



CERTIFICATION NEWS

REGULATORY

Compliance Updates

By Mandy Snyder

The federal regulatory agencies show no signs of slowing down anytime soon, making it difficult to stay on top the myriad compliance changes coming down the pike. Here's a list of what's been happening the last two months:

Home Mortgage Disclosure Act – File Format Tool – 8/9/2018

The Bureau announced the availability of the File Format Verification Tool for HMDA data collected in 2018 and submitted in 2019. The tool is a resource for testing whether a bank's HMDA file meets the formatting requirements specified in the HMDA Filing Instructions Guide. It ensures your file is pipe-delimited, has the proper number of data fields, and has data fields formatted as integers where necessary. It does not test for data edits like the HMDA Platform does. You simply drag your file into the toolbox or click the toolbox to select your file. The tool can be found at [HMDA File Format Tool](#).

Regulation P – Amendment – 8/10/2018

The Bureau finalized amendments to Regulation P regarding institutions that meet certain requirements to be exempt from sending annual privacy notices to their customers. On Dec. 4, 2015, Congress amended the GLBA as part of the FAST Act. Many banks choose to follow the rules of the act even though Regulation P had not officially been amended. On Aug. 8, 2018, Regulation P was finally amended to match the revisions made in 2015. In general, the new rules state, a bank that does not share nonpublic personal information and has not changed its policies and practices with regard to disclosing nonpublic personal information since the most recent privacy notice given to its customer, is exempt from delivering the privacy notice on an annual basis. The final rule can be found at [Regulation P Amendment](#).

Regulation Z – Threshold Changes – 8/27/2018

The Bureau announced some of the dollar
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PROFESSIONAL PROFILE

Get to Know Brent Irwin, an ICBA-Certified Banker in Missouri

By Shirley Ringhand

Brent Irwin is vice president, compliance officer and security officer at Independent Farmers Bank in Maysville, Mo. He became a Certified Community Bank Compliance Officer in 2013, and a Certified Community Bank Security Officer in 2015.

Tell us about your community bank.

We are the largest independent community banks in DeKalb County and one of the largest organically-grown banks in the area. It was never our goal to be the largest but that is the result of our efforts to be the best bank we

Fact Check Independent Farmers Bank

Headquarters: Maysville, Mo.

Retail offices: Two

Bank asset size: \$110 million

Number of bank employees: 30

Number of staff in auditing and BSA/AML:

One fulltime, several with multiple hats

Website: www.farmbank.net

Taglines/Motto: "In God We Trust"

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2019 CERTIFICATION CALENDAR

Audit Institute

- Apr. 28-May 3; Dallas, Texas
- Sept. 8-13; Minneapolis, Minnesota

Annual Current Issues/ Certification Conference

- Sept. 23-26; Minneapolis, Minnesota
- Oct. 7-10; Charlotte, North Carolina

Bank Security Institute

- Sept. 15-18; Minneapolis, Minnesota

BSA/AML Institute

- May 14-16; Minneapolis, Minnesota
- Aug. 5-7; Denver, CO
- Nov. 13-15; Dallas, Texas

Compliance Institute

- Feb. 24-Mar. 1; Dallas, Texas
- June 9-14; Minneapolis, Minnesota
- Sept. 29-Oct. 4; Nashville, Tennessee

Commercial Lending Institute

- Aug. 11-16; Minneapolis, Minnesota

Consumer Lending Institute

- Sept. 8-11; Minneapolis, Minnesota

Credit Analyst Institute

- Mar. 31-Apr. 3; Orlando, Florida
- Oct. 27-30; Minneapolis, Minnesota

IT Institute

- Aug. 5-9; Minneapolis, Minnesota

Risk Management Institute

- Oct. 28-30; Minneapolis, Minnesota

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threshold adjustments for certain loan types effective 2019. Adjustments include:

- HOEPA loans – adjusted total loan amount will be \$21,549
- HOEPA loans – adjusted points-and-fees amount will be \$1,077
- For qualified mortgages under the ability-to-repay rules - the maximum thresholds based on loan amount for points and fees may not exceed the following to meet the standards will be:

Loan Amount	Threshold
< \$13,468	8% of total loan amount
\$13,468 to \$21,549	\$1,077
\$21,549 to \$64,648	5% of total loan amount
\$64,648 to \$107,747	\$3,232
≥ \$107,747	3% of total loan amount

- There are other changes to dollar thresholds regarding interest charges and safe harbor penalty fees which can be found in the complete final rule at [Regulation Z-Threshold Changes](#).

