OSC
INSURANCE SERVICES
ILLUMINATING RESULTS

COMPLIANCE INSIGHTS

A value-added newsletter for clients and friends of OSC

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SUMMER 2017

NATIONAL FLOOD INSURANCE PROGRAM

Floods are the most common and most destructive natural disaster in the United States. Ninety percent of all U.S. declared natural disasters involve flooding, and all 50 states have experienced floods or flash floods in the past five years according to Floodsmart.gov. The damage from a flood is not covered under a standard homeowner's policy. Flood insurance is a special policy that is federally backed by the National Flood Insurance Program (NFIP) and available for homeowners, renters and businesses.

Background: The NFIP was created as a result of the passage of the National Flood Insurance Act of 1968. Congress enacted the NFIP primarily in response to the lack of availability of private insurance and continued increases in federal disaster assistance due to floods. At the time, flood was viewed as an uninsurable risk and coverage was virtually unavailable from private insurance markets following frequent widespread flooding along the Mississippi River in the early 1960s. The NFIP is a Federal program, managed by the Federal Emergency Management Administration (FEMA), and has three components: to provide flood insurance, to improve floodplain management and to develop maps of flood hazard zones.

The NFIP allows property owners in participating communities to buy insurance to protect against flood losses. Participating communities are required to establish management regulations in order to reduce future flood damages. This insurance is intended to furnish an insurance alternative to disaster assistance and reduce the rising costs of repairing damage to buildings and their contents caused by flood. A homeowner is able to purchase excess flood insurance, but they must be covered by NFIP flood insurance on a primary basis.

Since NFIP's inception, additional legislation has been enacted to strengthen the program, ensure its fiscal soundness and inform its mapping and insurance rate-setting. More recently:

- On July 6, 2012, President Obama signed into law the Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12),which reauthorized the NFIP through Sept. 30, 2017, and made a number of reforms aimed at making the program more financially and structurally sound. The purpose of the legislation was to change the way the NFIP operates and to raise rates to reflect true flood risk, as well as make the program more financially stable. As implementation moved forward, constituent concerns over flood insurance premium increases prompted legislative efforts to modify some of the BW-12 reforms.

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Editor: Kirk Stephens, CRCM and Chief Compliance Officer of OSC/Breckenridge Insurance Group and 20-year veteran of the FDIC. He can be reached at kstephens@breckgrp.com or 678.322.3521.

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[NFIP CONTINUED FROM PAGE 2]

- On March 21, 2014, President Obama signed the Homeowner Flood Insurance Affordability Act of 2014 into law, which repeals and modifies certain BW-12 provisions and makes additional program changes to other aspects of the NFIP. According to FEMA, the law lowers the rate increases on some policies, prevents some future rate increases, and implements a surcharge on all policyholders. It also repeals certain rate increases that have already gone into effect and provides for refunds to those policyholders.

Private Flood Insurance

The Flood Insurance Market Parity and Modernization Act (H.R. 2901) was recently introduced to help facilitate the development of the private flood market and to address some of the unintended consequences resulting from the BW-12. Provisions in BW-12 have made it more difficult for companies willing to offer private flood insurance products.

While the market for private flood insurance remains relatively small, in recent years, more sophisticated risk mapping and modeling have developed, enabling the private market to more accurately price the risk and generating new interest among private insurers to provide such coverage. Although BW-12 affirmed Congress's intent that lenders can accept private flood insurance as an alternative to the NFIP, the definition and prescriptive conditions have created a significant obstacle impeding the development of a private market.

Status: The current NFIP reauthorization expires on September 30, 2017 and Congress will be considering potential changes and improvements to the program as part of the reauthorization process. Congress faces the challenge of trying to maintain a balance between improving the financial solvency of the program and reducing taxpayer exposure while also being mindful of affordability concerns. The National Association of Insurance Commissioners (NAIC) and state insurance regulators support a long-term reauthorization of the NFIP to avoid short-term extensions and program lapses that create uncertainty in both the insurance and housing markets. Reauthorization should be for a minimum of ten years.

