requirements Associated with Regulation Y. FRB also gave notice that it sent the collection to OMB for review. Comments are due **06/18/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-19/pdf/2019-07873.pdf>. *Federal Register*, Vol. 84, No. 76, 04/19/2019, 16490-16492.
- FRB announced it seeks comment on the information collection titled Written Security Program for State Member Banks. FRB also gave notice that it sent the collection to OMB for review. Comments are due **06/18/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-15/pdf/2019-07048.pdf>. *Federal*

www.govinfo.gov/content/pkg/FR-2019-04-19/pdf/2019-07874.pdf. *Federal Register*, Vol. 84, No. 76, 04/19/2019, 16492-16493.

- FRB announced it seeks comment on the information collection titled Recordkeeping and Disclosure Requirements Associated with the Bureau of Consumer Financial Protection's Regulation E. FRB also gave notice that it sent the collection to OMB for review. Comments are due **07/01/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-30/pdf/2019-08714.pdf>. *Federal Register*, Vol. 84, No. 83, 04/30/2019, 18286-18289.
- FRB announced it seeks comment on the information collection titled Notice Claiming Status as an Exempt Transfer Agent. FRB also gave notice that it sent the collection to OMB for review. Comments are due **07/01/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-30/pdf/2019-08716.pdf>. *Federal Register*, Vol. 84, No. 83, 04/30/2019, 18285-18286.

FDIC Finalizes Amendments to Limited Exception for a Capped Amount of Reciprocal Deposits from Treatment as Brokered Deposits.

The Federal Deposit Insurance Corporation (FDIC) is making technical amendments to the preamble of a final rule published in the *Federal Register* on **02/04/2019**. The final rule relates to a limited exception for a capped amount of reciprocal deposits from treatment as brokered deposits. As published, several industry participants raised concerns about the meaning of a sentence in the preamble of the final rule. To avoid potential confusion, the FDIC is amending the language. The technical amendments are effective **04/15/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-15/pdf/2019-07048.pdf>. *Federal*

Register, Vol. 84, No. 72, 04/15/2019, 15095-15096.

FDIC Proposes Amendments to Recordkeeping for Timely Deposit Insurance Determination.

FDIC proposed a rule that would make certain substantive revisions to "Recordkeeping for Timely Deposit Insurance Determination," to clarify the rule's requirements, better align the burdens of the rule with its benefits, and make technical corrections. Comments are due **05/13/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-11/pdf/2019-06713.pdf>. *Federal Register*, Vol. 84, No. 70, 04/11/2019, 14814-14840.

FDIC Requests Comment on Required Resolution Plans.

FDIC invites comments on an advance notice of proposed rulemaking (ANPR) concerning how to tailor and improve its rule requiring certain insured depository institutions to submit resolution plans. FDIC is undertaking a review of its rule requiring certain insured depository institutions (IDIs) to submit resolution plans (IDI Rule). The ANPR is part of that review process. FDIC is considering how to tailor and improve the IDI Rule, as described in the notice. Specifically, FDIC invites comments on certain approaches under consideration: (1) Creation of tiered resolution planning requirements based on institution size, complexity, and other factors; (2) revisions to the frequency and required content of plan submissions, including elimination of plan submissions for a category of smaller and less complex IDIs; and (3) improvements to the process for periodic engagement between FDIC and institutions on resolution-related matters. FDIC is also seeking comment on whether to revise the \$50 billion asset size threshold in the IDI Rule. Comments are due **06/21/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-22/pdf/2019-08077.pdf>. *Federal Register*, Vol. 84, No. 77, 04/22/2019, 16620-16628.



Regulatory Spotlight

FDIC Issues Terminations of Receivership.

- FDIC, as Receiver, was charged with the duty of winding up the affairs of former depository institutions and liquidating all related assets. The Receiver has fulfilled its obligations and made all dividend distributions required by law. The Receiver has further irrevocably authorized and appointed FDIC-Corporate as its attorney-in-fact to execute and file any and all documents that may be required to be executed by the Receiver which FDIC-Corporate, in its sole discretion, deems necessary, including but not limited to releases, discharges, satisfactions, endorsements, assignments, and deeds. Effective on the termination dates listed in the final column of the chart in the notice, the Receiverships have been terminated, the Receiver has been discharged, and the Receiverships have ceased to exist as legal entities. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-06/pdf/2019-09161.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19786.
- FDIC as Receiver for former depository institutions, intends to terminate its receivership for the institutions listed in the notices. The liquidation of the assets for each receivership has been completed. To the extent permitted by available funds and in accordance with law, the Receiver will be making a final dividend payment to proven creditors. Based upon the foregoing, the Receiver has determined that the continued existence of the receiverships will serve no useful purpose. Consequently, notice is given that the receiverships shall be terminated, to be effective no sooner than thirty days after the date of this notice. If any person wishes to comment concerning the termination of any of the receiverships, such comment must be made in writing, identify the receivership to which the

comment pertains, and be sent within thirty days of the date of this notice to: Federal Deposit Insurance Corporation, Division of Resolutions and Receiverships, Attention: Receivership Oversight Department 34.6, 1601 Bryan Street, Dallas, TX 75201. No comments concerning the termination of the above-mentioned receiverships will be considered which are not sent within this time frame. The notices may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-06/pdf/2019-09161.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19786.

OCC Requests Comment on Non-Fiduciary Custody Activities.

The Office of the Comptroller of the Currency (OCC) is inviting comment on an advance notice of proposed rulemaking (ANPR) regarding its fiduciary activities rules and a potential rule for non-fiduciary custody activities of national banks, Federal savings associations, and Federal branches of foreign banks. Specifically, OCC is considering an amendment to its fiduciary rule to update the definition of fiduciary capacity to include certain State recognized trust-related activities. OCC also is considering issuing a regulation that would establish certain basic requirements for non-fiduciary custody activities of national banks and Federal savings associations. Comments are due **06/28/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-29/pdf/2019-08505.pdf>. *Federal Register*, Vol. 84, No. 82, 04/29/2019, 17967-17971.