Home Mortgage Disclosure Act – Procedural Rule – 8/31/2018

The Bureau issued an interpretive and procedural rule to implement and clarify changes made to HMDA by the Economic Growth, Regulatory Relief and Consumer Protection Act (EGRRCPA or s. 2155). This rule is effective immediately, even prior to Regulation C being fully amended. The rule clarifies:

- ✓ that banks covered by a partial exemption under the Act have the option of reporting exempt data fields as long as they report all data fields within any exempt data point for which they report data;
- ✓ that only loans and lines of credit that are otherwise HMDA reportable count toward the thresholds for the partial exemptions;
- ✓ which of the data points in Regulation C are covered by the partial exemptions;
- ✓ designates a non-universal loan identifier for partially exempt transactions for institutions that choose not to report a universal loan identifier; and
- ✓ the Act's exception to the partial exemptions for negative Community Reinvestment Act examination history.

A bank that meets the following criteria is covered by the partial exemption:

- ✓ originates fewer than 500 closed-end mortgage loans in each of the two preceding calendar years,
- ✓ originates fewer than 500 open-end mortgage loans in each of the two preceding calendar years,
- ✓ must not have received a rating of “needs to improve” during each of its two most recent CRA examinations, or
- ✓ must not have received a rating of “substantial noncompliance” during its most recent CRA examination.

Within the rule, the Bureau provided a table (Table 1: Effect of the Act's Partial Exemptions on HMDA Data Points) which lists the HMDA Data Points that no longer need to be reported and which must still be reported for banks that meet the criteria for the partial exemption.

The complete rule can be found at [HMDA Procedural Rule](#). To support implementation of the rule, the Bureau published an executive summary and updated the Filing Instructions Guide for HMDA data collected in 2018 and the Regulatory and Reporting Overview Reference Chart. These documents can be found at [HMDA Executive Summary](#).

Supervisory Highlights – 9/6/2018

The Bureau released its 17th edition of Supervisory Highlights. It shares observations in the areas of auto loan servicing, credit card account managements, debt collection, mortgage servicing, payday lending, and small business lending. The report shares information regarding general supervisory and examination findings, communicates operational changes to the Bureau's supervisory program, and provides information on recent Bureau final rules. The information is disseminated to help institutions better understand how the Bureau examines institutions for compliance. The latest issue can be found at [Supervisory Highlights](#).

Bank Secrecy Act – Beneficial Ownership Amendments – 9/7/2018

The Financial Crimes Enforcement Network (FinCEN) issued a ruling granting exceptive relief to covered financial institutions from the obligations of the Beneficial Ownership Requirements for Legal Entity Customers and its requirement to identify and verify the identity of the beneficial owner(s) when a legal entity customer opens a new account as a result of the following:

- A rollover of a certificate of deposit (CD)

(as defined by FinCEN in the full ruling);

- A renewal, modification, or extension of a loan (e.g., setting a later payoff date) that does not require underwriting review and approval;
- A renewal, modification, or extension of a commercial line of credit or credit card account (e.g., a later payoff date is set) that does not require underwriting review and approval; and
- A renewal of a safe deposit box rental.

This ruling changes Question #12 in the April 3, 2018 FAQ put out by FinCEN

The ruling can be found at [Beneficial Ownership Amendments](#).

Fair Credit Reporting Act – Model Form Changes – 9/12/2018

The Economic Growth, Regulatory Relief, and Consumer Protection Act mandates that whenever the FCRA requires a consumer to receive either the Summary of Consumer Rights or the Summary of Consumer Identity Theft Rights, a notice regarding the new security freeze right also must be included. The Summary of Consumer Rights is a summary of rights to obtain and dispute information in consumer reports and to obtain credit scores. The Summary of Consumer Identity Theft Rights is a summary of rights of identity theft victims. The FCRA requires the Bureau to write model forms of these documents. Consumer reporting agencies and other entities can use the Bureau's model forms or their own substantially similar forms.

The legislation also extends from 90 days to one year the minimum time that nationwide consumer reporting agencies must include an initial fraud alert in a consumer's file. A fraud alert informs a prospective lender that a consumer may have been a victim of identity theft and requires that the lender take steps to verify the identity of anyone seeking credit in the consumer's name.

To assist businesses in coming into compliance with the new law, the interim final rule issued today updates the Bureau's model forms (App. I & K to Regulation V), incorporating the new required notice and the change to the minimum duration of initial fraud alerts. The complete rule can be found at [Model Form Changes](#). The interim final rule invites comment on these and any other aspects of the Bureau's model forms to inform any possible further rulemaking.

Supervisory Guidance Statement – 9/17/2018

As compliance officers, we may feel that “guidance” provided by the regulators really means “you have to do it” even though it is not written into the law. The Regulatory Agencies issued a joint statement to explain the role of supervisory guidance and to describe the agencies’ approach to supervisory guidance. The statement put out by the agencies should help banks

change their perception of “guidance” and use it as a tool for safe and sound banking practices.

