



Regulatory Updates – 3rd Quarter 2023

AGENCY	DATE ISSUED	SUMMARY	BUSINESS UNITS AFFECTED	EFFECTIVE DATE
FFIEC	8/02/2023	<p><u>Federal and State Regulators Release Updates to the BSA/AML Examination Manual</u></p> <p>The Federal Financial Institutions Examination Council, on behalf of its members, released updates to the following sections of the Bank Secrecy Act/Anti-Money Laundering Examination Manual.</p> <ul style="list-style-type: none">• Special Information Sharing Procedures to Deter Money Laundering and Terrorist Activity• Due Diligence Programs for Correspondent Accounts for Foreign Financial Institutions• Due Diligence Programs for Private Banking Accounts• Prohibition on Correspondent Accounts for Foreign Shell Banks; Records Concerning Owners of Foreign Banks and Agents for Service of Legal Process• Summons or Subpoena of Foreign Bank Records; Termination of Correspondent Relationship; Records Concerning Owners of Foreign Banks and Agents for Service of Legal Process• Reporting Obligations on Foreign Bank Relationships with Iranian-Linked Financial Institutions <p>The updates should not be interpreted as new instructions or increased focus on certain areas; instead, they offer further transparency into the examination process and support risk-focused examination work. Details are available at https://bsaaml.ffiec.gov.</p>	Lending and Retail	8/02/2023

AGENCY	DATE ISSUED	SUMMARY	BUSINESS UNITS AFFECTED	EFFECTIVE DATE
Fannie Mae / Freddie Mac	8/03/2023	<p><u>Fannie and Freddie Update Appraiser Independence Requirements.</u></p> <p>Fannie Mae and Freddie Mac have updated their appraiser independence requirements to clarify that mortgage brokers, loan officers, loan originators, and mortgage production staff are “Restricted Parties” prohibited from ordering appraisals or being involved in the collateral valuation process. The updates also clarify that appraisers, appraisal management companies, and appraisal companies are “Independent Parties” subject to protections from influence or attempts to influence their independence. Fannie and Freddie also have introduced new property data collector independence requirements for loans with applications on and after November 1, 2023. Read the Fannie Mae and Freddie Mac updates.</p>	Lending	8/03/2023
CFPB	8/17/2023	<p><u>CFPB Releases Updated Small Business Lending Data Filing Guide</u></p> <p>The CFPB released an update to the Filing Instructions Guide for Small Business Lending Data. The updates include:</p> <ul style="list-style-type: none"> • Reordering certain demographic information codes to better correlate with Home Mortgage Disclosure Act data, per request from industry, • Minor wording clarifications to the pricing information data point, and • Minor administrative updates to the validation IDs. <p>The changes were also incorporated into the Small Business Lending Rule Data Points Chart.</p> <p>Details about these changes to the Filing Instructions Guide can be found in the Small Business Lending Data Updates page, available at: www.consumerfinance.gov/data-research/small-business-lending/small-business-lending-data-updates/.</p> <p>You can access the updated Small Business Lending Rule Data Points Chart here: www.consumerfinance.gov/compliance/compliance-resources/small-business-lending-resources/small-business-lending-collection-and-reporting-requirements/.</p>	Lending	8/17/2023

AGENCY	DATE ISSUED	SUMMARY	BUSINESS UNITS AFFECTED	EFFECTIVE DATE
CFPB	8/25/2023	<p><u>CFPB Corrects Address for NCUA Adverse Action Notices</u></p> <p>On March 20, 2023, the Consumer Financial Protection Bureau (Bureau or CFPB) published the “Agency Contact Information” final rule in the Federal Register. The Bureau has identified four clerical errors in that final rule. These errors are found in the Federal agency contact information that must be provided with Equal Credit Opportunity Act adverse action notices in appendix A to Regulation B, the Fair Credit Reporting Act Summary of Consumer Rights in appendix K to Regulation V, and a Bureau website address where the public may access certain APR tables referenced in comment appendix J–2 to Regulation Z. This document corrects these errors.</p>	Lending	9/25/2023
CFPB / HUD	9/01/2023	<p><u>Other applicable RESPA documents: HUD Documents</u></p> <p>The Dodd-Frank Act transferred to the CFPB authorities under multiple statutes, including the Real Estate Settlement Procedures Act (RESPA). When the CFPB assumed authority under the Transferred statutes, it issued the 2011 Transfer of Authorities Notice (2011 Transfer Notice). The 2011 Transfer Notice identified the rules and orders of the transferor agencies enforceable by the CFPB, including Department of Housing and Urban Development (HUD)’s regulations on RESPA in 24 CFR part 3500. In addition, the 2011 Transfer Notice confirmed that other official documents issued by other agencies prior to the transfer date would be applied by the CFPB going forward unless the CFPB took further action with respect to those documents or they were superseded by law. The documents listed are select HUD-issued official rules, interpretations, or policy statements that fall within the scope of the official documents as defined in the 2011 Transfer Notice and continue to be applied today by the CFPB. This list is provided for ease of reference.</p>	Lending	9/01/2023
CFPB	9/14/2023	<p><u>CFPB Releases Updated Small Business FAQs</u></p> <p>On September 14, 2023 the CFPB released an updated and expanded FAQ addressing:</p> <ul style="list-style-type: none"> - Institutional coverage - Covered credit transactions. - Small businesses - Firewall - Record retention 	Lending	October 1, 2024, April 1, 2025, or January 1, 2026, as set forth in § 1002.114(b).

AGENCY	DATE ISSUED	SUMMARY	BUSINESS UNITS AFFECTED	EFFECTIVE DATE
CFPB	9/21/2023	<p><u>CFPB Issues Guidance on Credit Denials by Lenders Using Artificial Intelligence</u></p> <p>The Consumer Financial Protection Bureau (CFPB) issued Consumer Financial Protection Circular 2023-03, guidance about certain legal requirements that lenders must adhere to when using artificial intelligence and other complex models. The guidance describes how lenders must use specific and accurate reasons when taking adverse actions against consumers. This means that creditors cannot simply use CFPB sample adverse action forms and checklists if they do not reflect the actual reason for the denial of credit or a change of credit conditions. This requirement is especially important with the growth of advanced algorithms and personal consumer data in credit underwriting. Explaining the reasons for adverse actions help improve consumers' chances for future credit and protect consumers from illegal discrimination.</p>	Lending	9/21/2023
CFPB	9/21/2023	<p><u>Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA, and Qualified Mortgages)</u></p> <p>The Consumer Financial Protection Bureau (Bureau or CFPB) is issuing this final rule amending the regulation text and official interpretations for Regulation Z, which implements the Truth in Lending Act (TILA). The CFPB calculates the dollar amounts for several provisions in Regulation Z annually; this final rule revises, as applicable, the dollar amounts for provisions implementing TILA and amendments to TILA, including under the Home Ownership and Equity Protection Act of 1994 (HOEPA), and the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The CFPB is adjusting these amounts, where appropriate, based on the annual percentage change reflected in the Consumer Price Index (CPI) in effect on June 1, 2023.</p>	Lending	1/01/2024