OCC Requests Comment on Information Collections.

- OCC announced it seeks comment on the information collection titled Privacy of Consumer Financial Information. OCC also gave notice that it sent the collection to OMB for review. Comments are due **06/14/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-10/pdf/2019-09614.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19826-19827.

[govinfo.gov/content/pkg/FR-2019-04-15/pdf/2019-07432.pdf](https://www.govinfo.gov/content/pkg/FR-2019-04-15/pdf/2019-07432.pdf). *Federal Register*, Vol. 84, No. 72, 04/15/2019, 15290-15291.

- OCC announced it seeks comment on the information collection titled Community and Economic Development Entities, Community Development Projects, and Other Public Welfare Investments. OCC also gave notice that it sent the collection to OMB for review. Comments are due **06/05/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-06/pdf/2019-09136.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19826-19827.
- OCC announced it seeks comment on the information collection titled Lending Limits. OCC also gave notice that it sent the collection to OMB for review. Comments are due **07/05/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-06/pdf/2019-09137.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19827-19829.
- OCC announced it seeks comment on the information collection titled Minimum Security Devices and Procedures, Reports of Suspicious Activities, and Bank Secrecy Act Compliance Program. OCC also gave notice that it sent the collection to OMB for review. Comments are due **07/05/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-06/pdf/2019-09135.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19825-19826.
- OCC announced it seeks comment on the information collection titled Bank Secrecy Act/Money Laundering Risk Assessment. OCC also gave notice that it sent the collection to OMB for review. Comments are due **07/09/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-10/pdf/2019-09614.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19826-19827.



Regulatory Spotlight

ister, Vol. 84, No. 91, 05/10/2019, 20701-20702.

HUD Requests Comment on Information Collections.

- The Department of Housing and Urban Development (HUD) announced it seeks comment on the information collection titled Housing Counseling Program. HUD also gave notice that it sent the collection to OMB for review. Comments are due **05/09/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-25/pdf/2019-08371.pdf>. *Federal Register*, Vol. 84, No. 80, 04/25/2019, 17419-17420.
- HUD announced it seeks comment on the information collection titled Office of Lead Hazard Control and Healthy Homes Grant Programs Data Collection and Progress Reporting. HUD also gave notice that it sent the collection to OMB for review. Comments are due **07/05/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-06/pdf/2019-09238.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19805-19806.

HUD Issues Notice of HUD-Held Healthcare Loan Sale.

HUD announces its intention to sell six unsubsidized healthcare mortgage loans, without Federal Housing Administration (FHA) insurance, in a competitive, sealed bid sale on or about **06/12/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-06/pdf/2019-09237.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19802-19803.

HUD Issues Basic Statutory Mortgage Limits for Multifamily Housing Programs.

HUD has adjusted the Basic Statutory Mortgage Limits for Multifamily Housing Programs for Calendar Year 2019. The

adjustments are effective **01/01/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-09/pdf/2019-09567.pdf>. *Federal Register*, Vol. 84, No. 90, 05/09/2019, 20386.

FEMA Issues Final Flood Hazard Determinations.

The Federal Emergency Management Agency (FEMA) has issued a final notice which identifies communities in the states of **Illinois**, and **Nebraska**, where flood hazard determinations, which may include additions or modifications of Base Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, or regulatory floodways on the Flood Insurance Rate Maps (FIRMs) and where applicable, in the supporting Flood Insurance Study (FIS) reports have been made final. The FIRM and FIS report are the basis of the floodplain management measures that a community is required either to adopt or to show evidence of having in effect in order to qualify or remain qualified for participation in FEMA's National Flood Insurance Program (NFIP). The final notice is effective **08/01/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-01/pdf/2019-08813.pdf>. *Federal Register*, Vol. 84, No. 84, 05/01/2019, 18558-18560.

FEMA Issues Final Notices of Changes in Flood Hazard Determinations.

FEMA issued new or modified Base (1% annual-chance) Flood Elevations (BFEs), base flood depths, Special Flood Hazard Area (SFHA) boundaries or zone designations, and/or regulatory floodways (hereinafter referred to as flood hazard determinations) as shown on the indicated Letter of Map Revision (LOMR) for communities in the states of **Illinois**, **Minnesota**, **Ohio**, and **Wisconsin**. Each LOMR revises the Flood Insurance Rate Maps (FIRMs), and in some cases the Flood Insurance Study (FIS) reports, currently in effect for the listed communities. The flood hazard determinations modified by

each LOMR will be used to calculate flood insurance premium rates for new buildings and their contents. The effective date for each LOMR is indicated in the table in the final notice. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-30/pdf/2019-08697.pdf>. *Federal Register*, Vol. 84, No. 83, 04/30/2019, 18293-18294.

FEMA Issues Correction to Proposed Flood Hazard Determinations.

FEMA published in a proposed flood hazard determination notice in the *Federal Register* on **03/18/2019** that contained an erroneous table. The new notice provides corrections to that table, to be used in lieu of the information published in the original notice. The table provided represents the proposed flood hazard determinations and communities affected for Yakima County, Washington and Incorporated Areas. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-12/pdf/2019-07299.pdf>. *Federal Register*, Vol. 84, No. 71, 04/12/2019, 14959-14960.

FEMA Requests Comment on Information Collection.

FEMA announced it seeks comment on the information collection titled Standard Flood Hazard Determination Form. FEMA also gave notice that it sent the collection to OMB for review. Comments are due **06/28/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-29/pdf/2019-08604.pdf>. *Federal Register*, Vol. 84, No. 82, 04/29/2019, 18069-18070.

FinCEN Requests Comment on Information Collection.

The Financial Crimes Enforcement Network (FinCEN) announced it seeks comment on the information collection titled Information Sharing Between Government Agencies and Financial Institutions. FinCEN also gave notice that it sent the



Regulatory Spotlight

collection to OMB for review. Comments are due **07/08/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-07/pdf/2019-09244.pdf>. *Federal Register*, Vol. 84, No. 88, 05/07/2019, 19999-20001.

