

OCTOBER 2023 FREE COMPLIANCE NEWSLETTER

**2024 HMDA FILING INSTRUCTION GUIDE (FIG) IS AVAILABLE**

The CFPB has released the FIG for 2024. The FIG is a technical resource to help financial institutions file HMDA data collected in 2024 and reported in 2025. This is a resource we use often when we help our clients scrub their HMDA data. If you are a HMDA reporter, it should be part of your resources too. You can find a copy of next year's FIG [HERE](#).

**COURT RULES CFPB CANNOT EXTEND UDAAP TO COVER FAIR LENDING**

A federal judge in Texas granted summary judgment to the ABA, the Texas Bankers Association, the U.S. Chamber of Commerce, and several other co-plaintiffs in their challenge to the CFPB's UDAAP exam manual in extending UDAAP to cover fair lending. This was a pretty big deal when it came out, and a lot of bankers were worried about what this would mean for fair lending. As it turns out, the ABA has made it no longer an issue.

In a daily ABA news byte, the ABA stated that "While ABA repudiates discrimination of any kind, it argued in the case that the bureau's unfair, deceptive, and abusive acts or practices, or UDAAP, authority cannot be used to extend the fair lending laws beyond the bounds set by Congress. 'We strongly support the fair enforcement of nondiscrimination laws, but the bureau's extraordinary expansion of its regulatory reach crossed the line,' ABA President and CEO Rob Nichols said. 'We hope this ruling sends a clear message to the bureau and all federal regulators that they must operate within the boundaries set by Congress.'"

If you want to read the ABA's public statement, you can find it [HERE](#). To read the full court ruling, you can find that [HERE](#).

**CFPB ORDERS LEASING COMPANY TEMPOE TO PROVIDE \$36 MILLION IN PENALTIES AND RELIEF FOR TRICKING CONSUMERS AND HIDING CONTRACT TERMS**

We realize that many of our newsletter readers do not engage in leasing, and this is a non-banking company, but we wanted to include this in the newsletter for two reasons. Number 1 – it is a good reminder that it's not just banks, credit unions, and mortgage companies that have the regulatory burden of compliance. The CFPB is holding others accountable. Number 2 – While we do a pretty good job of it, this is a good reminder to always have clear and conspicuous disclosures. Compliance is always looked at as a cost center, but we recently saw a post that said we are a profit protector. What a great way to look at it. Both the Truth-in-Lending Act and Truth-in-Savings Act talk about "Clear and Conspicuous" in disclosures and advertising. This case is a clear reminder of why that is important. Without further ado, here is another good example of why we need to be great at our jobs.

The CFPB took action against Tempoe, LLC for tricking consumers into expensive leasing agreements by concealing the contract terms and costs and failing to provide legally required disclosures. Forty-one states and the District of Columbia are entering into a parallel multi-state settlement addressing the same conduct. Tempoe offered financing at the point of sale to customers at major retailers such as Sears and Kmart.

By hiding the true nature of the agreements, Tempoe tricked consumers into signing the leases, and consumers found themselves unable to return products and on the hook for unexpectedly large payments. The CFPB is permanently banning Tempoe from offering consumer leases, requiring the company to close each of its outstanding consumer accounts, and ordering the company to let customers keep leased merchandise with no further payment, representing approximately \$33.6 million in released payments. Tempoe is also paying a \$2 million penalty, with \$1 million deposited into CFPB's victims' relief fund and \$1 million paid to the states entered into the settlement. To find the enforcement action and the full order, you can click [HERE](#).

### **CFPB ANNOUNCES ANNUAL THRESHOLD ADJUSTMENTS UNDER TILA (REGULATION Z)**

It must be getting to be that time of year again since the 2024 Regulation Z adjustments are coming out. Every year, the CFPB adjusts Reg Z thresholds for inflation based on the consumer price index, and there are several. We typically do not list them all out here, but we will provide the link for you to see them all. They affect different loan thresholds like general Reg Z thresholds, HOEPA thresholds, and qualified mortgages. For the most part, they are annual incremental increases and have minimal impacts, but they are still important to know. To find those annual adjustments in the federal register, you can click [HERE](#).

### **CFPB KICKS OFF RULEMAKING TO REMOVE MEDICAL BILLS FROM CREDIT REPORTS**

The CFPB announced it is beginning a rule making process to remove medical bills from Americans' credit reports. They outlined proposals under consideration that would help families financially recover from medical crises, stop debt collectors from coercing people into paying bills they may not even owe, and ensure that creditors are not relying on data that is often plagued with inaccuracies and mistakes. You can find the full press release [HERE](#).

### **FDIC MAKES UPDATES TO THE CONSUMER COMPLIANCE EXAMINATION MANUAL**

The FDIC has made a few updates to their compliance examination manual. Even if your primary regulator is not the FDIC, their examination manual is an excellent resource for all compliance professionals. The regulations are a great starting point to find answers to your regulatory questions, but they can often be tough to read and understand. The FDIC compliance examination manual is a great supplement to the regulations that often gives a better narrative to the regulations and adds more context to the regulations. We always recommend adding this valuable resource to any compliance or audit professional's library. You can find the compliance examination manual [HERE](#). We highly recommend bookmarking it and using it often. We use it all the time.