

LENDERS UPDATE™

A MONTHLY SERVICE TO THE MORTGAGE LENDING INDUSTRY

AN ALT & ASSOCIATES NEWSLETTER

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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 November 2, 2009.

FTC EXTENDS DEADLINE FOR ENFORCEMENT OF THE **RED FLAGS RULE**

On Friday October 30, 2009 the Federal Trade Commission (“FTC”) announced that it was delaying enforcement of its “Red Flags” Rule. The new date will be June 1, 2010. As we know, this rule was promulgated by the FTC at the direction of Congress to identify and respond to activities that could indicate identity theft.

Implementation of the rule had previously been delayed to yesterday, November 1, 2009. As the FTC points out in its announcement of the new delay, it has taken significant action to provide guidance for these rules including the creation of compliance guidelines for businesses and of a template that enables low risk entities to create an identity theft program with an easy to use online form. For more information on the enforcement delay, and to find additional guidance for

compliance, the FTC suggests the materials posted on its dedicated Red Flags Rule website at www.ftc.gov/redflagsrule .

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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