

CAPCO

Regulatory Advisory Services

Quick Reference Guide Library 2024

Capco's Regulatory Advisory Services (RAS) Quick Reference Guides **break down complex regulations into a format that is easy to understand and apply.** They are a necessity for compliance officers, auditors, legal, deposit and loan operations employees, loan officers, branch administrators, and tellers. Our QRGs are broken down into four areas: **All Financial Institution Functions, Deposits/Shares/BSA, Lending Compliance, and Specific for Financial Institutions.**

Don't Just Take Our Word for It – Hear from Our Clients

"Great! We already use CAPCO's QRGs you mentioned (Disclosure Requirements for Principal Dwelling and Disclosure Requirements for Non- Principal Dwelling Secured Loans), plus the one for open-end loans. We find them very useful at the Loan Processor level and after the fact for doing loan review for compliance."

Vice President of Compliance at Small Community Bank

"I have been a subscriber of CAPCO throughout my entire banking career and rely on them for the best Quick Reference Guides. Their Big Orange Book (BOB) makes it easy to locate regulatory information and is explained easily. They are always improving their website with valuable up-to-date information. An excellent investment."

Vice President/Compliance Officer
at \$2 Billion Community Bank

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1. Complete Quick Reference Guide (QRG) Offering

With a library of 50+ QRGs, we are well-equipped to assist compliance and audit personnel with regulatory compliance. Our QRGs are designed to be easily understandable, comprehensive, and all-inclusive of regulatory provisions, allowing you to skip the additional research necessary when dealing with regulations that are technical or contain cross references. Save time and energy by referring to Capco's Quick Reference Guides in your early phases of research.

***Resources highlighted in red are found the most helpful by our clients**

1.1. All Financial Institution Functions

All Financial Institution Functions QRGs apply to banks, credit unions, and other financial institutions that broadly apply and cannot be categorized solely as deposit or lending compliance. You will find information on required compliance training, commonly used acronyms, the various definitions of business days, and E-SIGN, in addition to other titles.

1.1.1. Annual Regulatory Compliance and Financial Crime Training Requirement

This Quick Reference Guide is a best practice guide on targeting annual training across a variety of functional groups within your financial institution and can help compliance personnel in establishing the annual compliance training agenda

1.1.2. Capco's Guide to Beneficial Ownership and Customer Due Diligence

Capco's Quick Reference Guide to the Beneficial Ownership Rules

1.1.3. Commonly Used Abbreviations and Acronyms in Financial Services, Financial Institution Supervision and Regulation

The world of banking and finance is filled with abbreviations and acronyms, some even overlapping. Not everyone in risk management roles is necessarily familiar with every abbreviation or acronym. Our Quick Reference Guide provides many of the most commonly-used abbreviations and acronyms that risk management personnel in financial institutions and regulatory agencies come across or use, and although not an exhaustive list, does capture many of the terms you want to be familiar with in your day-to-day risk management responsibilities

1.1.4. E-Sign Act

This guide succinctly captures all the compliance requirements relating to the E-SIGN Act. It also addresses the consent and revocation requirements, as well as the interplay between the E-SIGN Act and other consumer regulations.

1.1.5. Privacy

The Privacy of Consumer Financial Information rule, or Regulation P, governs the protection of consumers' non-public private information. This guide charts out the notice, timing, delivery requirements and exceptions applying to the Regulation P mandatory Notice.

1.1.6. Record Retention Requirements for Federal Consumer Protection Laws and Regulations

Record Retention provisions are often overlooked, until a request from a regulatory agency finds a financial institution unprepared. Capco Regulatory Advisory Service's Record Retention Requirements for Federal Consumer Protection Laws and Regulations Quick Reference Guide takes the guesswork out of the equation, for both federal-level consumer protection provisions and fair lending provisions, all at your fingertips.

1.1.7. Regulatory Definitions of Business Day

The term "Business Day" is defined across several regulations, and in some cases has differing standards within subsections of the same overall regulation. Some regulations reference other regulations when defining and applying the term. It is incumbent upon financial institution personnel to apply the appropriate definition and standard in each situation to be compliant with the timing provisions of the respective regulation.