In addition, the NAIC and state insurance regulators encourage greater growth in the private flood insurance market as a complement to the NFIP to help provide consumers with more choices. The NAIC supports H.R.2901 that will encourage greater growth in the private flood insurance market and provide consumers with additional choices for flood insurance products.

SAVE THE DATE

Our 19th **OSC Client Compliance Training Conference** will be held in the spring of 2018 near our Atlanta-area offices from Tuesday, March 6th - Thursday, March 8th.

We'll officially open up registrations and hotel blocks this fall, but we wanted to alert you now to the dates for planning purposes.

HOUSE PRINCIPLES GUIDE NFIP REAUTHORIZATION

Rep Blaine Luetkemeyer (R-Mo.), chairman of the House Financial Services Subcommittee on Housing and Insurance, released a set of principles regarding reauthorization of the National Flood Insurance Program (NFIP), which is scheduled to expire on September 30, 2017 if Congressional action is not taken.

The Chairman's draft is a broad marker that seeks to place the NFIP on more solid fiscal footing, providing stronger public/private partnerships, deliver a more open insurance rate-setting process and update and reform mitigation and mapping standards.

Principles for Flood Insurance Reauthorization and Reform

Provide market stability through reauthorization of the National Flood Insurance Program

- Reauthorize the NFIP and National Flood Mapping Reform
- Create stability in real estate markets with a defined authorization period.

MEET THE EDITOR:

KIRK STEPHENS, CRCM

Chief Compliance Officer,
Breckenridge Insurance Group

As Chief Compliance Officer of Breckenridge Insurance Group, Kirk spearheads our industry-leading compliance practices. In this role, he manages the implementation of sound compliance practices and oversees corporate governance best practices. In addition, Kirk provides financial risk management advisory and compliance services to banks and other mortgage lender clients of OSC. Kirk is a 20-year veteran of the Federal Deposit Insurance Corp. (FDIC), where he most recently provided strategic direction and advice on supervisory examinations and oversaw and managed the operations for the Senior Deputy Director of Supervisory Examinations in Washington, D.C. Previously, he was a regional FDIC case manager, directing the risk management examinations of financial institutions with $20M to $140B in assets. He began his career at the FDIC as a federal bank examiner. Kirk regularly contributes to national publications as well as speaks at national conferences on compliance-related issues as well as publishes a well-regarded lender compliance newsletter.

Place NFIP on sound fiscal footing

- Require mandatory use of reinsurance or capital markets alternatives at levels commensurate with the risk profile of the book of business, thereby providing additional taxpayer protections for major losses.
- Actively manage NFIP financial risks.
- Require risk-transfer to protect taxpayer funds. Reinsurance and capital markets alternatives can be important financial risk management tools used by FEMA to protect the NFIP from large losses and diversity risk across multiple markets.

[CONTINUED ON PAGE 5]

[NFIP HOUSE REAUTHORIZATION CONTINUED FROM PAGE 4]

Provide greater transparency, stronger public/private partnerships, and greater consumer choice to achieve public policy objectives

- Pass the Flood Insurance Market Parity and Modernization Act in an effort to continue to grow the private flood insurance market.
- Require the elimination of the non-compete clause to allow Write Your Own companies to better develop and grow private flood insurance products and markets.
- Repeal mandatory coverage requirements for commercial properties.
- Phase out over time NFIP coverage for those residential and commercial structures over the maximum allowable coverage limits in replacement cost value.

Provide a more open insurance rate-setting process

- Require public process to disclose methodology and rational for the establishment of NFIP rates and premiums.
- Promote transparency and accountability by requiring FEMA to hold public meetings and explain its premium rate structures.
- Align the NFIP with private sector practices by using replacement value of the structure, on a property-by-property basis, when calculating premiums.
- Enhance combination of risk assessment tools and mapping to determine more accurate premiums.

Update and reform mitigation and mapping process

- Require the Technical Mapping Advisory Council to develop map standards for FEMA and non-government entities, thereby giving communities additional avenues to bypass the FEMA mapping process and develop maps that use the most updated community data and technology.
- Modernize and create greater flexibility for mitigation assistance, including adjustments to the Increased Cost of Compliance program.
- Add flexibility in mitigation programs, including consideration of voluntary buy-outs in pre-disaster stage for sever repetitive loss properties owned by low and very low income families.

