



RESPA - Those Pesky Section 8 Violations (Webinar)

April 4, 2018 ☐ 3:00pm - 5:00pm

Section 8 of the Real Estate Settlement Procedures Act (RESPA) prohibits unearned fees and kickbacks. Prior to July 2011, the Department of Housing and Urban Development (HUD) had primary responsibility for enforcement of RESPA. HUD was a very active enforcer of Section 8 violations.

The Consumer Financial Protection Bureau (CFPB) assumed control of RESPA, including Section 8, in July 2011. Until recently, CFPB had not been active in Section 8 enforcement. Starting in 2013, however, the CFPB shifted gears, and has become a very active but unpredictable enforcer. In recent years, nearly 35% of all reported CFPB mortgage-related enforcement actions were focused on Section 8, and the total penalties imposed has reached huge totals.

The enforcement actions under the CFPB, while fewer in number over the years, have been jaw dropping in dollar amounts. The settlements of these actions range from a few thousand dollars to many millions of dollars. Failure to comply with Section 8 can lead to jail terms, in addition to the penalties.

The CFPB has provided minimal guidance on Section 8, and that guidance is less than enlightening. Most of the CFPB guidance has been in the form of consent decrees. CFPB consent decrees typically include significant penalties, well past \$20 million in one case. The approach, high-dollar enforcement activities, personal liability for management, and a lack of regulatory guidance, has created an atmosphere of intimidation and fear in the industry.

This program reviews the RESPA/Regulation X rules that prohibit unearned fees and kickbacks and many of the recent consent decrees brokered by the CFPB. Participants receive a detailed manual that serves as a handbook long after the program is completed.

Topics:

- What transactions are covered by RESPA's prohibition against unearned fees and kickbacks
- What actions are prohibited
- What constitutes a referral fee, or an unearned fee or kickback
- What compensation is permissible
- What constitutes an affiliated business arrangement and the rules that apply to such arrangements
- How to properly handle broker arrangements
- Recent CFPB consent decrees related to Section 8, including a case where the CFPB didn't come out the winner in the end

Who Should Attend:

The program is designed for loan officers, compliance officers, loan processors and clerks, auditors, and anyone else with responsibilities related to federally related mortgage loans.

Webinar Speaker:

Jack Holzknecht is the CEO of Compliance Resource, LLC. He has been delivering the word on lending compliance for 42 years. In 37 years as a trainer over 130,000 bankers (and many examiners) have participated in Jack's live seminars and webinars. Jack's career began in 1976 as a federal bank examiner. He later headed the product and education divisions of a regional

consulting company. There he developed loan and deposit form systems and software. He also developed and presented training programs to bankers in 43 states. Jack has been an instructor at compliance schools presented by a number of state bankers associations. As a contractor he developed and delivered compliance training for the FDIC for ten years. He is a Certified Regulatory Compliance Manager and a member of the National Speakers Association.

Webinar Registration:

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Agenda

3:00 p.m. Webinar Begins
5:00 p.m. Webinar Adjourns

**Webinar access codes will be sent to registrants
with confirmation emails one week prior to session.**