Truth in lending, RESPA top community banker compliance concerns

Community bank compliance officers rank Truth in Lending Act compliance, and compliance with the Real Estate Settlement Procedures Act as their top priorities for the next 12 months, according to a survey conducted by Wolters Kluwer Financial Services. Indications are that this in part is because of a renewed push on home lending by 42% of the institutions represented by survey respondents.

In the company’s poll, incorporating answers from 242 bankers, multiple priorities could be selected. The survey sample ranked compliance issues as follows:

• Truth in Lending/Reg Z: 60%

• RESPA: 58%

• Bank Secrecy Act: 37%

• FACT Act Red Flag Rules: 28%

• Home Mortgage Disclosure Act: 23%

• USA Patriot Act: 7%

• Community Reinvestment Act: 5%

When the banks’ responses were analyzed by asset-size category, here’s how rankings came out:

Less than $250 million: TILA/Reg Z (57%); RESPA (57%); BSA (40%); and Red Flag (30%).

$251-$500 million: TILA/Reg Z (81%); RESPA (52%); BSA (29%); and Red Flag (14%).

More than $500 million: RESPA (79%); TILA/Reg Z (63%); HMDA (42%); BSA (16%); Red Flag (16%); and CRA (16%).

When asked what they saw as the greatest growth opportunity for their banks, the overall sample’s response ranked the top three as commercial lending (49%); mortgage lending (43%); and consumer lending (37%).

The leaning towards mortgages was stronger among banks with more than $500 million in assets. Of those institutions, there was a tie between commercial lending and mortgage lending at 63%.

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