REGULATORY EXAMINATION TIP

The FDIC issued FIL 51-2016 in July 2016 to remind their regulated institutions of the importance of maintaining an open communication channel with examiners and FDIC management. The directive encourages institutions to provide feedback on issues, practices, and other concerns that surface during the examination process. While only the FDIC published this document, any institution that has concerns regarding their examination findings is encouraged to provide feedback to their federal regulatory agency.

Financial institutions should be familiar with their supervisory agency's processes for communicating with examiners, district or field offices, or headquarters staff. They should understand the appeal process and means to seek review by the agency Ombudsman. Institutions also need to understand why they are being asked to do something during an examination and the basis for violation findings or system deficiencies. Bankers should feel free to pushback when they disagree with the examiners or believe the examiners may not be considering all the pertinent facts necessary to reach a fair and sound decision. The examiner may be right, but the examiner needs to articulate the facts and analysis supporting the finding and any proposed remedial action or solutions, in a manner that can be understood and successfully implemented.

READ ENTIRE FIL

HOUSE PASSES FINANCIAL CHOICE ACT

On June 8, 2017, the U.S. House of Representatives passed the Financial Choice Act by a mostly party line vote of 233 to 186. The legislation is Financial Services Committee Jeb Hensarling's (R-TX-5) 600-page bill aimed at reforming parts of the Dodd-Frank Act's extensive supervisory regime and providing regulatory relief.

The bill includes a number of regulatory relief provisions, including a Qualified Mortgage safe harbor for mortgage loans held in portfolio, more tailored supervision based on an institution's risk profile and business model, greater flexibility for savings associations, relief from various reporting requirements, and repeal of the Volcker Rule.

The following is how the bill would amend the Consumer Financial Protection Act of 2010: Change the name of the CFPB to the "Consumer Law Enforcement Agency (CLEA)," and task it with the dual mission of consumer protection and competitive markets, with cost-benefit analyses of rules performed by a newly-formed Office of Economic Analysis.

- Restructure the agency as an Executive Branch agency with a single director removable by the President at will, and make the agency subject to Congressional oversight and appropriations process;
- Eliminate the CFPB's supervisory function and hold it responsible for enforcing consumer protection laws;
- Remove the agency's authority over "unfair, deceptive, or abusive acts and practices;"
- Establish an independent, Senate-confirmed Inspector General; and
- Eliminate the CFPB's sweeping market-monitoring function and require the Agency obtain permission before collecting consumers' personally identifiable information.

American Bankers Association President and CEO Rob Nichols said he is optimistic about the chances of bipartisan reform. "There's a recognition, and even a bipartisan one, that the economy to move forward at a great clip….we need to get the financial rule set properly calibrated and tailored to fit our financial markets today."

Read Executive Summary of Act

NEWS BRIEFS

CFPB Monthly Snapshot Spotlights Complaints from Older Consumers

The CFPB released a monthly complaint report highlighting complaints submitted by older consumers. The snapshot shows that older consumer frequently report servicing problems with reverse mortgages, difficulties recovering money after financial scams, confusion around deferred interest credit cards, and charges for unauthorized add-on products. The snapshot providers an overview and analysis of more than 103,100 complaints submitted to the Bureau by consumers voluntarily reporting their age as 62 or older.

Read report

[CONTINUED ON PAGE 12]

Final Revisions to the Federal Financial Institutions Examination Council (FFIEC) Uniform Interagency Consumer Compliance Rating System and Their Assessment Factors

EXAMINATION INSIGHTS

RATING COMPONENTS	RISK FACTORS
Board and Management Oversight	• Oversight and Commitment • Change Management • Comprehension, Identification and Management of Risk • Corrective Action and Self Identification
Compliance Program	• Policies and Procedures • Training • Monitoring and/or Audit • Consumer Complaint Response
Violations of Law and Consumer Harm	• Root cause, or causes, of any violation of law identified • Severity of any consumer harm resulting from violations • Duration of time over which the violations occur • Pervasiveness of violations

BANKS EARN $44 BILLION IN FIRST QUARTER 2017

FDIC-insured banks and savings institutions earned $44 billion in the first quarter of 2017; up $5 billion from a year earlier. The increase in earnings was mainly attributable to an $8.8 billion rise in net interest income and a $2.1 billion increase in noninterest income. More than half of the 5,856 insured institutions reported year-over-year growth in quarterly earnings.