OFAC Finalizes Foreign Interference in U.S. Elections Sanctions Regulations.

The Office of Foreign Assets Control (OFAC) is adding regulations to implement Executive Order of September 12, 2018 (“Imposing Certain Sanctions in the Event of Foreign Interference in a United States Election”). OFAC intends to supplement these regulations with a more comprehensive set of regulations, which may include additional interpretive and definitional guidance, general licenses, and statements of licensing policy. The final rule is effective **04/29/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-29/pdf/2019-08587.pdf>. *Federal Register*, Vol. 84, No. 82, 04/29/2019, 17950-17958.

OFAC Requests Comment on Information Collection.

OFAC announced it seeks comment on the information collection titled Remittance Forwarding Services and Travel and Carrier Services to Cuba. OFAC also gave notice that it sent the collection to OMB for review. Comments are due **07/01/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-30/pdf/2019-08647.pdf>. *Federal Register*, Vol. 84, No. 83, 04/30/2019, 18341-18342.

Treasury Proposes Regulation on Electing Small Business Trusts With Nonresident Aliens as Potential Current Beneficiaries.

The Department of the Treasury (Treasury) proposed rulemaking regarding the recent statutory expansion of the class of permissible potential current beneficiaries (PCBs) of an electing small business trust (ESBT) to include nonresident aliens

(NRAs). In particular, the proposed regulations would ensure that the income of an S-corporation will continue to be subject to U.S. Federal income tax when an NRA is a deemed owner of a grantor trust that elects to be an ESBT. Comments are due **06/03/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-19/pdf/2019-07919.pdf>. *Federal Register*, Vol. 84, No. 76, 04/19/2019, 16415-16419.

Treasury Requests Comment on Information Collection.

- Treasury announced it seeks comment on the information collection titled Conduit Arrangements Regulations. Treasury also gave notice that it sent the collection to OMB for review. Comments are due **06/14/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-15/pdf/2019-07382.pdf>. *Federal Register*, Vol. 84, No. 72, 04/15/2019, 15292-15293.
- Treasury announced it seeks comment on the information collection titled Revenue Procedure 2013–30, Uniform Late S-Corporation Election Revenue Procedure. Treasury also gave notice that it sent the collection to OMB for review. Comments are due **06/18/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-19/pdf/2019-07869.pdf>. *Federal Register*, Vol. 84, No. 76, 04/19/2019, 16569.
- Treasury announced it seeks comment on the information collection titled ACH Vendor/Miscellaneous Payment Enrollment Form. Treasury also gave notice that it sent the collection to OMB for review. Comments are due **05/28/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-25/pdf/2019-08357.pdf>. *Federal Register*, Vol. 84, No. 80, 04/25/2019, 17450-17451.

- Treasury announced it seeks comment on the information collection titled Financial Recordkeeping and Reporting of Currency and Report of Foreign Bank and Financial Accounts. Treasury also gave notice that it sent the collection to OMB for review. Comments are due **05/28/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-25/pdf/2019-08358.pdf>. *Federal Register*, Vol. 84, No. 80, 04/25/2019, 17450.

- Treasury announced it seeks comment on the information collection titled TreasuryDirect. Treasury also gave notice that it sent the collection to OMB for review. Comments are due **07/05/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-07/pdf/2019-09233.pdf>. *Federal Register*, Vol. 84, No. 88, 05/07/2019, 20001.
- Treasury announced it seeks comment on the information collection titled Annual Return/Report of Employee Benefit Plan. Treasury also gave notice that it sent the collection to OMB for review. Comments are due **07/08/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-08/pdf/2019-09389.pdf>. *Federal Register*, Vol. 84, No. 89, 05/08/2019, 20202-20203.

Treasury Issues Civil Monetary Penalty Inflation Adjustments.

Treasury announced the adjustments of its civil monetary penalties for inflation as mandated by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. The adjustments are effective **04/17/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-17/pdf/2019-07664.pdf>. *Federal Register*, Vol. 84, No. 74, 04/17/2019, 15955-15956.



Regulatory Spotlight

SBA Issues Revised Size Standards Methodology.

The Small Business Administration (SBA) has revised its size standards methodology white paper explaining how it establishes, reviews, or revises small business size standards. The revised white paper, entitled “SBA’s Size Standards Methodology (April 2019)” (Revised Methodology) is available on the SBA’s website at: <http://www.sba.gov/size-standards-methodology>. SBA intends to apply the Revised Methodology to the ongoing second five-year comprehensive review of size standards required by the Small Business Jobs Act of 2010 (Jobs Act). The revised methodology is effective **04/11/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-11/pdf/2019-07130.pdf>. *Federal Register*, Vol. 84, No. 70, 04/11/2019, 14587-14596.

SBA Proposes Streamlining and Modernizing Certified Development Company Program (504 Loan Program) Corporate Governance Requirements.

SBA proposes to streamline and update the operational and organizational requirements for Certified Development Companies (CDCs) in order to improve efficiencies and reduce costs without unduly increasing risk in the 504 Loan Program. The proposed changes include streamlining the requirements that would apply to the corporate governance of CDCs, and updating the requirements that would apply to professional services contracts entered into by CDCs, the requirements related to the audit and review of a CDC’s financial statements, and the requirements related to the balance that a Premier Certified Lender Program (PCLP) CDC must maintain in its Loan Loss Reserve Fund. Comments are due **06/14/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-15/pdf/2019-07318.pdf>. *Federal Register*, Vol. 84, No. 72, 04/15/2018, 15147-15154.

FCIC Requests Comment on Information Collection.

The Federal Crop Insurance Corporation (FCIC) announced it seeks comment on the information collection titled Multiple Peril Crop Insurance. FCIC also gave notice that it sent the collection to OMB for review. Comments are due **06/24/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-06/pdf/2019-09223.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19754-19755.

