



## PART OF YOUR COMPLIANCE TEAM

### DECEMBER 2023 FREE COMPLIANCE NEWSLETTER

#### **FREE FAIR LENDING TRAINING FOR YOUR BOARD OF DIRECTORS**

Just another friendly reminder from last month. Fair lending training for the Board is hard to find, so we made some for you. Tory recorded a FREE 25-minute training video. We realize this is maybe a bit longer than they want, but it covers the basics of what a Board member should know about fair lending at your organization. It is available for free on YouTube. Please feel free to pass the word along to everyone you know. You can watch the video at the link [HERE](#).

#### **ADDITIONAL FREE COMPLIANCE RESOURCE**

For those of you not aware, the Federal Reserve issues a free quarterly "Consumer Compliance Outlook" newsletter to the industry. All you have to do is sign up, and you can even receive mailed hard copies if you would like. This quarterly release has tons of great compliance information. If you are interested in receiving this free resource, you can sign up [HERE](#). That link also gives you the option to download the latest newsletter.

#### **2023 FAIR LENDING INTERAGENCY WEBINAR**

The regulatory agencies are hosting a free fair lending webinar on December 14<sup>th</sup> from 1-2:30 PM Central Time. The webinar plans to discuss algorithmic bias, redlining, appraisal discrimination, indirect automobile lending, disability discrimination, and other supervision and/or enforcement-related updates from the agencies. All regulatory agencies will be attending/participating.

The training is approved for 2 CRCM and CERP credit hours. For those of you that hold our FLE certification, this webinar will also give you 2 FLE credits. You can sign up [HERE](#).

#### **REQUIRED RULEMAKING ON PERSONAL FINANCIAL DATA RIGHTS – SECTION 1033 RULE**

A new data rights and disclosure rule is coming down the pipeline from the Dodd-Frank Act. This one is Section 1033. The proposed rule would require depository and non-depository entities to make available to consumers and authorized third parties certain data relating to consumers' transactions and accounts; establish obligations for third parties accessing a consumer's data, including important privacy protections for that data; provide basic standards for data access; and promote fair, open, and inclusive industry standards.

Much like the new 1071 rule, there will be tiered compliance dates ranging from 6 months to 4 years after the final rule is published. Generally, covered data providers that are larger depository institutions would be required to comply earlier than smaller institutions. It appears the rule focuses on deposit accounts and credit cards, so not all products would apply.

While it looks like this rule is going to happen, it is currently only in the proposed state. We have enough to worry about with the new CRA rule and 1071, but this one is eventually coming too. You can learn more from a Fast Facts document the CFPB has released by clicking [HERE](#). If you are interested in seeing the rule in the federal register or reading the comments received, you can find more information [HERE](#).





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### TELEPHONE CONSUMER PROTECTION ACT (TCPA): REVISED INTERAGENCY EXAM PROCEDURES AND RESCISSIONS

This won't apply to most of you, but if you are engaging in telephone marketing and have to comply with TCPA, you may want to check this out. The regulatory agencies revised the exam procedures to reflect amendments in the TCPA that were effective back in October 2021.

Here are the highlights of the exam procedure revisions:

- Provisions governing how customers can revoke consent under the TCPA.
- Special exemptions from the customer consent provisions of the TCPA for banks using automated communications to notify customers of potential account fraud.
- Safe harbors for callers that check a reassigned number database maintained by the Federal Communications Commission.

You can find the OCC's updated exam manual [HERE](#). The FDIC's manual has a last revision date of August 2022, so we are unsure if it includes the new provisions. The FDIC's manual for TCPA can be found [HERE](#). The Federal Reserve's manual can be found [HERE](#), but it does not appear that there is a section on the TCPA.

### STATE COMMUNITY REINVESTMENT ACTS: SUMMARY OF STATE LAWS

While most of you don't have one, there are several states that have CRA state laws on the books. The CFPB recently did an analysis of seven state laws, and they have written a report on those findings. In 1977, shortly after the CRA was passed, banks held 74% of outstanding mortgage debt. By 2007, this share had declined to just 28%. In 2021, nonbank mortgage companies originated 64% of conventional home purchase mortgage loans compared to 25% by banks. As a result, certain states wanted non-bank financial institutions and mortgage companies to be accountable, since the CRA was enacted to combat redlining and most of the mortgage lending was now outside of traditional banks. If you are interested in reading the CFPB's report, you can find it [HERE](#).

### 2024 ANNUAL REGULATORY THRESHOLD ADJUSTMENTS

Every year, the agencies are required by law to adjust regulatory thresholds for certain consumer protection regulations. The Regulation Z thresholds for consumer credit and lease transaction applicability have been increased. The new Regulation Z (Truth-in-Lending) and Regulation M (Consumer Leasing) rules for 2024 will apply to consumer transactions of \$69,500 or less. However, private education loans and loans secured by real property, such as mortgages, continue to be subject to Regulation Z regardless of the loan amount. You can find the Regulation Z threshold [HERE](#) and the Regulation M threshold [HERE](#).

In addition, the dollar threshold for smaller loan exemptions from appraisal requirements for higher-priced mortgage loans (HPML) in 2024 has increased from \$31,000 to \$32,400. You can find the HPML new threshold [HERE](#).