"Revenue and net income growth were strong, asset quality improved, and the number of unprofitable banks and 'problem banks' continued to fall," FDIC Chairman Martin Gruenberg said. "Community banks reported another quarter of solid revenue and net income growth."

"Low interest rates for an extended period and a competitive lending environment have led some institutions to reach for yield. This has led to heightened exposure to interest-rate risk, liquidity risk, and credit risk. Banks must manage these risks prudently to maintain growth on a long-run, sustainable path."

The number of insured institutions on the FDIC's 'Problem List' declined from 123 to 112 during the first quarter, and total assets of problem institutions fell from $27.6 billion to $23.7 billion. This is the smallest number of problem banks since March 31, 2008, and is down significantly from the post-crisis peak of 888 banks in the first quarter of 2011.

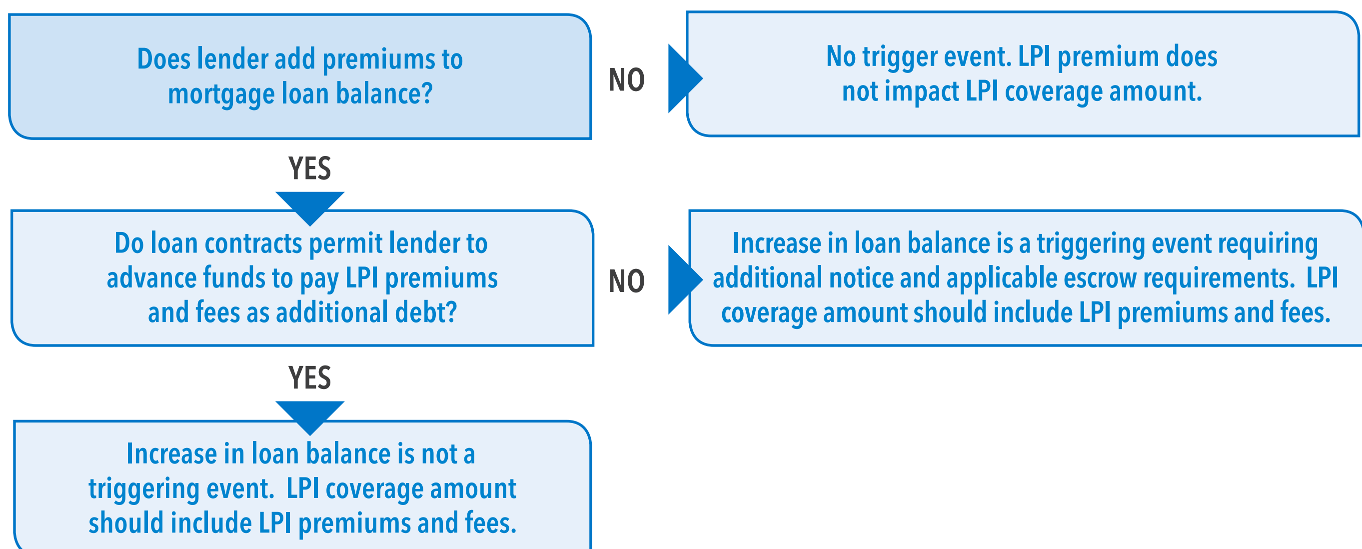
REGULATORS RESPOND TO THE ABA ON ACCOUNTING TREATMENT OF LENDER-PLACED INSURANCE

On May 22, 2017, the Federal Reserve Board, FDIC, and the Office of the Comptroller of the Currency (Agencies) responded to an April 22, 2016 ABA letter seeking clarification on the accounting treatment of lender-placed insurance (LPI) premiums and whether the Agencies consider the creditor's addition of a premium and fees for LPI to the outstanding principal balance of a designated loan to be an increase in the loan amount that triggers the applicability of certain flood insurance regulatory requirements.