1.1.8. Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)

UDAAP is an umbrella of rules prohibiting financial institutions from engaging in any unfair, deceptive or abusive acts or practices in every context, including in advertising.

1.2. Deposits/Shares/BSA

Designed to assist compliance, audit, legal, marketing, branch administration, and retail banking areas of the financial institution, our Deposits/Shares/BSA QRGs are carefully crafted to ensure deposit and operations compliance can operate in a timely and efficient manner, enhancing customer service while ensuring regulatory compliance. Does the teller line have the discretion to place Regulation CC holds? If so, they can refer to the Regulation CC QRG for an easy breakdown of the maximum timeframes that items can be held. A Customer Service Representative can refer to the Deposit Account Disclosures QRG while opening new accounts. Need to know more about Elder Financial Abuse? Refer to our Elder Financial Exploitation QRG, to help decide to assist your elderly clients. Our Deposit/Shares/BSA QRGs guides contain numerous helpful, concise, and easy-to-understand summaries of deposit and Bank Secrecy Act requirements.

1.2.1. Account Set-Up and Customer Verification

This guide provides definitive direction on the opening of new accounts, Customer Identification Program guidance, as well as instruction on how to title specific accounts, such as an LLC, Trust, Joint Account, etc.

1.2.2. Advertising Deposits and Non-Deposit Investment Products (FDIC)

This guide outlines all the marketing rules in connection with advertising deposit and non-deposit investment products and provides guidance on the FDIC Membership advertisement rules.

1.2.3. Advertising Deposits and Non-Deposit Investment Products (NCUA)

This guide outlines all the marketing rules in connection with advertising deposit and non-deposit investment products and provides guidance on the NCUA Membership advertisement rules.

1.2.4. Currency Transaction Reporting Exemptions

A financial institution must file a CTR (FinCEN Form 112) for each currency transaction in excess of \$10,000. The Money Laundering Suppression Act of 1994 established two exemptions from CTR reporting – Phase I and Phase II. The exemption process for each phase and the ongoing requirements are clearly outlined in this guide.

1.2.5. Deposit Account Disclosures

Various consumer deposit regulations require mandatory disclosures for new deposit accounts. This guide clearly lists all the required disclosures that must be delivered at account opening for both consumers and businesses.

1.2.6. Elder Financial Exploitation

This Quick Reference Guide defines Elder Financial Exploitation and other forms of elder abuse and

provides red flags and various schemes to assist financial institutions in managing the risks associated with Elder Financial Exploitation.

1.2.7. Error Resolution

Capco's Error Resolution Quick Reference Guide takes you through the error resolution provisions of EFTA/Regulation E and the associated customer liability provisions, to assist you with the sometimes confusing and complex process of resolving consumer disputes of errors and unauthorized EFTs. Includes an additional flowchart for P2P disputes.

1.2.8. Garnishment of Accounts

This QRG provides guidance on the rules governing Federal Garnishment provisions.

1.2.9. Regulation D

The transaction limitation provisions of Regulation D were rescinded by the Federal Reserve Board's Final Rule of March 21, 2021. Capco's Quick Reference Guide has been renamed "Limits of Transfers from Savings and Money Market Accounts (Formerly Part of Regulation D)" and provides fast access to the now optional policies concerning transaction limits for savings accounts.

1.2.10. Remittance Transfer

Capco Regulatory Advisory Service's Remittance Transfer Quick Reference Guide takes the many nuanced provisions and exemptions inherent in Regulation E's Remittance Transfer rules and organizes them in one easy-to-access guide that will assist financial institutions in their compliance efforts.

1.2.11. Suspicious Activity Reporting

One of the most important elements of a financial institution's BSA/AML Program is suspicious activity reporting. Most of the BSA/AML Program ultimately flows to the process of reporting suspicious activity to FinCEN. Capco Regulatory Advisory Service's **Suspicious Activity Reporting** Quick Reference Guide provides you with a powerful resource to assist you in your Suspicious Activity Reporting obligations.

