

Integrated Mortgage Disclosure Rule FAQ

As a Notary performing critical activities on behalf of the bank, you are subject to a higher level of scrutiny under the Integrated Mortgage Disclosure Rule which goes into effect August 1, 2015.

The Office of the Comptroller of the Currency (OCC) requires that financial institutions assess risk management throughout the lifecycle of a transaction regardless of whether the bank performs the activity internally or through a third party. The Integrated Mortgage Disclosure Rule adds further emphasis on a financial institutions obligations to vet third party service providers.

Further, the Consumer Financial Protection Bureau ("CFPB") has issued guidelines that reflect the expectation that supervised banks and nonbanks must oversee their business relationships with service providers in a manner that ensures compliance with Federal consumer financial law, which is designed to protect the interests of consumers and avoid consumer harm. The CFPB's exercise of its supervisory and enforcement authority will closely reflect this orientation and emphasis.

What is the CFPB's Supervisory Authority over Service Providers (to include notaries and notary companies)?

The CFPB will exercise the full extent of its supervision authority over supervised service providers, including its authority to examine for compliance with Title X's prohibition on unfair, deceptive, or abusive acts or practices. The CFPB will also exercise its enforcement authority against supervised service providers as appropriate.ⁱ

As a notary how will the Integrated Mortgage Disclosure Rule affect me?

The Integrated Mortgage Disclosure rule puts greater emphasis on financial institution oversight of third party service providers.

The CFPB has issued guidelines to financial institutions regarding third party service oversight that includes but are not limited to the steps below:

- Conduct a thorough due diligence to verify that the service provider understands and is capable of complying with Federal consumer financial law;
- Request and review the service provider's policies, procedures, internal controls, and training materials to ensure that the service provider conducts appropriate training and oversight of employees or agents that have consumer contact or compliance responsibilities;
- Create and include in the contract with the service provider clear expectations about compliance, as well as appropriate and enforceable consequences for violating any compliance-related responsibilities, including engaging in unfair, deceptive, or abusive acts or practices;
- Establish internal controls and on-going monitoring to determine whether the service provider is complying with Federal consumer financial law; and
- Take prompt action to address fully any problems identified through the monitoring process, including terminating the relationship where appropriate.

What steps should I take to remain competitive?

Implement a comprehensive compliance program supported by the right tools to reduce administrative overhead and provide a competitive edge. The OurRecords tools and services enable secure management and monitoring of third party service providers that add business and risk management value for both the third party provider and the financial institution. A Notary account includes:

- Due diligence tools to verify your compliance for:
 - License maintenance
 - Insurance requirements
 - Bond requirements
 - Background check requirements
 - Policy management
 - Training
- On-going monitoring to demonstrate that you are complying with Federal consumer financial law
- Proactive notification of non-compliance for financial institution and state licensing requirements
- A single account allows unlimited connections to multiple financial institutions to increase opportunity!

What are the costs for an OurRecords account?

Notaries and other third party service providers may utilize their OurRecords account to demonstrate full compliance with financial institution requirements at a cost of \$4/month. This cost effective account provides further benefit to the third party service providers by reducing administrative overhead and increasing opportunity to provide services for multiple financial institutions.

What are the benefits of an OurRecords account?

Continued participation as a notary / notary company by demonstrating compliance with CFPB, FDIC and OCC guidelines for managing third party risk

Continued participation as a compliant third party service provider

Secure, limited sharing of records and credentials to meet due diligence requirements

Proactive notification of expiring or new credential requirements

OurRecords provides 24/7 accessibility and data encrypted environment to allow access to your documents anywhere, any time.

Easily connect with Title companies, Banks, and other Businesses for more opportunities!

How do I get started with OurRecords Solution?

Step1: Create an account in OurRecords (as low as \$4 month)

Step2: Submit your records to meet the requirements of you connections

Step 3: Monitor & manage your compliance with OurRecords products and services

¹ Excerpts from CFPB Bulletin 2012-03, April 12, 2012