Aldridge Pite Leads Compliance Fun at the Mortgage Bankers Association of Georgia meeting in Destin, Florida

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Aldridge Pite LLP and attorneys Morgan Clemons and Judy Newberry, co-chairs of the Compliance and Quality Control Committee and executive board members of the Mortgage Bankers Association of Georgia, took compliance on the road at the annual convention in Destin, Florida. In between sessions, multiple choice and true/false compliance questions were pushed out to attendees through an interactive game on their mobile phones. Attendees were instructed not to use Google or other search engines. The game had a rocky start as the majority of participants selected an incorrect answer choice for the first question. However, the compliance committee co-chairs were not deterred, as a successful compliance program requires adhering to a certain set of rules. The number of incorrect responses indicated that attendees did not use Google to find the correct response, so while they submitted the wrong answer, they were nevertheless on their way to compliance success by following the rules! Congratulations to Shelly Campbell, a loan originator with Augusta Mortgage Company in Northeast Georgia. Regulatory Compliance is an essential component of a successful mortgage company or bank. Aldridge Pite offers in-house training based on client needs and advises clients on preventative and ongoing compliance matters. Please direct any compliance questions for your institution to jnewberry@aldridgepite.com or to mclemons@aldridgepite.com. Aldridge Pite has seventeen offices, including in Georgia and Florida. Check out a few questions and test your compliance knowledge below.

(L-R) Shelly Campbell, Augusta Mortgage Company, Maureen Bosard, Second Vice President, MBAG and Morgan Clemons, Aldridge Pite LLP

Which of the following technology innovations presents the highest compliance risk to the lender?

A. Automated valuation models that enable lenders to estimate factors, such as property value, without waiting for an official appraisal or inspection, and that provide a conditional underwriting decision in order to significantly reduce cycle time
B. Permitting employees to work remotely, access the network, and print documents
C. eClosings that allow borrowers to close a mortgage virtually using a web-based closing and title processing suite.
D. Web portals and mobile apps that make it convenient for consumers to provide information during the application process

Which of the following is a correct statement regarding fees prior to an Intent to Proceed?

A. A lender may charge a consumer only a fee associated with obtaining a standard credit report
B. A lender may charge a consumer any fees, so long as the fees are refundable if the consumer closes with a different lender
C. A lender may charge a consumer a flat fee, so long as the fees are indiscriminately applied to all consumers
D. A lender may not charge a consumer any fees

Your institution may discriminate based upon age without running afoul of the Equal Credit Opportunity Act, a federal law:

A. My institution is regulated by the state, so federal law does not apply
B. not under any circumstance may an institution discriminate based upon age
C. only if the applicant is too young to enter into a legally binding contract
D. only if life expectancy data indicates an applicant will not be alive at the end of the loan term
E. only if the applicant is too young or too old to understand the ramifications of defaulting on a legal debt

Which government entity was created following a national banking financial crisis?

A. Federal Reserve
B. Consumer Financial Protection Bureau
C. Federal Deposit Insurance Corporation
D. None of the Above
E. All of the Above

If a financial institution violates elements of the Truth in Lending Act it subjects itself to which of the following?

A. A consumer lawsuit
B. Regulatory fines and/or penalties
C. limitations on the institution's ability to sell the loans
D. all of the above
E. None of the above, as the financial institution can cure a Truth in Lending Act violation at any time