1.3. Lending

Our Lending QRGs were developed with the mindset of breaking down complex requirements into easy-to-understand pieces as well as providing a comprehensive solution to ensure regulatory compliance. Are you concerned that the financial institution might not be providing all required disclosures for loan products? If so, the Closed-End Mortgage Disclosure Requirements for Principal and Non-Principal Dwelling-Secured Loans QRGs are your tool for making sure that required disclosures are provided for the type of loan. We did not forget about lines of credit and created a similar QRG noting required disclosures. The disclosure QRGs are just a few of the lending QRGs that will make compliance easier for the financial institution.

1.3.1. Ability to Repay and Qualified Mortgages

The Ability to Repay (ATR) rules apply to consumer credit transactions secured by a dwelling, including any real property attached to a dwelling, unless the transaction is exempt from coverage. A creditor shall not make a loan that is a covered transaction unless the creditor makes a reasonable and good faith determination at or before consummation that the consumer will have a reasonable ability to repay the loan according to its terms. Qualified Mortgages (QM) receive a safe harbor or a rebuttable presumption of compliance with the ATR requirements, depending upon the type of QM.

1.3.2. Adverse Action Notices

This guide outlines the Equal Credit Opportunity Act and Fair Credit Reporting Act's Adverse Action Notice Requirements.

1.3.3. Advertising Loan Products

This guide delineates all the requirements associated with advertising open-end non-dwelling secured, closed-end non-dwelling secured, open-end dwelling secured and closed-end dwelling secured loan products.

1.3.4. CAN-SPAM and Prescreened Offers

This combo guide covers both the CAN-SPAM rules that govern marketing e-mails as well as the Pre-Screened Offer rules for making firm offers of credit or insurance to consumers.

1.3.5. Closed-End Mortgage Disclosure Requirements for Non-Principal Dwelling-Secured Loans Beginning October 3, 2015

This guide serves as a compendium of disclosure requirements for closed-end non-principal dwelling-secured loans which includes coverage of the Truth-in-Lending Act, the Real Estate Settlement Procedures Act, the Home Mortgage Disclosure Act, and various ECOA/Regulation B provisions.

1.3.6. Closed-End Mortgage Disclosure Requirements for Principal Dwelling-Secured Loans Beginning October 3, 2015

This guide serves as a compendium of disclosure requirements for closed-end principal dwelling-secured loans which includes coverage of the TRID rules, as well as the Truth-in-Lending Act, the Real Estate Settlement Procedures Act, the Home Mortgage Disclosure Act, and various Regulation B requirements.

1.3.7. Commercial Lending

The perfect guide to educate commercial lenders of the various regulations and laws that apply to commercial loans such as Regulations B, C, V, BB and the Bank Secrecy Act.

1.3.8. CRA Intermediate Banks

Capco's CRA Intermediate Bank Quick Reference Guide covers the definitions and provisions applicable to Intermediate Banks under the CRA Modernization Final Rule.

1.3.9. CRA Large Banks

Capco's CRA Large Bank Quick Reference Guide covers the definitions and provisions applicable to Large Banks under the CRA Modernization Final Rule.

1.3.10. CRA Small Banks

Capco's CRA Small Bank Quick Reference Guide covers the definitions and provisions applicable to small banks under the CRA Modernization Final Rule.

1.3.11. Consumer Complaints and Information Requests

This guide along with the Complaint Analyzer tool outlines all the possible complaint types a financial institution must field and delineates all the requirements for receiving, escalating, and resolving consumer complaints and information inquiries in the manner and timeframes required by regulation.

1.3.12. Credit Card Billing

This guide addresses credit card billing considerations including timing of periodic statements, excess payment allocations, conforming payments, and over-the-limit fee compliance.