According to the Agencies' response to the ABA, formal guidance on this issue will be forthcoming that in summary will clarify that "if the financial institution intends to add the premium and fees for the force-placed insurance policy to the loan balance, the regulations require that the institution ensure that the flood insurance policy is issued in an amount sufficient to cover the anticipated higher loan balance, including the force-placed premium and fees. However, whether such an increase in the loan balance triggers other requirements under the regulations, such as notice requirements or the escrow of flood insurance premiums and fees, depends on the provisions contained in the institution's contract with the borrower."

According to the Agencies, the treatment of LPI premiums and fees depends on the method the institution chooses for charging the borrower:

Treatment of Force-placed Premiums



Lenders that simply add the LPI premium to a fee account on the loan are safeguarded from this regulatory interpretation. More formal Agency guidance is being drafted to help clarify expectations. In the interim, financial institutions that are adding LPI premium and fees to the mortgage loan balance might consider changing their accounting treatment to lessen the compliance impact.

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BRIEF RECAP OF THE CFPB'S SUPERVISORY HIGHLIGHTS

In the Supervisory Highlights for Spring 2017, the Consumer Financial Protection Bureau (CFPB) recaps its observations in mortgage origination, mortgage servicing, student loan servicing, and fair lending between September and December 2016. The report indicates that supervisory resolutions resulted in restitution payments of $6.1 million to more than 16,000 consumers and notes that "recent non-public resolutions were reached in several auto finance origination matters." The report also indicates that recent supervisory activities have either led to or supported five recent public enforcement actions, resulting in more than $39 million in consumer remediation and $19 million in civil money penalties.

Mortgage Origination

- The report discusses compliance with regulation Z ability-to-repay (ATR) requirements, specifically how examiners assess a creditor's ATR determination that includes reliance on verified assets rather than income.
- During examinations, examiners will determine whether the creditor properly verified the information it relied upon to make an ATR determination. When a creditor relies on assets and not income for an ATR determination, examiners evaluate whether the creditor verified that assets were sufficient to establish the consumer's ability to repay the loan. The report states that a creditor that relies on assets and not income could assume income is zero and properly determine that no income is necessary to make an ATR determination in light of the consumer's verified assets.
- CFPB made clear that a down payment cannot be treated as an asset for purposes of considering a consumer's assets or income under the ATR rule and, standing alone, will not support an ATR determination.

Mortgage Servicing

- The Report indicates examiners continue to find "serious problems" with the loss mitigation process at certain servicers, including "one or more servicers" that after failing to require additional documents from borrowers needed to obtain complete loss mitigation applications denied the applications for missing such documents.
- Servicers violated Regulations X by failing to maintain policies and procedures to properly evaluate a loss mitigation applicant for all mitigation options for which the applicant might be eligible.
- Examiners observed the use of phrases such as "Misc. Expenses" or "Charge for Service" on periodic statements. Examiners found such phrases to be insufficiently specific or adequate to comply with the Regulation Z requirements to describe transactions on periodic statements.

Student Loan Servicing

- Examiners found that "servicers" had engaged in an unfair practice by failing to reverse the financial consequences of an erroneous deferment termination, such as late fees charged for non-payment when the borrower should have been in deferment, and interest capitalization.
- Examiners found that servicers had engaged in deceptive practices by telling borrowers that interest would be capitalized at the end of a deferment period but, for borrowers who had been placed in successive periods of forbearance or deferment, interest capitalized after each period of deferment or forbearance. CFPB asserts that reasonable consumers are likely to understand this to

[CONTINUED ON PAGE 10]

CFPB REVISED MORTGAGE SERVICING RULES – FORCE-PLACED INSURANCE

Consumer Financial Protection Bureau

On August 4, 2016, the Consumer Financial Protection Bureau (CFPB) release final rules, originally proposed in November 2014, amending nine major areas of the Mortgage Servicing Rules. A summarization of the key amendments was provided in the Fall 2016 Newsletter (pages 1-7).

