



GENERAL MEETING INFORMATION

July 2023						
S	M	T	W	TH	F	S
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2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Topic: Liability for Reg E Disputes

Presenter: Carol Ann Warren, JD
Compliance Alliance

Date: July 26, 2023

Time: 12:00 noon

Location:

The Clubs of Prestonwood
15909 Preston Road
Dallas, TX 75248

or

VIRTUAL

[Register Here!](#)

PRESIDENT'S MESSAGE

BY CHRYSTI PETERSEN, DACA PRESIDENT

I am sitting here contemplating how in the world we are already over halfway through this 2023 year. Although it is hard to believe we are already into July, I must say that I just love sunshine and summertime. All the fun water activities, watermelon, snow cones, and patios just recharge my soul.

That said, these Texas summertime temps are showing no mercy this year. It sure did get really hot, really quickly. Speaking of hot, this month's general meeting presentation will focus on the hot topic of Electronic Funds Transfers. This space continues to evolve and grow which can lead to uncertainty and confusion. Thankfully, we have a wonderful presenter who will shed some light on this subject. I am especially excited to learn more about P2P services and how they affect an institution's responsibilities and liabilities.

On another note, your DACA Board is hard at work lining up an all-star cast for the annual conference on September 14. Stay tuned, additional details are coming soon! Whether you were out and about enjoying summertime activities or staying nice and cool indoors, I hope you had a wonderful 4th of July celebration with your family and friends; and I hope to see you at the General Meeting on July 26 at The Clubs of Prestonwood.



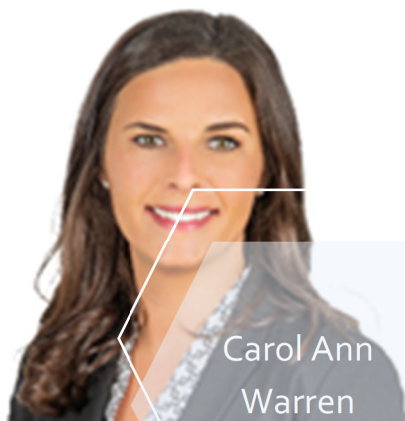
DACA Conference

9/14/2023

JULY GENERAL MEETING

Liability for Reg E Disputes

Presented By: Carol Ann Warren, JD, Associate General Counsel, Compliance Alliance



Carol Ann
Warren

Regulation E continues to be a source of confusion and uncertainty, particularly when it comes to unauthorized Electronic Fund Transfers. Discover the ins and outs of dealing with Regulation E disputes, fraud, errors, and more. We discuss peer-to-peer (P2P) services, such as Zelle and Venmo, and the challenges that banks face. Participants will learn ways to analyze Regulation E claims to determine what action the bank is required to take, and when the bank is required to take it. Find out the elements that determine liability and how much each party bears in various scenarios.

Key takeaways include:

- Identifying whether a transaction is authorized or unauthorized
- Being able to determine liability based on the facts
- Understanding the procedure for resolving Regulation E disputes
- Understanding of P2P services and how they impact the bank's responsibilities and liabilities

Carol Ann Warren serves as Associate General Counsel for Compliance Alliance. She graduated cum laude from Mississippi College with a Bachelor of Finance. She earned a Juris Doctorate and a Master of Business Administration through a joint degree program at Mississippi College School of Law and Mississippi College. During law school, she received Best Paper Awards for Securities Regulation and Electronically Stored Information. She is one of our featured authors on the B/A ACCESS magazine and for other publications.

After graduation, Carol Ann worked as an attorney for the Mississippi Insurance Department, where she began her passion for helping others navigate through the regulatory environment. She has a diverse educational and experiential background in business management, business law, securities, and insurance. Carol Ann is a licensed attorney in Mississippi, Tennessee, and Texas.

RESERVATION REQUEST

MEMBER PRICE – \$25.00

JULY GENERAL MEETING – 7/26/2023

NON-MEMBER OR GUEST PRICE – \$50.00

Reservations and cancellations must be received by Noon 7/19 (the Wednesday prior).

Online Reservations - <https://dacaonline.org/test-meeting-registration/>

If you prefer to not use our online system, you may:

- Email your reservation to: reservations@dacaonline.org (or)
- Contact VP of Programs, Rhonda Coggins, with your name, company, email address, phone number & meeting date at rcoggins@smslp.com.



DACA MEMBERSHIP

CORPORATE MEMBERSHIP

A financial institution or industry-related organization must have one **Corporate Membership** with one person designated as the primary representative.

The primary representative holds voting privileges on DACA business. All employees of the Corporate Member may attend meetings at the member price.

INDIVIDUAL MEMBERSHIP

An **Individual Member** must be a compliance professional at a financial institution or industry-related service organization.

Individual Members have voting rights and pay the member rate for meetings.