RBC Requests Comment on Information Collections.

- The Rural Business-Cooperative Service (RBC) announced it seeks comment on the information collection titled Debt Settlement-Community and Business Programs. RBC also gave notice that it sent the collection to OMB for review. Comments are due **06/24/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-23/pdf/2019-08142.pdf>. *Federal Register*, Vol. 84, No. 78, 04/23/2019, 16838-16839.
- RBC announced it seeks comment on the information collection titled Guaranteed Loanmaking and Servicing Regulations. RBC also gave notice that it sent the collection to OMB for review. Comments are due **06/24/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-23/pdf/2019-08168.pdf>. *Federal Register*, Vol. 84, No. 78, 04/23/2019, 16838.

RBC Amends Solicitation of Applications for the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program for Federal Fiscal Year 2019.

RBC published a notice in the *Federal Register* on **08/03/2018**, announcing the acceptance of applications for funds avail-

able under the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program for Fiscal Year (FY) 2019. The Agricultural Improvement Act of 2018 (2018 Farm Bill) provides funding for the program for FY 2019 and expands the eligible technology definition. The notice provides an amendment to Section III. Eligibility Information, subsection C. Eligible Projects, to include the definition. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-23/pdf/2019-08118.pdf>. *Federal Register*, Vol. 84, No. 78, 04/23/2019, 16837-16838.

RUS Announces Application Deadlines for Section 313A Guarantees for Bonds and Notes.

The Rural Utilities Service (RUS) announces the application window and requirements and \$750 million in loan funding that is available for Fiscal Year (FY) 2019 under the Guarantees for Bonds and Notes Issued for utility infrastructure loans (the 313A Program) authorized under the Rural Electrification Act of 1936, as amended (the RE Act), and related terms. The Agriculture Improvement Act of 2018 (the Farm Bill), enacted on December 20, 2018, amended Section 313A of the RE Act. Applications under this Notice of Solicitation of Applications (NOSA) will be considered under the new statutory provisions. Those provisions supersede any prior inconsistent policy, regulation or guidance. The Farm Bill instructs RUS to continue to carry out this program under a Notice until new regulations are implemented. RUS is developing regulatory changes to implement new Farm Bill provisions related to this program and others. This NOSA implements the new 313A Program provisions until further notice or regulation. Under the 313A Program, in accordance with the Farm Bill, the Federal Financing Bank (FFB) will make loans to the selected applicant(s) and RUS will guarantee the applicant(s)’s repayment of the loans to FFB. The Farm Bill amended the RE Act to allow selected applicants to use the proceeds of loan funds made available under this NOSA for the 313A



Regulatory Spotlight

Program to make utility infrastructure loans (which includes broadband loans) or to refinance, subject to certain limitations, bonds or notes issued for such purposes to an applicant that has at any time received, or is eligible to receive, a loan under the RE Act. In addition, the Farm Bill amendments to the RE Act removed the prohibition against the use of proceeds of loan funds made available under the 313A Program for projects for the generation of electricity. Applications are due **06/18/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-19/pdf/2019-07900.pdf>. *Federal Register*, Vol. 84, No. 76, 04/19/2019, 16457-16461.

CCC Announces Funding Availability for the Organic Certification Cost Share Program.

The Commodity Credit Corporation (CCC) is announcing the availability of funding under the Organic Certification Cost Share Program (OCCSP) for eligible certified organic producers and handlers. CCC is also announcing the opportunity for State Agencies to apply for grant agreements to administer the OCCSP program in fiscal year (FY) 2019. State Agencies that establish agreements for FY 2019 may be given the opportunity to extend their agreements and receive additional funds to administer the program in future years. Through this notice, CCC is providing the requirements for producers and handlers to apply for OCCSP payments, and for State Agencies to establish agreements to receive funds in order to provide cost share assistance to eligible producers and handlers. Applications will be accepted **04/19/2019** through **05/29/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-29/pdf/2019-08624.pdf>. *Federal Register*, Vol. 84, No. 82, 04/29/2019, 17997-17999.

CCC Issues Miscellaneous Conservation Provisions.

CCC issued provisions as a result of the Agricultural Improvement Act of 2018

(the 2018 Farm Bill) made several minor changes to certain of the Natural Resources Conservation Service (NRCS) conservation programs and related requirements. The conservation programs and related requirements include the administration of the State Technical Committee, the Watershed Protection and Flood Prevention Act Program, the Healthy Forests Reserve Program (HFRP), the Technical Service Provider (TSP) Assistance provisions, and the Voluntary Public Access and Habitat Incentive Program (VPA-HIP). This rule makes changes to the existing regulations for the conservation programs that are consistent with the changes made by the 2018 Farm Bill. The provisions are effective **05/06/2019**, comments are due **07/05/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-06/pdf/2019-09151.pdf>. *Federal Register*, Vol. 84, No. 87, 05/06/2019, 19699-19703.

CFTC Finalizes Amendments to Privacy of Consumer Financial Information.

The Commodity Futures Trading Commission (CFTC) is adopting amendments to revise its regulations requiring covered persons to provide annual privacy notices to customers. The revisions implement the Fixing America's Surface Transportation Act's December 2015 statutory amendment to the Gramm-Leach-Bliley Act by providing an exception to the annual notice requirement under certain conditions. The final rule is effective **05/28/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-25/pdf/2019-08253.pdf>. *Federal Register*, Vol. 84, No. 80, 04/25/2019, 17341-17345.

NCUA Announces Community Development Revolving Loan Fund Access for Credit Unions.

The National Credit Union Administration (NCUA) issued a Notice of Funding Opportunity (NOFO) to announce the availability of technical assistance grants (awards) for low-income designated credit unions (LICUs) through the CDRLF

program. The CDRLF program serves as a source of financial support in the form of awards that better enables LICUs to support the communities in which they operate. All grant awards made under this NOFO are subject to funds availability and are at the NCUA's discretion. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-12/pdf/2019-07337.pdf>. *Federal Register*, Vol. 84, No. 71, 04/12/2019, 14976-14979.