Regulation Z – Amendment Effective 10/1/2018

On July 7, 2017 the Bureau issued a final rule clarifying and amending certain mortgage disclosure provisions implemented in Regulation Z. These rules basically answer some of the frequently asked questions

that banks had regarding the original rules set forth on Oct. 3, 2015. Some of the rules were allowed to be implemented when published in the Federal Registrar (Oct. 10, 2017), however the mandatory effective date for all is Oct. 1, 2018. The final rules can be found at [Regulation Z Amendment](#).

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could be. When you’ve been around since 1894 you must be looking ahead.

What makes a community bank different from the larger banks?

I think one of the most attractive aspects of community banking is the personal relationship community bank employees can bring to the table in the bank-customer relationship. Another difference-maker is convenience. Whether it’s a lender that you have a long-standing relationship with, a place right in town where you can teach your children about saving money, or a helping hand from our knowledgeable staff about a financial question, a community bank becomes a convenient place to help you in many different areas without the automated answering machine and red tape.

What makes you most proud about your bank?

I’m proud to be a part of this bank family. Our bank cares about their employees and their families and one way is in the lack of turnover at our bank. Another thing I’m proud of is that we know who we are and we stay in our lane to be most effective for our community. It’s easy to get sucked into the latest and greatest ideas and we take a conservative yet balanced approach so that our solutions are both innovative and practical.

How did you find your way into banking?

My initial exposure to banking was by my mother. She worked nearly 20 years and has now retired from her career as a personal banker. Before I started with the bank, I actually worked at a church after receiving a Bachelor’s in Biblical Literature from Ozark Christian College. Obviously, one doesn’t normally seek out a career in banking after this sort of degree, but a career in banking actually found me as I was one of the many affected by the great

recession. The idea of working at a bank was presented to me by our former CEO and I took a job at IFB in 2010. I’ve been really happy with it and it’s been a great career fit for me.

Tell us your biggest and best accomplishment.

Surviving the avalanche of Dodd-Frank regulations as a compliance officer has given me a sense of endurance as we’ve had to change year after year on several major procedural changes. I feel like that is an accomplishment in and of itself, but the aspect of my job that makes me feel most accomplished is when I can learn/understand new regulations and find ways to teach others complex regulations in a simple, easy-to-grasp kind of way, so that they can do their jobs easier. Another area I’m proud of is our bank logo. I was entrusted by our CEO and board to help spearhead the rebranding efforts a little over a year ago and that opportunity was really fun for me. I’m proud of how this logo has elevated the quality and professionalism of our brand and how it also reflects the quality and professionalism our employees bring to the table every day.

What do you like best about the work you do?

I get to work alongside and serve my fellow employees. They do a great job at serving our customers and I get the benefit of teaching, training, and learning from them day in and day out without the demands that come with roles that are more geared towards customer service.

What is your bank’s customer-service philosophy?

A big part of our customer service is being personally connected to our customers. Often times our customers are greeted by name when they come in contact with our employees. And as a “farmers’ bank”, I

think it speaks volumes that a vast number of employees have either current experience in the farming business or have in the past. This allows us to relate and interact to our customers in a way that makes them feel IFB is a trusted source with knowledge and understanding of their world.

What’s your best advice to a new bank employee?

Like I said earlier about how proud I am to be working at IFB, I share what I’ve experienced which is, “You won’t find another employment environment that is as good as you’ll have it here.”

Why did you choose to become certified?

Our Chief Lending Officer, who was our former Compliance Officer, led by example in being certified and he taught me the value that ICBA’s institutes and similar training can bring to my day to day needs. It has really helped me from when I first started in compliance and continues to help me further my understanding.

How has earning your certification designation helped your career as a banker?

Earning my certification was a great stepping stone for me to have the confidence to lead others towards compliance with regulations. My binders from the Compliance Institute are marked up, tabbed, and well worn items on my office shelf. Initially, my certification/training provided answers to questions I didn’t know in a broad sense, but eventually the training has taught me how to ask the right questions to organize compliance issues into categories so that I can quickly get to the root of the problem and find the solution.

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CERTIFICATION NEWS

2018 Annual Certification Renewal Fee

Watch for an email mid-October from Julie Woida with ICBA's Community Banker University. The email will include a link to pay your annual certification fee online or print your invoice and return to ICBA with payment.

Your Online Certification Portfolio Has a Brand-new Look!

Interact with your certified peers in our Certification Forum!

Community Banker University's Certification Forum is an online discussion site where certified bankers can hold conversations in the form of posted messages. Each certification type has its own forum. To access your discussion forum, click on the red **CLICK HERE** button on the home page of your certification portfolio.



Stay connected and start chatting with your peers today!!! For questions contact Julie at 800-422-7285, extension 7334.

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