APPLYING FOR MEMBERSHIP ONLINE

<https://dacaonline.org/membership-application/>

Or, see the membership application included below in this newsletter.

2023 DACA Conference – September 14th

Mark your calendars and plan to join us live from Prestonwood on Thursday September 14th for a full day of compliance information and networking with DFW peers. Sessions will include hot compliance topics, regulatory panel, and Texas law updates. Watch your inbox for more information. Registration opens soon!

COMPLIANCE IN THE NEWS

NEW APPRAISAL-RELATED ISSUANCES

BY RHONDA COGGINS, CRCM
SHESHUNOFF CONSULTING + SOLUTIONS

As our DACA members are likely aware, the issue of **bias in appraisals** has received more attention by our government and is a common topic of discussion and action by the CFPB. The CFPB's website contains a great deal of information related to their continuing commitment of ensuring fair, equitable, and nondiscriminatory access to credit, along with information on the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE).

Compliance Officers, and other applicable staff, are encouraged to remain cognizant of ongoing developments in this area. Institutions should be aware of two issuances that came out earlier this month:

- Interagency Guidance on Reconsiderations of Value of Residential Real Estate Valuations Proposed
- Quality Control Standards for Automated Valuation Models (AVMs) Proposed

What does the Proposed Interagency Guidance on Reconsiderations Say?

This interagency guidance was issued by the **CFPB, FRB, FDIC, NCUA, and OCC**. It is currently **proposed** and includes a **request for comment**, which will remain open for 60 days after publication in the Federal Register.

As the name of the guidance implies, the focus of the proposal is on **reconsiderations of value (ROV)** for real estate transactions. ROV refers to a request from an institution to an appraiser to reassess the value of residential real estate. It is aimed at highlighting risks tied to deficient residential real estate valuations and clarifies how an institution can establish ROV processes into their risk management practice.

While some of the agencies have previously issued guidance related to steps an institution may take to correct deficiencies in valuations, they collectively did not have existing guidance specific to ROVs. Besides providing some background and information on applicable statutes, regulations, and guidance, an important component of the new issuance is focused on providing examples of policies, procedures, and control systems that will identify and mitigate risk of deficient valuations. Institutions are encouraged to review the [proposal](#) and consider providing comment.

What do the Proposed Quality Control Standards for AVMs Say?

This **proposed rulemaking** was issued by the **CFPB, FRB, FDIC, FHFA, NCUA, and OCC**. It includes a **request for comment**, which will remain open through August 21, 2023.

The rulemaking is tied to the **Dodd-Frank Act** and a mandate to **implement quality control standards for the use of AVMs** by mortgage originators when determining the value of collateral. An AVM refers to any computerized model used by mortgage originators and secondary market issuers to determine the value of a consumer's principal dwelling collateralizing a mortgage. Quality Control Standards refers to the adoption of policies, practices, procedures, and control standards to ensure the AVM used is designed to ensure confidence in results, protect against data manipulation, avoid conflicts of interest, require random sampling, and comply with nondiscrimination laws.

While the FRB, FDIC, NCUA, and OCC have already provided some guidance on the use of AVMs in Appendix B to the Interagency Appraisal and Evaluation Guidelines, and in other resources, the new rulemaking is designed to be reflected within an agency's existing regulation. For example, the **FDIC's Appraisal regulation 12 CFR 323** is proposed to be amended with 323.15, 323.16, and 323.17, which addresses scope, definitions, and quality control standards. Institutions are encouraged to review the [proposed rulemaking](#) and consider providing comment.

December 2023						
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NOTE: Please fill in and return this form with your payment.

Member Information

Membership Type ☐ Corporate (primary representative: _____)

(check one): ☐ Individual

Applicant's Name: _____

Organization: _____

Asset Size: _____

Street/P.O. Box Address: _____

City, State, ZIP Code: _____

Work Phone No.: _____

E-mail Address: _____

Job Title/Function: _____

Compliance Certifications: _____

Primary Regulator: _____

MEMBERSHIP DEFINITIONS & DUES

- ❖ Each financial institution or industry-related service organization may have one Corporate Membership with one person designated as the primary representative. This person holds voting privileges on any DACA business.
All employees of the Corporate Member may attend meetings at the member price.
- ❖ Individual Members also have voting rights and pay the member rate for meetings. Individual Members must be Compliance Professionals at a financial institution or industry-related service organization.
- ❖ Corporate Membership Annual Dues: \$315 USD, Individual Membership Annual Dues: \$135 USD

REMITTANCE DETAILS – IF NOT APPLYING AND PAYING ONLINE

1. Please make check payable to: **DALLAS AREA COMPLIANCE ASSOCIATION**
2. Mail **Membership Application** and **Check** to:
Amy Thorpe
Texas Brand Bank
1919 South Shiloh Rd, Suite 100, LB 30
Garland, Texas 75042

Total enclosed: _____

SIGNATURE: _____