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[C O N S U M E R L E N D I N G U P D A T E]

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APPROPRIATIONS BILL EXTENDS NFIP TO MAY 31, 2012

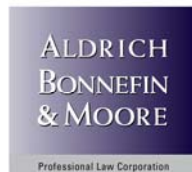
On December 17, 2011, President Obama signed into law an appropriations measure (H.R. 2055) that, among other things, appropriates funds to keep the National Flood Insurance Program (NFIP) afloat. The bill temporarily extends the NFIP, thus allowing FEMA to continue issuing new flood insurance policies, through May 31, 2012. The extension is intended to give Congress additional time to craft legislation that would extend the NFIP for five years as well as formulate potential reforms.

The flood insurance lapse-and-reinstate game has been going on in Congress for some years. So once again things are back to normal, at least until May 31, 2012. Another lapse is possible if Congress fails to re-extend the NFIP before that date. Institutions must continue to perform flood determinations and most other flood responsibilities, short of actually requiring a policy, during a lapse period. For detailed information on the institution's responsibilities during a lapse, refer to Section IV.V. of BCG Standard Procedures Manual #8, *Real Estate Lending Compliance*.

CFPB RE-PUBLISHES VARIOUS CONSUMER REGULATIONS

The Consumer Financial Protection Bureau (CFPB) is acting quickly to codify certain federal consumer regulations now under its jurisdiction. In general, the CFPB is adopting interim final rules, re-publishing various regulations under its own series of rules. Each of the new interim final rules became effective December 30, 2011.

General. The CFPB notes that each interim final rule makes only non-substantive, technical changes to the existing text of the regulations, such as renumbering, changing internal cross-references and replacing regulatory agency references (e.g., the FRB, the FTC, etc.) to reflect the transfer of authority to the CFPB. To minimize any potential confusion, the CFPB is preserving past numbering of regulations, other than its new part number, and incorporating existing appendices (including model forms and clauses, as appropriate). For example, the new format for citing to the definitions under new Regulation B (formerly 12 CFR 202.2) is now 12 CFR 1002.2. In addition, the CFPB has incorporated the text of any commentary associated with each regulation, including any model or sample forms.



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