

LENDERS UPDATE™

A MONTHLY SERVICE TO THE MORTGAGE LENDING INDUSTRY

AN ALT & ASSOCIATES NEWSLETTER

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Supplement

May 2009

The purpose of the Lenders Update is to provide a “heads-up” of new legislation and regulations affecting the mortgage lending industry. We provide summaries of new matters so our readers can judge whether the subject impacts their operations. We recommend that our readers review the entire new statute, regulation or other material in detail where it is relevant to them. For convenience, the applicable matter can be easily identified in the summary, and, where possible, a link is provided.

The Update includes information available to Alt & Associates as of May 4, 2009.

SUPPLEMENT

FTC Will Grant Three-Month Delay of Enforcement of ‘Red Flags’ Rule Requiring Creditors and Financial Institutions to Adopt Identity Theft Prevention Programs

The Federal Trade Commission will delay enforcement of the new “Red Flags Rule” until August 1, 2009, to give creditors and financial institutions more time to develop and implement written identity theft prevention programs. For entities that have a low risk of identity theft, such as businesses that know their customers personally, the Commission will soon release a template to help them comply with the law. Today’s announcement does not affect other federal agencies’ enforcement of the original November 1, 2008 compliance deadline for institutions subject to their oversight.

“Given the ongoing debate about whether Congress wrote this provision too broadly, delaying enforcement of the Red Flags Rule will allow industries and associations to share guidance with their members, provide low-risk entities an opportunity to use the template in developing their programs, and give Congress time to consider the issue further,” FTC Chairman Jon Leibowitz said.

For the full FTC Press Release...

<http://www.ftc.gov/opa/2009/04/redflagsrule.shtm>

For more information on the extension...

<http://www.ftc.gov/os/2009/04/P095406redflagsextendedenforcement.pdf>

Please note that the extension is only applicable to those entities governed by the FTC and to the implementation of the Identity Theft Prevention Program. The address discrepancy provision within the Rule, which became mandatory back in Nov. 1, 2008, remains to be in effect.

Our monthly Lenders Update is published via e-mail as a complimentary service to our friends and clients in the financial industry throughout California and the United States. Only those persons who have requested this newsletter are on our mailing list. Should you have colleagues who wish to receive this complimentary service, please have them e-mail us at

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ALT & ASSOCIATES provides regulatory, compliance, operational advice and transactional assistance, as well as litigation representation, to the financial services industry. Over the past two decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their operations. If you have any questions please contact:

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