NCUA Requests Comment on Regulations Limiting Compensation in Connection with Loans to Members and Lines of Credit to Members.

NCUA issued an advance notice of proposed rulemaking (ANPR) to solicit comments on ways to improve the agency's regulations limiting a credit union official's and employee's compensation in connection with loans to members and lines of credit to members. NCUA states these regulations have generated confusion and are likely outdated, burdensome, and at odds with industry standards. NCUA is particularly interested in obtaining commenter feedback on how it can provide flexibility with respect to senior executive compensation plans that incorporate lending as part of a broad and balanced set of organizational goals and performance measures. Comments are due **06/24/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-23/pdf/2019-08166.pdf>. *Federal Register*, Vol. 84, No. 78, 04/23/2019, 16796-16797.

VA Requests Comment on Information Collections.

- The Department of Veterans Affairs (VA) announced it seeks comment on the information collection titled Loan Service Report. VA also gave notice that it sent the collection to OMB for review. Comments are due **06/17/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-18/pdf/2019-07732.pdf>. *Federal Register*, Vol. 84, No. 76, 04/18/2019, 16732-16733.



Regulatory Spotlight

ister, Vol. 84, No. 75, 04/18/2019, 16342-16343.

- VA announced it seeks comment on the information collection titled Request for Determination of Loan Guaranty Eligibility—Unmarried Surviving Spouses. VA also gave notice that it sent the collection to OMB for review. Comments are due **06/17/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-18/pdf/2019-07730.pdf>. *Federal Register*, Vol. 84, No. 75, 04/18/2019, 16343.
- VA announced it seeks comment on the information collection titled Authorization To Disclose Personal

Information To A Third Party. VA also gave notice that it sent the collection to OMB for review. Comments are due **07/08/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-05-07/pdf/2019-09248.pdf>. *Federal Register*, Vol. 84, No. 88, 05/07/2019, 20002-20003.

DOL Request Comment on Information Collection.

The Department of Labor (DOL) announced it seeks comment on the information collection titled Records to be Kept by Employers—Fair Labor Standards Act. DOL also gave notice that it sent the collection to OMB for review. Comments

are due **06/24/2019**. The notice may be viewed at: <https://www.govinfo.gov/content/pkg/FR-2019-04-23/pdf/2019-08073.pdf>. *Federal Register*, Vol. 84, No. 78, 04/23/2019, 16886-16887. ■

Compliance Notes

▲ CFPB published its Spring 2019 Rulemaking Agenda which reflects ongoing rulemaking activities, including initiatives to implement statutory requirements and to address the potential sunset of statutory and regulatory provisions. The agenda may be viewed at: <https://www.consumerfinance.gov/about-us/blog/spring-2019-rulemaking-agenda/>

▲ FRB approved final amendments to its regulations to reflect the transfer of FRB's rulemaking authority for the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act) to the CFPB. Entities that were subject to FRB's rules are now subject to CFPB's rules. The notice may be viewed at: <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20190509a.htm>

▲ FinCEN issued interpretive guidance to remind persons subject to the Bank Secrecy Act (BSA) how FinCEN regulations relating to money services businesses (MSBs) apply to certain business models. For a discussion of the concept of "business model" as used within this guidance, see *infra*, Section 1.1. involving money transmission denominated in value that substitutes for

currency, specifically, convertible virtual currencies (CVCs). The guidance may be viewed at: <https://www.fincen.gov/sites/default/files/2019-05/FinCEN%20Guidance%20CVC%20FINAL%20508.pdf>

▲ CFPB published an article titled Promising Practices and Lessons Learned For Child Savings Account Programs. The article discusses four briefs for use by government, nonprofits, financial institutions, and communities considering starting or expanding child savings opportunities through a child saving account program. The article may be viewed at: <https://www.consumerfinance.gov/about-us/blog/promising-practices-lessons-learned-child-savings-account-programs/>

▲ FHA proposed several revisions to its lender certification requirements with the goal of providing lenders and servicers greater certainty in how to satisfy the agency's compliance requirements. In providing greater certainty to the process, FHA believes the changes will facilitate more competition in the market and result in more financing choices for borrowers, especially first-time and minority

homebuyers. FHA is proposing significant changes to its loan-level and annual lender-level certifications to provide more precision and needed clarity to compliance documents. Specifically, FHA is proposing revisions to its Addendum to Uniform Residential Loan Application (Form 92900-A) and to its annual lender certification form. In addition, FHA is revising its 'defect taxonomy' to clarify the various loan defect categories and how the agency weighs the severity of each defect. The notice may be viewed at: https://www.hud.gov/press/press_releases/media_advisories/HUD_No_19_059

▲ FRB proposed modifications to the Federal Reserve Banks' (Reserve Banks) payment services to facilitate adoption of a later same-day automated clearinghouse (ACH) processing and settlement window. Specifically, the Reserve Banks would extend the daily operating hours of the National Settlement Service (NSS) to allow the private-sector ACH operator to settle its in-network transactions resulting from the later same-day ACH window. The notice may be viewed at: <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20190509b1.pdf>



Compliance Notes

▲ FRB, FDIC, NCUA, OCC, and FCA staff will hold an interagency Flood Insurance Update webinar on the Private Flood Insurance Rule. The webinar was originally scheduled for 05/14/2019, but has been rescheduled for 06/18/2019. Registration information may be viewed at: <https://www.webcaster4.com/Webcast/Page/577/30085>

▲ CFPB released a guide titled “Protect Your Identity: What Older Adults Should Know” for consumers. The guide includes steps for protecting personal information. The guide may be viewed at: https://files.consumerfinance.gov/f/documents/cfpb_identity_protection_guide.pdf

