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# Federal Compliance Policy Manual

## Introduction

**Goals and Objectives**

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Chapter 1 Introduction

[Sample Client] is committed to the highest standards of federal consumer compliance and requires all management, employees, and third-party vendors follow these policies and adhere to these standards.

1.1 Goals and Objectives

The standards set out in this policy represent minimum requirements based on applicable legal and regulatory guidance and apply throughout [Sample Client]’s operations. These requirements are intended to prevent [Sample Client], our employees, and third-party vendors from violating federal regulations related to mortgage lending, mortgage servicing, and consumer compliance.

1.2 Required Review

[Sample Client] requires this policy be reviewed no less than annually.

- Last Date of Review – 01/01/20XX
- Next Due for Review – 01/01/20XX

The above required annual review shall include the compliance of this policy with current law, regulation, or directive, the procedural implementation of this policy within the then current scope of [Sample Client]’s business lines and operations, internal or external audit results received during the previous year, and then current industry trends or regulatory guidance.

1.3 Applicability

The purpose of this policy is to implement consumer protection mechanisms as required by the United States statutes and related federal regulations administered by the CFPB and other prudential regulators.

Wherever state or local regulations overlap and are stricter than the requirements set out in this policy, the more conservative approach shall be applied. If any applicable laws are in conflict with this policy, [Sample Client] must consult with the appropriate legal counsel to resolve the conflict and to set forth [Sample Client]’s policies and procedures for compliance.
Chapter 2  Accountability and Monitoring

[Sample Client] requires that its own organization, its employees, contractors, and its third-party vendors comply with all requirements of this policy and all underlying policies or regulations as they exist, or from time to time may be amended.

2.1  Internal Controls

[Sample Client] shall ensure that annual independent testing of [Sample Client]’s compliance program includes compliance with this policy and all underlying policies or regulations. The required compliance testing may be conducted by [Sample Client] personnel or by an outside party. At minimum, the annual audit shall include a review to assess the following:

- The effectiveness of all communications with borrowers
- The effectiveness of staff training
- The delivery of all required disclosures in a format and timing compliant with [Sample Client]’s policies
- Changes or amendments to [Sample Client]’s policies since last audit have been adequately implemented
- [Sample Client]’s policies have been properly applied to any new products or services offered since last audit
- All [Sample Client]’s third-party service providers have complied with their obligations applicable to the product or service and [Sample Client]’s policies and appropriate vendor/service provider monitoring procedures are in place
- [Sample Client]’s policies are being applied equally and appropriately across all departments, business units, divisions, or branches of [Sample Client]
- All required records are being maintained in accordance with [Sample Client]’s policies
- The proper functioning and implementation of [Sample Client]’s policies by any automated tools, systems, or business unit procedures
- The strength, adequacy, or weakness of [Sample Client]’s policies to include the identification of business units, delivery channels, or offices for transaction testing
Chapter 6 Fair Housing Act (FHAct)

6.1 Summary of Regulation

The Fair Housing Act (FHAct) prohibits discrimination in residential real estate related transactions based on the following prohibited bases:

- Race
- Color
- Religion
- Sex
- Handicap
- Familial status
- National origin

The Fair Housing Act applies to the following transactions:

- The making or purchasing of loans or providing other financial assistance
  - for purchasing, constructing, improving, repairing, or maintaining a dwelling;
  - or secured by residential real estate;
- The selling, brokering, or appraising of residential real property.

[Sample Client] must comply with all aspects of ECOA that are related to mortgage lending.

Unlike most consumer financial protection regulations, the Secretary of HUD remains responsible for administering the Fair Housing Act; it was not transferred to the CFPB. The Secretary may cooperate with state and local agencies charged with the administration of state and local fair housing laws and utilize the services of the agencies and their employees.

The Fair Housing Act does not prohibit the following:

- Any religious organization, association, or society, or any nonprofit institution or organization operated, supervised, or controlled by or in conjunction with a religious organization, association, or society, from limiting the sale, rental, or occupancy of dwellings which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such