In October of this year, final rules relating to force-placed insurance will be become effective. These final rules amend the force-placed insurance disclosure and model forms to account for when a lender/servicer wishes to force-place insurance when the borrower has insufficient, rather than expiring or expired, hazard insurance coverage on the property.

Prior to the amended rules, the CFPB had not addressed scenarios for when a borrower might purchase hazard insurance in an amount that is deficient to what the lender/servicer required. The new rules provide such guidance by amending the model forms and adding language such as "provides insufficient coverage" as a choice for the insurance exposure type.

Also, the CPFB made a slight change to the required bold bullet disclosures regarding the cost of force-placed insurance by adding the word "significantly" to the disclosure language. The new initial notice disclosures will read:

"The insurance we buy:

- **May be significantly more expensive than the insurance you can buy yourself.**
- **May not provide as much coverage as an insurance policy you buy yourself."**

[CFPB'S HIGHLIGHTS CONTINUED FROM PAGE 9]

mean interest would capitalize once, when the borrower ultimately exits deferment and entered repayment.

Service Provider Examinations

- CFPB discusses its plans to directly examine key service providers to institutions it supervises. The initial work involves conducting baseline reviews of some service providers to learn about their structure, operations, compliance systems, and compliance management systems.
- CFPB confirmed that "in more targeted work, the CFPB is focusing on service providers that directly affect the mortgage origination and servicing markets."

Fair Lending

- Examiners are relying on updated proxy methodology for race and ethnicity in their fair lending analysis of non-mortgage products. The updated methodology reflects new surname data released by the U.S. Census Bureau in December 2016.

Complaint Monitoring

- CFPB is continuously monitoring spikes and trends in consumer complaints by using an automated monitoring capability that relies on algorithms to "identify short, medium, and long-term changes in complaint volumes in daily, weekly, and quarterly windows." The CFPB states that the tool works "regardless of company size, random variation, general complaint growth, and seasonality" and is intended to be an "early warning system." ■

The amended reminder notice will read:

"The insurance we buy:

- **Will cost an estimated $XXXXX annually, which may be significantly more expensive than insurance you can buy yourself.**
- **May not provide as much coverage as an insurance policy you buy yourself."**

The addition of the word "significantly" draws more attention of the potential costs of force-placed insurance to the borrower in the event they do not respond to the notice.

OSC is preparing systems for these changes and will rolling out production this summer. OSC clients should contact their Client Service managers with any questions. ■

NEW INFORMATION SECURITY ROLE FOR NICO POTGIETER, PMP

As the speed and sophistication of cyber threats is at an all-time high, we continue to invest in the latest preventative measures to thwart such attacks. Technology alone is not the only investment we've made within the last year. We have dedicated a full-time position and added team support to proactively protect our clients' valuable data and institute industry-leading information protection, privacy and confidentiality practices. Nico Potgieter, PMP and former OSC Implementation Manager for three years, is now fully dedicated to the newly created role of VP, Information Security Officer.

In this vital new role, Nico is responsible for developing and implementing an integrated program of policies and procedures designed to protect enterprise communications, systems and assets from both internal and external threats. With his extensive background in technology services and start-ups and a forte in project management–not to mention his military service in the South African Air Force as a helicopter pilot–Nico approaches his role with valuable perspective and necessary diligence.

Nico shared, "With necessary and changing cybersecurity regulations to protect American businesses, we're taking a dynamic and multifaceted approach to creating sound policies and implementing response best practices. It's not a one and done methodology; it's an ongoing and robust commitment by our entire organization to be dedicated stewards of our clients' data."

OSC EXPANDS COMMUNITY LENDING EXPERTISE WITH KISTLER FINANCIAL INSURANCE GROUP ACQUISITION

Kistler Financial Insurance Group, an Atlanta-area insurance agency, has been acquired by OSC. The Kistler team has long known of and worked with OSC over the years. Their leader Mike Chapman and his team offer great expertise and client relationships in the community lender space and will complement and expand on what we do at OSC as part of our growth strategy.

