NOVEMBER 2026

YOUR MONTHLY COMPLIANCE NEWSLETTER



FINDINGS FROM OUR CONSULTING WORK

This month we want to talk about some of the things you need to test after you go through a core conversion. If you have yet to experience the joys of switching your institution's core, I'm sure your time will come. People say it's a wonderful experience that always goes smoothly. If you have experienced this before, you know how ridiculous that statement is. However, our goal here is to help make one small part of that process a little easier.

There is a laundry list of items that require validation during and after a conversion. A significant aspect that we frequently help with testing is deposit disclosures. It is vital that deposit accounts and their accompanying disclosures are both set up and disclosed correctly as well as working as they should.

To do that, you will need to gather a lot of documentation. We typically start our review

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FCC MODIFIES RULES FOR ROBOCALL CONSENT

If your institution utilizes informational robocalls (or text messages), particularly for alerts of potentially fraudulent activity on an account, you should read the FCC final rule titled *Enhancing the Ability of Consumers To Control the Robocalls* with an effective date of November 25, 2026, found here. There could be changes that need to be made to opt-out options, call scripts, and text templates.

FREE WEBINAR BY SAUL EWING LLP

One of our certified Fair Lending Experts (FLE) shared with us a free webinar on November 12, 2026, hosted by Saul Ewing LPP titled *2026 Consumer Financial Services Webinar Annual Update: Courts, Regulators & the In-House Perspective*. The agenda sounds interesting and can count towards FLE continuing education requirements. If you're interested, the registration page is here.

CONSUMER COMPLIANCE OUTLOOK

The Federal Reserve System released their second Consumer Compliance Outlook publication for 2026, found here. It is one of our favorite publications, and this issue is of particular importance to our Community Reinvestment Act (CRA) friends. It extensively discusses expanding access to credit through the consideration of alternative data in determining creditworthiness, provides a clear and succinct explanation of how consumer protection and CRA performance impacts merger and acquisition applications, and highlights common CRA data-related violations.

While the last issue covered consumer complaints, this one provides a table with the top 10 consumer violations cited by the Federal Reserve System in 2025. Spoiler alert: While the common offenders are all still around the top, the fourth most cited violation was the Federal Trade Commission Act Section 5(a) better known as the prohibition against unfair or deceptive acts or practices (UDAP). That is a good reminder to keep UDAP risk in mind at all times and seek expert or legal advice when the clarity or fairness of a product, service, document, or advertisement is at all questionable.

OCC DEBANKING REPORT

The OCC released a report titled *Guaranteeing Fair Banking for All Americans*, found here, that discusses results from the OCC's investigation of debanking activities at nine large national banks. If you don't feel like reading the 45-page report, here is an extreme oversimplification.

The OCC found instances in which there was not enough documentation to show why accounts were refused or closed for businesses, individuals, or organizations that could be perceived as a reputational risk due to political opinions. While such activity does not warrant penalties or enforcement actions under current rules and regulations, the OCC is devoting resources to "depoliticizing the federal banking system." If you want to stay ahead of scrutiny, consider ensuring that policies don't restrict lawful industries categorically and that relationship decisions are documented and individualized.

CFPB 2025 FAIR LENDING REPORT

The CFPB issued their 2025 Fair Lending Report, found **here**, that summarizes changes to the CFPB's fair lending enforcement. There are short summaries of investigations, lawsuits, and complaints, along with enforcement actions that were closed, vacated, or otherwise abandoned in 2025. There are also overviews of regulatory actions taken that we have discussed in prior newsletters. Lastly, the report contains a summary of violations cited by regulatory agencies related to the Equal Credit Opportunity Act and Regulation B and reference to the five Department of Justice referrals make by other regulatory agencies in 2025.

FINDINGS

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with the full disclosure packet that goes to all new deposit customers. That has things like your terms and conditions, funds availability disclosure, privacy statement, and other key account opening disclosures. That should be reviewed to ensure every piece is still accurate, true, and follows regulatory requirements.

Next, you need to dig into your account specific Truth-In-Savings/Reg DD disclosures. These are the disclosures specific to each type of consumer account. For a basic checking account with no fees, this could be a short paragraph (depending on your software). For tiered rate interesting bearing accounts, there's much more involved. The point is to ensure that everything is disclosed accurately according to regulatory requirements and working the way it is disclosed.