▲ OFAC published “A Framework for OFAC Compliance Commitments” which is intended to provide organizations with a framework for the five essential components of a risk-based sanctions compliance program (SCP), and contains an appendix outlining several of the root causes that have led to apparent violations of the sanctions programs that OFAC administers. OFAC recommends all organizations subject to U.S. jurisdiction review the settlements published by OFAC to reassess and enhance their respective SCPs, when and as appropriate. The framework may be viewed at: https://www.treasury.gov/resource-center/sanctions/Documents/framework_ofac_cc.pdf

▲ Treasury initiated a renewal of the public certificate securing the www.treasury.gov website, including OFAC’s sanctions lists downloads. This announcement is especially important for users that utilize command line interfaces to download OFAC’s sanctions list data. The existing certificate (expiring June 6, 2019) was replaced on May 16, 2019 at 9PM. This process took roughly 3-6 hours for the replacement certificate to be distributed worldwide. The notice may be viewed at: <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/20190501.aspx>

▲ FRB Chairman Jerome H. Powell issued the welcoming remarks to the attendees of the 2019 Federal Reserve System Community Development Research Conference, “Renewing the Promise of the Middle Class,” in Washington, D.C. He noted, “This year our conference focuses on pathways to the middle class. While there are many definitions of ‘middle class,’ I think we can agree that achieving a basic level of economic security is fundamental. Surveys suggest that many Americans believe being middle class means having a secure job and the ability to save. In recent decades, income growth for middle-income households has lagged behind that for high income households.” His full remarks may be viewed at: <https://www.federalreserve.gov/newsevents/speech/files/powell20190509a.pdf>

▲ FDIC Chairman Jelena McWilliams today announced the retirement of Steve App, Deputy to the Chairman and Chief Financial Officer (CFO). App has served as CFO for the past 17 years and has almost 40 years of federal service. Replacing him as Deputy to the Chairman and CFO is Bret Edwards, who is currently Director of Division of Resolutions and Receiverships (DRR). In addition, long-time FDIC veteran Maureen Sweeney was named as Edwards’ replacement. The announcement may be viewed at: <https://www.fdic.gov/news/news/press/2019/pr19039.html>

▲ President Donald Trump has issued an Executive Order imposing sanctions with respect to the iron, steel, aluminum, and copper sectors of Iran. In relation to the Executive Order, OFAC has published FAQs. The FAQs may be viewed at: https://www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_iran.aspx#eo_metals

▲ OCC issued the “Real Estate Settlement Procedures Act” (RESPA) booklet of the Comptroller’s Handbook. The revised booklet replaces the similarly titled booklet issued in April 2015. The booklet provides guidance and procedures to examiners in connection

with changes made by the Consumer Financial Protection Bureau (CFPB) to Regulation X (12 CFR 1024), which implements RESPA. The main changes to the booklet relate to implementation of the CFPB’s mortgage servicing rule and to clarification and amendment of provisions of Regulation X that took effect October 19, 2017, as well as provisions related to successors in interest, which took effect April 19, 2018. The booklet also reflects changes resulting from the final rule on integrated mortgage disclosures, which became effective October 3, 2015. The booklet may be viewed at: <https://www.occ.gov/publications/publications-by-type/comptrollers-handbook/resp/pub-ch-respa.pdf>

▲ FRB released March 2019 data to its G.19 Consumer Credit statistics page. Consumer credit increased at a seasonally adjusted annual rate of 4-1/4 percent during the first quarter. Revolving credit increased at an annual rate of 1-1/2 percent, while nonrevolving credit increased 5-1/4 percent. In March, consumer credit increased at an annual rate of 3 percent. The full dataset may be viewed at: <https://www.federalreserve.gov/releases/g19/current/default.htm>

▲ CFPB proposes to amend Regulation F, 12 CFR part 1006, which implements the Fair Debt Collection Practices Act (FDCPA) and currently contains the procedures for State application for exemption from the provisions of the FDCPA. CFPB’s proposal would amend Regulation F to prescribe Federal rules governing the activities of debt collectors, as that term is defined in the FDCPA. CFPB’s proposal would, among other things, address communications in connection with debt collection; interpret and apply prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection; and clarify requirements for certain consumer-facing debt collection disclosures. The notice may be viewed at: https://files.consumerfinance.gov/f/documents/cfpb_debt-collection-NPRM.pdf



Compliance Notes

▲ OFAC removed sanctions imposed on Manuel Ricardo Cristopher Figuera (Cristopher), who broke ranks with the Maduro regime and rallied to the support of the Venezuelan constitution and the National Assembly. Cristopher is the former Director General of Venezuela's National Intelligence Service, more commonly known as SEBIN. As a result of Tuesday's action, all property and interests in property, which had been blocked solely as a result of Cristopher's designation, are unblocked and all otherwise lawful transactions involving U.S. persons and Cristopher are no longer prohibited. The designation removal may be viewed at: <https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20190507.aspx>

▲ FRB released the April 2019 Senior Loan Officer Opinion Survey on Bank Lending Practices which addressed changes in the standards and terms on, and demand for, bank loans to businesses and households over the past three months, which generally corresponds to the first quarter of 2019. Regarding loans to businesses, respondents to the April survey indicated that, on balance, they left their standards basically unchanged and eased some of the terms on commercial and industrial (C&I) loans to large and middle-market firms, while standards and most terms remained basically unchanged for such loans to small firms. Meanwhile, banks reported weaker demand for C&I loans from firms of both size categories. The full results may be viewed at: <https://www.federalreserve.gov/data/sloos/sloos-201904.htm>

▲ FinCEN issued an update to the "Advisory on Widespread Public Corruption in Venezuela" issued by FinCEN on September 20, 2017 ("2017 Venezuela Advisory") to alert financial institutions of continuing widespread public corruption in Venezuela under the regime of Nicolas Maduro, which the U.S. Government considers illegitimate. It also alerts financial institutions to additional methods utilized by corrupt Venezuelan senior political figures (and their associates, family members, and

front persons) to move and hide corruption proceeds—money stolen from the Venezuelan people—and contribute to the dire humanitarian situation in Venezuela, which includes, among other things, starvation, human rights violations, lack of medicine or medical care, and children and the elderly being separated from their families because they cannot care for them. The advisory may be viewed at: <https://www.fincen.gov/sites/default/files/advisory/2019-05-03/Venezuela%20Advisory%20FINAL%20508.pdf>

