

From the President



Pamela Kelly

As we move full-speed into spring, I would like to personally invite you to participate in two of the most essential and informative events of the year. The **2014 FIPCO® Compliance & Software Forum – Deposit** and **Compliance & Software Forum – Loan** are scheduled for May 7th and 8th respectively and promise to offer a wealth of information to you—our valued core software users. In addition to participating in informative presentations and live demonstrations, you’ll have opportunities throughout the conference to meet and network with a host of industry professionals.



May 7 • Deposit | May 8 • Loan – *Compliance Concierge™*
Holiday Inn Hotel and Convention Center • Stevens Point

As most of you are familiar with our fall loan compliance and software forums, I want to emphasize that the loan forum on May 8th is not replacing this event. We feel that the information offered in the upcoming loan forum is so timely and beneficial, that waiting until fall to share it is simply not an option. I highly recommend utilizing the May 8 event as an informational bridge to help you seamlessly transition through to our annual loan conference Nov. 5th and 6th in Stevens Point.

With today’s ever-changing compliance demands, our compliance and software forums are a must-attend. We’re working diligently to design sessions that will help you make the best use of your core loan and deposit software, and gain insight into today’s industry hot topics. This year’s highly-engaging presentations will be led by experts from the WBA Legal Department, Ascensus® and the FIPCO Professional Staff. What’s more, throughout the conference, we’ll provide a wealth of answers to common software support inquiries. Just a click away, these FAQs are also available 24/7 within the [Software Support](#) area of our website.

We hope you can join us May 7th and 8th at the Holiday Inn Hotel & Convention Center, Stevens Point for engaging learning experiences, networking opportunities and much more. [Online registration](#), complete session details and registration information may be found on the [FIPCO website](#). Additional questions may be directed to [Annette Witkowski](#) or the [FIPCO Software Support Department](#). Please contact the Holiday Inn directly at (715) 344-0200 regarding hotel reservations.

FIPCO Compliance & Software Forums

Holiday Inn Hotel and Convention Center • Stevens Point

May 7

FIPCO® Compliance & Software Forum – Deposit

- **IRAs and *Compliance Concierge™*** – FIPCO Assistant Director – Deposit Products and Services, **Nancy Hamele** and an industry expert from Ascensus® will discuss today’s IRA hot topics and will demonstrate how to complete IRAs within the *Compliance Concierge™* system.
- **Wisconsin Bankers Association (WBA) Legal Presentation** – including Q&A
- ***Compliance Concierge™* Runside** – This session will focus on the process of opening accounts including Consumer, Business, Estate, Guardianships, as well as many “obscure” account types that are less frequently utilized.
- ***Compliance Concierge™* Administration Portal** – During this session, participants will learn tips and tricks for setting deposit defaults, utilizing the User Maintenance area of the *Compliance Concierge™* system, how to edit and add new account products, as well as how to use newly-added features in *Compliance Concierge™* such as automatic account numbering.

May 8

FIPCO® *Compliance Concierge™* Software Forum – Loan

- ***Compliance Concierge™* Consumer & Commercial/Ag Runside** – During this session, you’ll learn how to enter and edit customers/businesses within the *Compliance Concierge™* system, as well as how to generate loan documents through the software for Consumer and Commercial/Ag loans.
- ***Compliance Concierge™* Real Estate Runside** – During this comprehensive session, our experts will demonstrate how to accurately complete the WBA 1003 Uniform Residential Loan Application to promote accuracy and compliance for your institution. In addition, you’ll receive detailed information about Early Disclosures/origination fees, and will get an insider’s look into the underwriting and closing phase areas of *Compliance Concierge™*, including the GFE-to-HUD comparison.
- ***Compliance Concierge™* Administration Portal** – After participating in this session, you’ll walk away with extensive knowledge of the Administration area of *Compliance Concierge™* including setting defaults, how to edit and add new loan programs and much more. In addition, you’ll learn how to use many new features recently added to the system.

HMDA Data Submission: Avoid Common Errors to Improve Accuracy

Although preparing your financial institution's Home Mortgage Disclosure Act (HMDA) data for submission is not something new, managing it can often be a complicated process. As you prepare your 2013 HMDA data, FIPCO® Director – Compliance Services, [Ruth Updike](#) suggests focusing on the following common errors to improve your accuracy:



Omitted Data – Ensuring the completeness of the HMDA Loan Application Register (LAR) requires a comprehensive review of applications and loans.

Remember – unsecured home improvement loans are reportable if the loan is classified as home improvement. The challenge can be in determining what qualifies as “classified.” Is the purpose captured as home improvement on the application system? Is the loan file “coded” to identify home improvement loans? Is the purpose of the loan entered in the loan system?

Other common omissions include business, commercial and/or farm loans. Business loans secured by residential property may or may not be HMDA reportable, depending on whether the new loan was made to pay off an existing lien secured by residential property. If a business loan secured by residential property is refinanced and an existing lien paid off, it is reportable. Farm loans can also create confusion because a new loan to finance a farm that includes a dwelling is excluded from HMDA reporting, but a refinance of a farm loan that includes a dwelling is not.

Government Monitoring Information (GMI) – GMI errors are most often the result of ineffective training programs. Common errors include:

- “Observed” GMI for telephone applications.
- “Corrected” GMI – the loan officer changed the codes even though the applicant had completed the GMI section of the application.
- Understated Income – application systems generating a HMDA LAR based on “standard” income fields, which did not reflect the actual income considered in the credit decision.

