



## CU PolicyPro Newsletter January 2021

Dear CU PolicyPro Client,

### BRACE YOURSELVES



#### REGULATION Z CHANGES ARE COMING

With the start of a new year comes the resetting of the annual thresholds that are tied to the consumer price indices for many of our CFPB driven regulations. We discussed the specific changes in the [November 2020 newsletter](#) and amended the appropriate policies in our [December 2020 update](#).

There are a few other regulatory amendments that have recently been finalized and will impact our policies in the next update.

#### Qualified Mortgage Changes (Regulation Z)

There were two changes made recently by the CFPB that will impact qualified mortgage options for the credit union. Remember, originating a “qualified mortgage” provides the credit union with a safe harbor, meaning they are conclusively presumed to comply with the ability to repay requirements. Here are the changes that will impact model policies *7350: Ability to Repay* and *7351: Small Creditor Ability to Repay*:

##### Season Loan Qualified Mortgage

This new qualified mortgage category is being added for first-lien covered transactions that have met certain performance requirements, are held in portfolio by the originating creditor or first purchaser for a **36-month period** and comply with the general product features, points and fees, and meet certain underwriting requirements. The effective date of this rule is March 1, 2021.

##### General Qualified Mortgage Loan Change

The CFPB is amending this general qualified mortgage option by removing the previous 43% debt-to-income ratio requirement and replacing it with a price-based threshold. The same existing product features, points and fees will be maintained, but Appendix Q will be removed. Instead, the rule clarifies the “consider” and “verify” requirements for underwriting under the rules. While the effective date of this rule is March 1, 2021, mandatory compliance is not required until July 1, 2021.

#### Higher-Priced Mortgage Loan Escrow Exemption

[Regulation Z was also amended](#) to provide for a new exemption to the escrow requirement for higher-priced mortgage loans. The credit union:

- Must be under \$10 billion in assets,

- Must have originated 1,000 or fewer loans secured by a first lien on a principal dwelling during the preceding calendar year,
- Must have extended credit in a rural or underserved area, and
- Must not have maintained escrow accounts other than those required for HPMLs (under the previous requirements) or to distressed members.

We are still waiting for the effective date to be determined after publication in the Federal Register. Model policies *7330: Residential Real Estate Loans* and *9220: Home Ownership* and Equity Protection Act will be updated to reflect this new opportunity for an exemption.

## Same Great Content - All New Experience!

In the last few months, we have been tirelessly working to improve CU PolicyPro. We know our clients are anxious for the new system to launch, and we are too!

What can you expect?

- A complete system redesign, making it easier than ever for users to find, view and print policies
- Policy Review Assignments with email reminders of upcoming (and overdue) assignments
- Enhanced user access, allowing admins to assign editing rights down to the policy level
- Upload, organize and assign rights to documents
- View policy revision history, with the ability to revert back to a prior version if necessary
- View model policy content and update history while editing your own policy

**Waiting is hard.**



**The all new CUPolicyPro<sup>SM</sup> is coming soon!**

Stay tuned for more information and updates as our launch date approaches! We will be contacting users in the coming weeks regarding the conversion process and what comes next.

## Statement on SolarWinds Security Breach

Neither League InfoSight nor its third-party technology partner, CU Solutions Group, use SolarWinds as a vendor/software service/solution in any of our platforms and, therefore, we are not vulnerable to that breach. If you have any additional questions, please contact us at [info@leagueinfosight.com](mailto:info@leagueinfosight.com).

## Questions?

What else can we help you with? Please, let us know!

If this information was forwarded to you, and you'd like to be on the distribution list to receive information and updates related to CU PolicyPro, or if you have any questions regarding the CU PolicyPro content, or questions on how to use the system, please contact [policysupport@cusolutionsgroup.com](mailto:policysupport@cusolutionsgroup.com).

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