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11.05.09

Legislative Update Report

Industry News

HUD RESPA FAQs Updated Again - 10/23/09. HUD is requiring that loan originators provide borrowers with a standard Good Faith Estimate that clearly discloses key loan terms and closing costs and that closing agents provide borrowers with a new HUD-1 settlement statement. New RESPA regulations were published November 17, 2008 and are scheduled to take full effect on January 1, 2010. The "New RESPA Rule FAQs" were comprised from industry questions and are posted to facilitate implementation of these new requirements. Below is a link to the revised FAQs.
<http://www.hud.gov/offices/hsg/ramh/res/resparulefaqs.pdf>

HMDA Data Released. The Federal Financial Institutions Examination Council (FFIEC) announced the availability of data on mortgage lending transactions at 8,388 U.S. financial institutions covered by the Home Mortgage Disclosure Act (HMDA). Covered institutions include banks, savings associations, credit unions, and mortgage companies. The HMDA data made available cover 2008 lending activity--applications for loans, loan originations, loan denials, and purchases of loans. The 2008 HMDA data reflect the ongoing difficulties in the housing and mortgage markets, with decreases in the number of reporting institutions and loans. The number of reporting institutions fell nearly 3 percent from 2007, primarily because of a relatively large decline in the number of independent mortgage companies. The total number of originated loans of all types reported fell about 3.3 million, or 31 percent, from 2007. A copy of the press release and link to the full HMDA data may be found at:
<http://www.ffiec.gov/hmcrpr/hm093009.htm>

FTC Delays Enforcement of Red Flags Rule. The Federal Trade Commission is delaying enforcement of the "Red Flags" Rule until June 1, 2010, for financial institutions and creditors subject to enforcement by the FTC. The Commission previously delayed the enforcement of the Rule for entities under its jurisdiction until November 1, 2009. The delay does not affect other federal agencies' ongoing enforcement for financial institutions and creditors subject to their oversight. The Rule was promulgated under the Fair and Accurate Credit Transactions Act, in which Congress directed the Commission and other agencies to develop regulations requiring "creditors" and "financial institutions" to address the risk of identity theft. The resulting Red Flags Rule requires all such entities that have "covered accounts" to develop and implement written identity theft prevention programs to help identify, detect, and respond to patterns, practices, or specific activities – known as "red flags" – that could indicate identity theft. A link to the FTC's guidance on compliance with the Red Flags Rule may be found at: <http://www.ftc.gov/redflagsrule>