Joining Mike are two of his talented Kistler core team members to ensure a smooth transition for their clients and great ongoing service as part of OSC into the future.

Please welcome:

Mike Chapman is the newly named SVP, Business Development for the Community Lender Unit of OSC. Mike has more than 40 years of community lender and financial services insurance expertise and formerly served as CEO of Kistler Financial Insurance Group, Inc.

Christy Tranor will serve as Operations Manager to support community lenders and other clients of OSC having joined Kistler in 2007. Christy will use her tracking and customer relationship skills to support the evolving needs of clients in this key role.

Tracey Gates joins OSC as Sr. Client Services representative for the Community Lender Unit. Tracey joined Kistler in 1987 and has held multifaceted roles in data entry, claims and accounting in support of agents, vendors, loan department staff and bank customers.

Welcome to all Kistler clients and team members!

[NEWS BRIEFS CONTINUED FROM PAGE 6]

NEWS BRIEFS

House Passes Five Flood Insurance Bills

On June 21, the House Financial Services Committee approved five bills as part of a legislative package intended to reauthorize the National Flood Insurance Program. H.R. 2875, the National Flood Insurance Program Administrative Reform Act of 2017, which would make administrative changes to the NFIP to increase fairness and accuracy, and decrease taxpayer risk; and H.R. 1422, the Flood Insurance Market Parity and Modernization Act, which would encourage development of a robust private flood insurance market as an alternative to the NFIP. The committee also approved H.R. 1558, to amend the National Flood Insurance Act of 1968 to ensure community accountability for areas repeatedly damaged by floods.

Additionally, the committee passed H.R. 2264, the Taxpayer Exposure Mitigation Act of 2017, would enable the NFIP to engage in private-sector risk transfer deals and would allow the development of private or community flood maps as an alternative to NFIP's outdated maps. Also, H.R. 2565 was passed and would require the NFIP to study how it uses replacement costs in setting premiums.

On June 15, the Committee approved two additional bills as part of the legislative package intended to reauthorize the NFIP. H.R. 2874 proposes to drop NFIP coverage for any properties with lifetime claims exceeding twice the replacement cost of the property and would double penalties for non-compliance by lenders. H.R. 2868 was approved to impose a $10,000 cap on the annual chargeable risk premium for any single family home.

All seven bills are expected to be introduced for full House vote.

Financial Institution Agencies Provide Guidance to Help Alleviate Appraisal Shortage

The federal banking agencies, together with the National Credit Union Administration, issued an Interagency Advisory on the Availability of Appraisers that is intended to help address the real estate appraiser shortages being experienced by lending institutions. The Advisory discusses two existing methods that may address any appraiser shortages: temporary practice permits and temporary waivers. The Advisory address concerns raised pursuant to the Economic Growth and Regulatory Paperwork Reduction Act review process regarding the timeliness of appraisals, due largely to what financial industry commenters believe to be problems with the availability of certified and licensed appraiser, particularly in rural areas.

Read Advisory

Federal Banking Regulators Adopt Final Rules on Expanded Examination Cycles

The federal banking regulators have adopted final rules permitting insured depository institutions with up to $1 billion in total assets, and that meet certain other criteria, to qualify for an 18-month on-site examination cycle. These rules allow the agencies to better focus supervisory resources on institutions which present capital, managerial, or other issues of supervisory concern while reducing regulatory burden on small, well-capitalized and well-managed institutions.

Read Statement

Clinger to be Nominated for Chair of the FDIC

President Trump has announced his intent to nominate James Clinger of Pennsylvania to be a member of the Federal Deposit Insurance Corporation Board for a term of six years, and to be Chairperson for a term of five years, effective November 29, 2017. Mr. Clinger is currently the Chief Counsel for the House Committee on Financial Services, having held this position since 2007. The announcement comes as Trump continues to fill out his financial regulatory team. The president recently announced that he would name Joseph Otting a comptroller of the currency. There are several vacancies on the Federal Reserve Board of Governors, and nominees are expected to be named soon.