

MARCH 2024 FREE COMPLIANCE NEWSLETTER

CRA PUBLIC FILE REQUIREMENTS

We all know the CRA rules are changing. Let me rephrase that. We all know that CRA rules are “supposed” to be changing. One of those changes is happening sooner than later, and that’s your public file. Effective April 1, 2024, if you have a website, you need to put your public file on that website. In addition, the file now must be updated quarterly (instead of annually) for things like written comments or CRA complaints, any branch opening or closings, and improvement efforts if you have less than a satisfactory rating.

If you don’t already have your CRA public file in an electronic format, it’s time to make that leap. Create electronic versions of all documents and put a new link on your website by April 1 so it is truly now a “public file.”

There is also a new rule that affects Large Banks. If you are a large bank, you can no longer take partial counties in your assessment area. The new rule requires you to now take full counties. Most of the Large Banks we have worked with already take full counties, but if you are one who does not, you will need to make the official change to your assessment area.

FFIEC ISSUES STATEMENT ON EXAMINATION PRINCIPLES RELATED TO VALUATION DISCRIMINATION AND BIAS IN RESIDENTIAL LENDING

The FFIEC issued a statement of principles related to valuation discrimination and bias for member entities to consider in their consumer compliance and safety and soundness examinations. The principles aid member entities in assessing whether their supervised institutions’ compliance and risk management practices are appropriate to identify and mitigate discrimination or bias in their residential property valuation practices.

This appears to be more clarifying than new guidance, but the goals are to (1) mitigate risks that may arise due to potential discrimination or bias in those practices, and (2) promote credible valuations.

Fair valuations and appraisal bias issues are not going away. It’s been a problem for decades but only recently has been something the regulators are now out to get right. The new precedent as we see it is if you rely upon an appraisal that you know or should have known was discriminatory, you may be held liable. To read the full press release, you can find it [HERE](#).