To ensure accounts are set up correctly, you need to test the disclosures (the input) against periodic statements (the output). You will want to find actual examples of interest paid out at all tiers to ensure they are being calculated accurately. Your periodic statements have multiple requirements of what needs to be on them. You will also want to test all fees to ensure they are set up correctly, disclosed accurately, and are charging when they should. This is a painstaking process but is necessary to catch all errors.

Lastly, we typically test CD account opening disclosures and their renewal notices. Again, you will want to make sure they are following all regulatory requirements and that interest and APYs are accurate.

We do anywhere from 10-20 TISA reviews per year. Here are some FAQs from our clients:

Q: How often should we do this full review?
A: We recommend every 3 years to have all of your deposit disclosures done, but if you go through a core conversion, do it about 6 months after the conversion is complete. The reason you wait a bit is so that transactions have a chance to happen, such as different tiers of interest rates being reached or fees being charged. You don't wait longer than that because if you discover major issues, you don't want to have a long look back to fix issues.

Q: Our vendor said they would help us ensure compliance, so why do we need to do all of that testing?
A: They do their best to help you comply, but when it's all over, the compliance burden is on your institution, not your vendor. In addition, buttons get clicked that shouldn't, things don't get set up that should, and things may not transfer over as you planned. A thorough scrub after the conversion is the best way to ensure it's working as designed.

Q: This testing seems like a massive project, and I've never done it before. Is there someone that can help?
A: Of course. We do this testing constantly, so our team is really good at it and has seen dozens of programs. If you are comfortable and confident and you have a good checklist, this can 100% be done internally. If not, find a qualified vendor who specializes in this testing and get help.

YOUR MONTHLY FAIR LENDING CORNER NEWSLETTER



The focus of the November Fair Lending Newsletter is redlining risk data analysis. Whether you use software, consultants, or manual procedures, knowing the story your data tells gives decisionmakers what they need to effect change. We'll discuss three redlining analyses, then next month we'll get into comparing performance to census data and peer performance.

First, a branch analysis is the simplest test to run. With 30 minutes and no outside help, anyone can use the FFIEC Geocoding System to determine if an institution's locations are in and around majority-minority census tracts (MMCTs). The proximity of locations to those areas can be indicative of redlining risk without even touching loan data. A good portion of redlining cases center around branch locations under the valid theory that loan activity is most likely to occur where an institution has a physical presence. Of course, the loan data is important and vital to the next two analyses.

The most common analysis for redlining that uses HMDA data or other data that can be geocoded is the geographic distribution test, which is very similar to one you might see in a Community Reinvestment Act Performance Evaluation. The idea is to determine where, geographically, loans are being originated, and

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if an institution is originating loans in MMCTs at a rate that is proportional to the percentage of MMCTs in a designated area.

The geographic distribution test determines what percentage of loans made by an institution in a certain area are secured by collateral in an MMCT, called a penetration rate. There is no magic number or percentage when comparing the penetration rate to census data (or peer data) to say redlining does not exist; however, we generally consider a penetration rate that is 80 percent or more of the percentage of MMCTs in an area to not be an independent indicator of elevated redlining risk.

For example, let's say 20 percent of census tracts in Washington County are MMCTs. If at least 16 percent of loans in that county are in MMCTs, performance may not warrant additional attention. Once the penetration drops below 50 percent, it's really time to communicate that up the chain. We have seen many redlining cases settle where an organization was twice behind where they should be.

The other data analysis is the borrower profile test. This is very similar to the geographic distribution test, but rather than determining where loans are originated, it looks at who receives loans based on race and ethnicity information. While redlining focuses heavily on the location of branches and loan originations, it is possible for an institution to lend in MMCTs and only serve white, non-Hispanic customers, which would be largely missing the point.

We would be remiss not to discuss the power of maps to convey the results of redlining analyses. The branch analysis and geographic distribution analysis are well-suited for both tables and maps. Every time you hear about a redlining case, there are usually maps attached to it. Why? A picture speaks a thousand words. A map showing branch locations and where loans were originated makes redlining concerns apparent. Sometimes, that critical component is lost in data, especially if you're not used to reviewing redlining data.

Imagine Washington County's MMCTs are all in the middle of the map. If you see that the institution's branches make a circle around the MMCTs and there are no dots indicating originated loans in the MMCTs, it doesn't take a 30-year fair lending veteran to see the problem at hand.

Now that you know three simple data analyses used to understand redlining risk, stay tuned for the December newsletter where we will discuss in more detail how to interpret results, including the significance of peer performance.

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