1.3.13. Dwelling-Secured Post-Closing Disclosure Requirements

There is a myriad of post-closing disclosures that are required under a variety of circumstances for dwelling-secured credit. This Quick Reference Guide assists institutions to comply with any post-closing events and their respective disclosure requirements for dwelling secured loans under various

regulations.

1.3.14. Fair Debt Collection Practices Act

The Fair Debt Collection Practices Act (FDCPA) was designed to eliminate abusive, deceptive, and unfair debt collection practices. The FDCPA applies only to the collection of debt incurred by a consumer primarily for personal, family, or household purposes. This guide addresses coverage and definitions of a debt collector as well as outlining all the limitations that apply to collection of consumer debts.

1.3.15. Finance Charges

This guide allows lenders to easily identify what should or should not be categorized as a finance charge.

1.3.16. Flood Insurance

Any time you make, increase, renew, or extend (“MIRE”) a loan (consumer or commercial) secured by a building or a mobile home, the flood rules apply. Lien priority doesn’t matter. Reason for taking the collateral doesn’t matter. “Abundance of caution” liens are also covered transactions. This guide clearly delineates all the requirements associated with flood covered loans, making it easy for lenders to remain compliant.

1.3.17. GFE and HUD-1 Prior to Oct. 3, 2015

This Quick reference Guide covers the disclosure requirements under the Real Estate Settlement Procedures Act and Regulation X for loans applied for prior to October 3, 2015 requiring the Good Faith Estimate and HUD-1. These requirements continue to apply post-October 3, 2015 for reverse mortgages.

1.3.18. HMDA Partial Exemptions

The HMDA rules that went into effect 2018 are among the most expansive and complicated regulatory compliance provisions for financial institutions to wrestle with in decades. Relief was granted from several of the data collection requirements of Regulation C for depository institutions that meet certain criteria with passage of Part 104(a) of the Economic Growth, Regulatory Relief, and Consumer Protection Act, in the form of exemptions from reporting specific data points for specific situations. Capco Regulatory Advisory Services new HMDA Partial Exemption Quick Reference Guide will assist reporting institutions in preparing their HMDA LARs and applying these exemptions to ease their reporting obligations.

1.3.19. HMDA Rule: Reporting “Not Applicable”

This guide covers the HMDA rule and when to report Not Applicable (NA) on certain data points. Regulation C and its Official Interpretations provide multiple examples of when to report Not Applicable. The reasoning varies from one data field to the next. With this Quick Reference Guide, you can easily decipher when you can

report Not Applicable and see which fields should be defaulting to NA for certain loans.

1.3.20. Home Mortgage Disclosure Act Reporting

This guide covers the 2018 Home Mortgage Disclosure Act coverage requirements, as well as subsequent amendments post-2018, including determining whether a lender falls under the rule's reporting requirements and a decision matrix to easily determine whether a transaction is HMDA-reportable.

1.3.21. IRS Income Verification Express Service (IVES)

On December 28, 2019, a provision of the Taxpayer First Act went into effect, requiring any person receiving tax return information to obtain the express permission of taxpayers prior to disclosing that return information to any other person. If you submit your request for a consumer's tax return via the Internal Revenue Services' Income Verification Express Service ("IVES"), you will need procedures to assure compliance. This Quick Reference Guide provides assistance in complying with this provision.

1.3.22. Loan Estimate and Closing Disclosure

A huge time-saver! In this guide, each and every item that may be disclosed in the Loan Estimate and Closing Disclosure is charted out based on category of fee with instructions on where each item should be disclosed, the tolerance that applies, as well as information on rounding requirements and percentage precision standards.

1.3.23. Military Lending Act

The John Warner National Defense Authorization Act provides certain loan-related protections for servicemembers, otherwise known as the 'Talent Amendment'. The specific protections can be found in the Military Lending Act (MLA) and its implementing regulations. This guide provides a concise summary of all the requirements and prohibitions provided for by the MLA and its implementing regulations.