▲ CFPB filed a complaint against PGX Holdings Inc. and subsidiaries Progexion Marketing Inc., Progexion Teleservices Inc., eFolks LLC, and CreditRepair.com Inc.; and against John C. Heath, Attorney at Law PLLC, which does business as Lexington Law. The lawsuit, filed in U.S. district court in Utah, alleges the defendants violated the Telemarketing Sales Rule (TSR) by requesting and receiving payment of prohibited upfront fees for their credit repair services. Under the rule, companies can only charge fees for telemarketed credit repair services after providing consumers with documentation reflecting that the promised results have been achieved. That documentation cannot be provided to consumers until more than six months after the results were achieved. CFPB also alleges that Progexion and its subsidiaries violated the TSR and the Consumer Financial Protection Act by making deceptive representations in its marketing, or by substantially assisting others in doing so. The complaint may be viewed at: https://files.consumerfinance.gov/f/documents/cfpb_pgx-holdings_complaint_2019-05.pdf

▲ Treasury's Borrowing Advisory Committee of the Securities Industry and Financial Markets Association issued a report to the Treasury Secretary. The report states economic activity grew at a strong pace in the first quarter, with a 3.2% annualized increase in real GDP despite an estimated 0.3pp drag from the government shutdown. The strength resulted in part from rapid inventory accumulation and a large decline in imports, factors that are likely to reverse, and domestic final sales

grew at a slower 1.4% pace. Looking ahead, both the growth drag from the large tightening in financial conditions last year and the growth boost from tax and government spending legislation are likely to fade. Growth is likely to slow over the remainder of 2019 from the 3.2% pace seen over the last four quarters, but is expected to remain somewhat above estimates of the economy's longer-run potential. The report may be viewed at: <https://home.treasury.gov/news/press-releases/sm678>

▲ CFPB issued a factsheet titled "Are Loan Estimates and Closing Disclosures Required for Assumptions." The factsheet addresses whether a Loan Estimate and Closing Disclosure are required under the TILA-RESPA Integrated Disclosure Rule (TRID Rule) for a specific group of transactions. It addresses whether these disclosures are required for a transaction: (1) in which a new consumer is being added or substituted as an obligor on an existing consumer credit transaction; (2) that is a closed-end consumer credit transaction secured by real property or a cooperative unit; and (3) that is not a reverse mortgage subject to 12 CFR 1026.33. The factsheet may be viewed at: https://files.consumerfinance.gov/f/documents/cfpb_tila-respa-factsheet.pdf

▲ FDIC issued the April 2019 edition of the FDIC Consumer News. This edition focuses on tips for protecting seniors from financial abuse. The FDIC Consumer News may be viewed at: <https://www.fdic.gov/consumers/consumer/news/april2019.html>

▲ FATF issued the May 2019 FATF Business Bulletin, providing a brief update on recent FATF outcomes of interest to the private sector, including those of the 2019 FATF Private Sector Consultative Forum and the FATF/MONEYVAL Joint Experts' meeting. The bulletin may be viewed at: <http://www.fatf-gafi.org/media/fatf/documents/FATF-Business-Bulletin-May-2019.pdf>



Compliance Notes

▲ FRB issued the May 2019 Supervision and Regulation Report, which summarizes banking conditions and the Federal Reserve's supervisory and regulatory activities. The report demonstrates the continued health and soundness of the banking industry. Figures in the report show that industry profitability ratios remain high, driven in part by the industry's net interest margin reaching a six-year high. The report may be viewed at: <https://www.federalreserve.gov/publications/files/201905-supervision-and-regulation-report.pdf>

▲ CFPB issued an updated Small Entity Compliance Guide for the Prepaid Rule. The guide may be viewed at: https://files.consumerfinance.gov/f/documents/cfpb_prepaid_small-entity-compliance-guide.pdf

▲ FRB issued a progress report on its payments improvement initiatives. The progress report highlights recent accomplishments and next steps for Federal Reserve payments improvement

initiatives. The report may be viewed at: <https://fedpaymentsimprovement.org/wp-content/uploads/fedpayments-improvement-report-web.pdf>

▲ FRB issued an update to the Bank Holding Company Supervision Manual. The manual provides guidance for conducting inspections of bank holding companies and their nonbank subsidiaries. The manual may be viewed at: https://www.federalreserve.gov/publications/supervision_bhc.htm

▲ Treasury and IRS released a six-year plan to modernize IRS business operations. The plan is organized around four "Modernization Pillars" critical to the IRS's mission and future development: (1) Tax Payer Experience, (2) Core Taxpayer Service and Enforcement, (3) Modernized IRS Operation, and (4) Cybersecurity and Data Protection. The plan may be viewed at: https://www.irs.gov/pub/irs-utl/irs_2019_integrated_modernization_business_plan.pdf ■

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- **Principles of Banking Course**
5-6 Fond du Lac – \$550/attendee;
7-8 Madison – \$550/attendee;
- **Loan Compliance School**
11-15 Wisconsin Dells – \$1,295/attendee*
- **Branch Manager Boot Camp**, Madison
11-12 Four days (March 11, 12, April 10, and 11)
\$950/attendee or \$350/day/attendee
- **Advanced IRA Workshop**
13 Rothschild/Wausau – \$225/attendee
14 Madison – \$225/attendee
- **Real Estate Compliance School**
13-15 Wisconsin Dells – \$795/attendee*
- **Credit Analysis Boot Camp**
~~14-15 Madison – \$495/attendee*~~ **Session Full**
28-29 Green Bay – \$495/attendee*
- **Security Officer Workshops**
19 Green Bay – \$175/attendee
20 Eau Claire – \$175/attendee
21 Wisconsin Dells – \$175/attendee
- **Loan Documentation Webinar Series: Part 2**
19 (3-part series; including recordings)
\$749 + sales tax/connection
- **Cash Management Workshop**
25 Wisconsin Dells – \$245/attendee
- **Enterprise Risk Management Workshop**
26 Wisconsin Dells – \$245/attendee

APRIL

- **WBA/ABA Washington Summit**
1-3 Washington, D.C.
- **Loan Documentation Webinar Series: Part 3**
9 (3 part series; including recordings)
\$749 + sales tax/connection
- **Agricultural Bankers Conference**, Wisconsin Dells
10-11 \$350/attendee; \$275/Ag Section member attendee
- **Branch Manager Boot Camp**, Madison
10-11 Four days (March 11, 12, April 10, and 11)
\$950/attendee or \$350/day/attendee

*Lodging is available for an additional fee.