Action Codes

Many lenders struggle with actions that don't fit neatly into one of these categories (declined, approved, not accepted and originated). “Withdrawn” is only allowed if the lender has not made a credit decision and the borrower expressly withdraws the application. To avoid an error, be sure to note in writing in the file when the borrower requests that the application be withdrawn with details such as the date and the method of communication. Incomplete applications are always challenging. For example, if an application has been reviewed by underwriting

and there is insufficient information to make a credit decision, the lender may send a letter requesting additional information or the loan officer may call or email the borrower. If an adverse action is sent stating that the application is incomplete, and the lender doesn't receive a response from the borrower, the application would be properly reported as incomplete. However, the HMDA regulations allow for reporting incomplete applications as “denied for incomplete information.” The key here is consistency. Make sure your procedures spell out when to report an application as incomplete and when to report an application as denied.

Geocoding

Geocoding is a critical component of HMDA data to ensure correct classification of the census tract for fair lending reviews and CRA lending test distribution analysis.

Generally, lenders use automated geocoding systems or publicly available government sources. The challenge comes when there is a new census.

Many vendor programs including the FFIEC geocode program have been modified throughout the year to correct for errors and/or gaps in geocode data. These changes may result in geocode errors that are associated specifically with timing alone. If an address was geocoded in January of 2013 and changes were made to geocoding source data during the year, the geocode on a HMDA entry may be incorrect. It's important to include geocoding in any validation or scrub efforts performed prior to submitting your HMDA data.

The regulatory agencies have recently begun to question the independence of the method to test the accuracy of HMDA data. The examination procedures section on “Policies and Procedures” includes: “Evaluate whether the institution's informal procedures and internal controls are adequate to ensure compliance with HMDA and Regulation C.”

The [full-text version of this article](#) is available on the FIPCO website. For more information, please contact FIPCO Director – Compliance Services, [Ruth Updike](#) at (800) 722-3498, ext. 255.

To learn more about how FIPCO's Compliance Consulting Services can relieve some of the stress regulatory compliance is placing on your institution, contact [Ruth Updike](#) or the [FIPCO Customer Service Department](#) today at (800) 722-3498.

Process More Loans in Less Time with Prompt, Accurate Decisions

In today's highly-competitive financial industry, lenders commonly feel an increased pressure to process a high volume of loans. But balancing accuracy with efficiency can challenge even the most experienced lender. Available through FIPCO®, Kroll Factual Data's Bureau ExpressSM can help you reach sound lending decisions utilizing real-time credit data.

Bureau Express can help you process more loans in less time with prompt, accurate decisions. Providing the complete credit histories of potential borrowers, this web-based service can help you resolve any data discrepancies before the loan closes. You can confidently and quickly evaluate the credit-worthiness of potential borrowers with a clear, concise credit report.

Using three major credit reporting agencies, Bureau Express gives you the option to select one-, two- or three bureau merged reports from Experian, TransUnion and/or Equifax. The information is accessed, processed and returned in seconds to generate a complete and easy-to-read credit report to your PC. Factual Data's comprehensive report offers easy-to-understand information that ensures no lost time deciphering data. And with a host of report summary options available, it can be customized to fit the way you process loans.

And with Bureau Express, you'll enjoy the report design flexibility and available sorting options—allowing you to quickly and easily find the exact information you need. These report format options can also be modified to meet the needs of each branch location, department, or user. You may also choose to select a standard report format to be used throughout your organization.

When you use the Kroll Factual Data interface to FIPCO's *Compliance Concierge*[™] the reporting process is even easier. Integration of this helpful interface allows users to request Factual Data credit reports while completing the loan application. The Factual Data information is sent directly into *Compliance Concierge*[™], and automatically populates the appropriate fields.

For more information about how Bureau Express can benefit your institution, contact the [FIPCO Customer Service Department](http://www.fipco.com) today at (800) 722-3498.

GFE Compliance Training Session Deemed a Success

We are pleased to announce that on March 28th, a group of Wisconsin loan originators, processors and closers were the first to successfully complete FIPCO's Good Faith Estimate (GFE) Compliance Training. Held at FIPCO's corporate headquarters in Madison, this most recent educational offering was regarded by participants as timely and highly-informative.

Please note that GFE training is a compliance-based session. For information regarding *Compliance Concierge*[™] software training, please visit the [FIPCO website](http://www.fipco.com).

Facilitated by FIPCO's **Ruth Urdike**, attendees received comprehensive instructions for completing the GFE as well as a sample of the GFE form required under section 5 of RESPA and 24 CFR 3500.7 of the Department of Housing and Urban Development regulations.

Due to the success of this event, we are looking to expand potential training dates throughout the coming months. Watch your e-mail in-box and the [FIPCO website](http://www.fipco.com) for information regarding upcoming sessions being scheduled around the state. Questions may be directed to the [FIPCO Customer Service Department](http://www.fipco.com) at (800) 722-3498.

Instantly Elevate Your Software Proficiency: Register Today for FIPCO Training and Webinar Educational Experiences

Register today:

(All webinars are *Compliance Concierge*[™] training courses.)

April 7-9, 8:30 am – 4 pm	Loan Admin Training
April 14, 9 am – Noon	Consumer Loans Webinar
April 15, 9 am – Noon	Commercial/Ag Webinar
April 16, 9 am – Noon	Real Estate Webinar
April 28, 9 am – Noon	Deposit Webinar
April 29, 8:30 am – 4 pm	Loan Front-end Training

For detailed course descriptions, scheduling, and pricing information, visit the [FIPCO website](http://www.fipco.com), or contact the [FIPCO Customer Service Department](http://www.fipco.com) at (800) 722-3498.