1.3.24. Mortgage Servicing Consumer Protections at a Glance

This guide covers all the servicing rules for small and large mortgage servicers under the Dodd-Frank Act. It includes new and revised TILA and RESPA servicing rules that became effective on January 10, 2014. It also incorporates the final amendments published in the Federal Register on October 19, 2016, that took effect on October 19, 2017, and April 19, 2018.

1.3.25. Open-End Mortgage Origination Disclosure Requirements for Principal and Non-Principal Dwelling Secured Loans

This is a compendium of the disclosures required for open-end principal and non-principal dwelling-secured loans which includes, but is not limited to, TILA, RESPA and various Regulation B requirements.

1.3.26. Regulation B

This guide succinctly summarizes all the various requirements of the Equal Credit Opportunity Act (ECOA) and Regulation B.

1.3.27. RESPA Section 8- Prohibition Against Kickbacks and Unearned Fees

Section 8 is one of the most complicated and easily violated provisions of RESPA and Regulation X, carrying significant civil and criminal penalties. Section 8 compliance has been under the regulators' microscope for several years and has been the subject of many consequential court cases. Our Quick Reference Guide defines kickbacks and unearned fees, provides examples of each, and alerts users to impactful regulatory resources to assist in compliance efforts.

1.3.28. Right of Rescission

Right of Rescission poses complex compliance challenges for financial institutions. This Quick Reference Guide addresses Regulation Z's Right of Rescission provisions for both closed-end and open-end covered transactions, including sample scenarios, and arms you with the information you need to manage the risks associated with rescindable transactions.

1.3.29. Risk-Based Pricing Notices

This guide provides definitions for the various types of Risk-Based Pricing Notices (RBPB) and summarizes all the requirements relating to delivery and timing.

1.3.30. Section 32 and Section 35 Loans – HCMLs and HPMLs

This guide compares Higher Priced Mortgage Loans and High Cost Mortgage Loans. It also reviews the definitions of each in addition to the coverage and points and fees test

1.3.31. Servicemembers Civil Relief Act (SCRA)

This guide reviews the scope and requirements of the Servicemembers Civil Relief Act's (SCRA) protections and requirements.

1.3.32. Small Creditors, Small Servicers, and Other Small Things

The guide outlines all the exceptions and perks that apply to small creditors and servicers under Regulations X and Z.

1.3.33. The Homeowners Protection Act (HOPA) QRG to Private Mortgage Insurance ("PMI")

This guide covers the Home Owners Protection Act's (HOPA) Private Mortgage Insurance (PMI) provisions. Navigating through HOPA's various disclosure requirements and PMI cancellation provisions can be

complicated, and our Quick Reference Guide will help simplify your tasks.

1.4. Specific for Financial Institutions

Our QRGs specific for financial institutions break down information for banks and credit unions, outlining the distinct requirements for institutions that offer FDIC insurance or credit unions offering NCUA insurance. As laws and regulations are not always uniform for all financial institutions, our clients find these a helpful guide.

1.4.1. FDIC Insurance (Banks Only)

This guide summarizes FDIC insurance guidelines, including how to calculate coverage and maximum coverage available.

1.4.2. NCUA Insurance (Credit Unions Only)

This guide summarizes NCUA insurance guidelines, including how to calculate coverage and maximum coverage available.

1.4.3. Policies and Programs

This guide lists all required and highly recommended policies and then identifies which policies require mandatory programs, training, audits and notice requirements.

1.4.4. Regulation O

This guide succinctly summarizes Regulation O, making an otherwise complex and convoluted regulation easy to understand. In once glance, compliance officers will be able to answer most Regulation O issues and avoid spending hours researching this complex regulation.

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About Capco

Capco, a Wipro company, is a global technology and management consultancy focused in the financial services industry. Capco operates at the intersection of business and technology by combining innovative thinking with unrivalled industry knowledge to fast-track digital initiatives for banking and payments, capital markets, wealth and asset management, insurance, and the energy sector. Capco's cutting-edge ingenuity is brought to life through its award-winning Be Yourself At Work culture and diverse talent.

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