

SEPTEMBER 2024 FREE COMPLIANCE NEWSLETTER

CFPB UPDATES SMALL BUSINESS LENDING FILING INSTRUCTION GUIDE

The CFPB issued the 2025 Small Business Lending Filing Instructions Guide on 8/16/2024. The updates include applicable filing period for Tier 1 compliance dates of 7/18/2025 through 12/31/2025, the Action taken Date & Application Date data point examples so that they reflect the new compliance dates and use year 2025, the validation ID E0321 to reflect the updated filing period based on the new Tier 1 compliance dates. There are other updates and you can access the guide [HERE](#) and other resources [HERE](#).

CFPB RELEASES BETA FOR SMALL BUSINESS LENDING DATA FILING PLATFORM

In other preparations for the upcoming 1071/Small Business Lending rules, the CFPB announced the availability of the beta platform for filing your data. They want financial institutions and their technology partners to test the beta platform and share feedback on their experience. If this interests you, you can access it [HERE](#).

FDIC ISSUES Q&AS REGARDING FDIC OFFICIAL SIGNAGE

The FDIC issued a series of Q&As related to the final rule governing FDIC Official Signs and Advertising Requirements, False Advertising, Misrepresentation of Insured States, and Misuse of the FDIC Name or Logo. There is a lot of good information in [HERE](#).

UPDATE TO OFAC'S COMPLIANCE HOTLINE

August 2, 2024, the US Treasury issued a bulletin to announce an update to the OFAC's compliance hotline. This is to help streamline and enhance the query submission process. This is meant to be a more user-friendly online platform. You can view the new website [HERE](#). They are also sunsetting some of their current contact points such as their hotline email (OFAC_Feedbak@treasury.gov) on 8/16/2024 and the Hotline phone numbers (1-800-540-6322 and 202-622-2490) on 12/31/2024.

CONSUMER COMPLIANCE OUTLOOK (2ND ISSUE) 2024 RELEASED

The Federal Reserve System published their Second Issue of Consumer Compliance Outlook for 2024. This issue highlights the Benefits of a Formal Complaint Management Program, Enhancing the Compliance Management Program with Complaint Data, and Consumer Complaints 2023: A Review of Federal Reserve Data. You can find the issue [HERE](#).

AGENCIES ISSUE FINAL RULE TO HELP ENSURE CREDIBILITY AND INTEGRITY OF AUTOMATED VALUATION MODELS

Six federal regulatory agencies issued a final rule, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, designed to help ensure the credibility and integrity of models used in valuations for certain mortgages secured by a consumer's principal dwelling. In particular, the rule will implement quality control standards for automated valuation models (AVMs) used by mortgage originators and secondary market issuers in valuing those homes. The final rule is substantially similar to the proposal issued in June 2023.

Under the final rule, the agencies will require institutions that engage in certain transactions secured by a consumer's principal dwelling to adopt policies, practices, procedures, and control systems designed to:

- ensure a high level of confidence in estimates;
- protect against data manipulation;
- seek to avoid conflicts of interest;
- require random sample testing and reviews;
- and comply with nondiscrimination laws.

Driven in part by advances in database and modeling technology and the availability of larger property datasets, AVMs are being used with increasing frequency as part of the real estate valuation process. While advances in AVM technology and data availability have the potential to reduce costs and turnaround times of the property valuation process, it is important that institutions using AVMs take appropriate steps to ensure the credibility and integrity of the valuations produced. It is also important that the AVMs institutions use adhere to quality control standards designed to comply with applicable nondiscrimination laws.

The final rule will become effective on the first day of the calendar quarter following 12 months after publication in the Federal Register. Read the final rule [HERE](#).

MAKE SURE TO UPDATE YOUR ADVERSE ACTION NOTICES

If you are an FDIC or OCC regulated institution, both have made changes in the past year or so to their address that affect your adverse action notices. We posted them a while ago when they came out, but we have found many errors in our recent reviews. In other words, not everyone knows about these changes, so for some of you, this is a reminder. For others, now you know.

FDIC Banks – they didn't change their address, but they changed the name of the Consumer Response Center. It is now called the National Center for Consumer and Depositor Assistance. You need to go into your adverse action notices and change that name to avoid violations. You can find the change in the federal register [HERE](#).

OCC Banks – they didn't change their name, but they did change from a physical address and now are using a PO Box for consumers to contact them. The new address is P.O. Box 53570, Houston, TX 77052. You can find the official bulletin on the change [HERE](#).