APRIL (continued)

- 12 • **National Teach Children to Save Day**
- **Power of Community Week**
22-26 www.wisbank.com/BanksPowerWI
- **Women in Banking Conference**
23 Wisconsin Dells – \$245/for first two attendees;
\$195/additional attendee(s)
- **Community Bankers for Compliance (CBC) – Session 2**
23 Stevens Point (*pricing options vary*)
24 Madison (*pricing options vary*)
- **Safe Deposit Liability Webinar**
25 \$325 + sales tax/connection
- **ICBA Washington Policy Summit**
4/28 Washington, D.C.
-5/1
- **Business Banking Boot Camp**
4/30 De Pere – \$695/attendee*
-5/1

MAY

- **Business Banking Boot Camp**
2-3 Madison – \$695/attendee*
- **Principles of Banking Course**
2-3 Lake Hallie – \$550/attendee
- **Trust Conference**
3 Wisconsin Dells – \$245/attendee
- **School of Bank Management**
5-10 Madison – \$1,395/attendee*
- **Wisconsin Consumer and Marital Property Acts Webinar**
7 \$325 + sales tax/connection
- **Human Resources Conference**
9 Stevens Point – \$225/attendee
- **FIPCO Compliance & Software Forum (Deposit)**
14 Wisconsin Dells
- **Compliance Management School**
14-16 Wisconsin Dells – \$795/attendee*
- **Lending Boot Camp**
14-16 Wisconsin Dells – \$795/attendee*
(2-day registration also available, \$535/attendee)*
- **IT Risk Management Seminar**
16 Wisconsin Dells – \$245/attendee
- **Capitol Day**
21 Madison – FREE

(over)

Conferences | Summits

Schools | Boot Camps

Seminars | Workshops

WBA Webinars

Other Events

MAY (continued)

- **HSA Workshop**
23 Wisconsin Dells – \$225/attendee
- **BSA/AML Compliance Conference**
29-30 Wisconsin Dells – \$449/attendee
- **Bank Directors Summit**
TBD – \$225/first attendee; \$175/additional attendee

JUNE

- **Managing Levies, Garnishments and Other Legal Process in Wisconsin Webinar**
4 \$325 + sales tax/connection
- **BOLT Summer Leadership Summit**
11-12 Wisconsin Dells – \$150/attendee
- **Compliance Forum: Session 1**
18 Stevens Point \$1,400/bank membership
19 Wisconsin Dells (includes 2 registrations
20 Pewaukee for each of 3 sessions)
- **Advertising Law Webinar Series: Part 1**
19 (2-part series; including recordings)
\$499 + sales tax/connection

JULY

- **Community Bankers for Compliance (CBC) – Session 3**
16 Stevens Point (*pricing options vary*)
17 Madison (*pricing options vary*)
- **Advertising Law Webinar Series: Part 2**
17 (2-part series; including recordings)
\$499 + sales tax/connection
- **ABA CRCM Prep Course**, Chicago
22-26 \$2,495/ABA Member; \$2,995/Nonmember*
- 7/31 • **Agricultural Lending School**
-8/2 Rothschild – \$895/attendee*
- 7/30 \$200/attendee for additional pre-school workshop*

SEPTEMBER

- **Management Conference** – including
CFO Conference, Wisconsin Dells*
10-11 \$250/attendee for first two attendees;
\$195/additional attendee

SEPTEMBER (continued)

- **Secur-I.T. Conference**, Wisconsin Dells
17-18 \$350/first attendee; \$300/additional attendee
- **Introduction to Commerical Lending School**
18-20 De Pere – \$795/attendee*
- **Supervisor Boot Camp**
24-25 Wisconsin Dells – \$535/attendee*
- 9/30 • **Deposit Compliance School**
-10/1 Wisconsin Dells – \$535/attendee*

OCTOBER

- **Personal Banker School**
8-9 Wisconsin Dells – \$450/attendee*
- **Community Bankers for Compliance (CBC) – Session 4**
15 Stevens Point (*pricing options vary*)
16 Madison (*pricing options vary*)
- **Compliance Forum: Session 2**
22 Stevens Point (*pricing options vary*)
23 Wisconsin Dells (*pricing options vary*)
24 Pewaukee (*pricing options vary*)
- **BSA/AML Workshops**
29 Eau Claire; \$245/attendee
30 Neenah; \$245/attendee
31 Madison; \$245/attendee
- **Procedures Upon a Depositors Death Webinar**
30 \$325 + sales tax/connection
- **IRA Essentials Workshops**
October TBD – \$225/attendee
- **Advanced IRA Workshops**
October TBD – \$225/attendee

NOVEMBER

- **Auditing Real Estate Loans Boot Camp**
5-7 Wisconsin Dells – \$795/attendee*
- **BOLT Winter Leadership Summit**
7 Stevens Point – \$100/attendee*
- **LEAD360 Conference: Marketing, Retail Banking, Sales and Financial Literacy**, Wisconsin Dells
20-21 \$350/attendee; \$300 additional attendee*

*Lodging is available for an additional fee.

» Visit www.wisbank.com/education for more information and online registration.

» For questions or more information, email WBA Education at wbaeducation@wisbank.com or 608-441-1252.