

YOUR MONTHLY COMPLIANCE NEWSLETTER



FINDINGS FROM OUR CONSULTING WORK

In this section of our newsletter, we often discuss common issues we have been finding in our audit work. Last month, we talked about the BSA topic of RSSD numbers being wrong, and we are going to stick with BSA again as we do dozens of BSA audits every year.

We continue finding the same issue with the Office of Foreign Assets Control (OFAC), and it has to do with record retention.

The old rule required you to keep an accurate and full record of any rejected transactions, blocked property, or blocked transactions

for five years. You still need to keep all of those OFAC records, however the timeline for recordkeeping has literally doubled. Way back in March 2025, a new Federal Register was released that extended the five-year retention period to ten years, but many people missed the boat.

Make sure you not only update your OFAC policy with the new requirement but update any applicable procedures as well. While the BSA/AML exam manual still shows five years since they take a while to get updated, the law is now ten. Here is a [link to the Federal Register](#) if you want to read more.

**AGENCIES
ISSUE
REMINDER TO
INSTITUTIONS
ON LENDING
WHEN THE
NATIONAL
FLOOD
INSURANCE
PROGRAM IS
UNAVAILABLE**

We were hoping not to have to include this in the newsletter, but the federal government is still shut down, which means the National Flood Insurance Program is also shut down. What does that mean for you?

See **REMINDER** page 2

SMALL BUSINESS LENDING UNDER THE EQUAL CREDIT OPPORTUNITY ACT (REGULATION B); EXTENSION OF COMPLIANCE DATES

The CFPB has finalized the final rule for the 1071 compliance extension. Below is the chart with the new deadlines. The final rule is effective on December 1, 2025. We still hear they will be rewriting the rule, so it feels like we are no closer to a final solution just yet. You can check out the final rule [HERE](#).

Table 1—Compliance Dates and Filing Deadlines

Compliance tier	Original compliance date in the 2023 final rule	Revised compliance date in the 2024 interim final rule	New compliance date	New first filing deadline
Highest volume lenders (Tier 1)	October 1, 2024	July 18, 2025	July 1, 2026	June 1, 2027.
Moderate volume lenders (Tier 2)	April 1, 2025	January 16, 2026	January 1, 2027	June 1, 2028.
Smallest volume lenders (Tier 3)	January 1, 2026	October 18, 2026	October 1, 2027	June 1, 2028.

REMINDER

Continued from page 1

Essentially you can continue to make loans without flood insurance coverage during this time but must continue to make flood determinations; provide timely, complete, and accurate notices to borrowers; and comply with other applicable parts of the flood insurance regulation. In addition, lenders should evaluate safety and soundness and legal risks and should prudently manage those risks during the lapse period. There is even a flood Q&A on this topic. If you click on the [Q&As HERE](#), and look for Applicability 12 on page 7 of the PDF, you can read the same guidance as above.

BANK SECRECY ACT/ANTI-MONEY LAUNDERING: FINCEN FREQUENTLY ASKED QUESTIONS ON SUSPICIOUS ACTIVITY REPORTING

The regulators have updated some key FAQs regarding the filing of Suspicious Activity Reports, or SARs. The new FAQs address the following three topics:

- SAR filings for potential structuring-related activity
- Continuing activity reviews
- Documentation of decisions not to file a SAR

We have seen a lot of commentary on both sides whether this is a major change or not a change at all. We are not going to offer our opinion because we would be guessing but only point you in the right direction to read and make up your own minds. You can find the new FAQs [HERE](#).

YOUR MONTHLY FAIR LENDING CORNER NEWSLETTER



SOCIAL MEDIA POLICY

Check out our monthly fair lending short video first and then come back here for some additional thoughts.

[Social Media Policy | Tuscan Club University](#)



The topic of this month's fair lending newsletter is a Social Media Policy. This is one of the most important policies at your institution, and it's even more so now than ever.

If you know me (Tory is writing this), you know I hate politics, but in this charged political environment, it's hard to ignore their effects. It's so easy to just hop on Facebook and say whatever comes to your mind. That has gotten a lot of people in trouble with their employers.

I totally believe in freedom of speech. I spent 20 years in the Air Force and Air National Guard defending it, but in the world of banking and lending, we can't just say whatever we want online and not expect consequences.

The reason is the Equal Credit Opportunity and

Fair Housing Acts. They have prohibited basis characteristics that say we cannot discriminate based on race, color, religion, sex, national origin, etc. If a bank employee makes those types of comments online, the average consumer may start tying those thoughts to their employment.

I always say that if you choose to work in such a highly regulated environment as banking and lending, it's best to refrain from those comments online.

Regardless of your own personal preferences or opinion, make sure employees know what is expected of them and what will not be tolerated. They still have the right to say what they want, but you have at least warned them through policy first.

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