

# CONSUMER COMPLIANCE OUTLOOK®

A FEDERAL RESERVE SYSTEM PUBLICATION FOCUSING ON CONSUMER COMPLIANCE TOPICS

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## 2024 AGGREGATE SUPERVISORY DATA FOR INSTITUTIONS THE FEDERAL RESERVE SUPERVISES

The Federal Reserve System is the primary federal regulator for state member banks. Since 2023, *Consumer Compliance Outlook (CCO)* has been regularly publishing three types of aggregate supervisory data for these banks:

- The top consumer law violations identified by our examiners
- The top categories of consumer complaints
- The top Matters Requiring Immediate Attention (MRIAs) and Matters Requiring Attention (MRAs)

The Federal Reserve uses these data to enhance outreach and examiner training, to risk-focus future compliance examinations, and to inform its understanding of areas where supervised institutions face compliance challenges and where consumers are encountering issues with the institutions' financial services and products.

*CCO* has also been publishing articles that leverage these data points to enhance the transparency of the Federal Reserve's consumer compliance supervisory activities and to provide practical steps that institutions may consider when addressing certain consumer compliance risks. This issue lists the top-cited violations and consumer complaints and includes two articles on the top-cited violations. *CCO* will publish articles and data for the top-issued MRIAs and MRAs in a future 2025 issue.

During 2024, Federal Reserve System examiners conducted 223 examinations.<sup>1</sup> Table 1 lists the most frequently cited violations in 2024.<sup>2</sup>

**TABLE 1: Top Consumer Violations in 2024 for State Member Banks**

	<b>Provision</b>	<b>Number of Violations</b>	<b>Percentage of All Violations</b>
1.	Regulation C (Home Mortgage Disclosure Act), 12 C.F.R. §1003.4(a): Requires a financial institution to collect specified data points on applications, originations, and purchases of covered loans.	253	38.2
2.	Regulation BB (Community Reinvestment Act), 12 C.F.R. §228.42(a): Requires a bank to collect and maintain specific data for each small business or small farm loan originated or purchased by the bank during the evaluation period.	53	8.0

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# TOP FEDERAL RESERVE SYSTEM COMPLIANCE VIOLATIONS IN 2024: HOME MORTGAGE DISCLOSURE ACT

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The Home Mortgage Disclosure Act (HMDA), as implemented by Regulation C, requires specified depository and nondepository financial institutions to collect, record, report, and make publicly available certain data points on applications, originations, and purchases of *covered loans*, a term defined in the regulation that covers most consumer-purpose, dwelling-secured loans and certain commercial-purpose, dwelling-secured loans.<sup>1</sup> The data are used for different purposes, including:

- to help determine whether financial institutions are serving the housing needs of their communities;
- to assist in identifying possible discriminatory lending patterns and enforcement of federal fair lending laws; and
- to help public officials in distributing public-sector investments and encourage reinvestment in certain areas.<sup>2</sup>

As discussed in the accompanying article of the top-cited violations and consumer complaints in 2024 on page 1, Regulation C violations constituted 38 percent of the violations. Because examiners rely on HMDA data to conduct CRA performance evaluations, to assist in fair lending examinations, and to inform public policy and research, it is important for financial institutions subject to HMDA to ensure they comply with the regulation's granular requirements and to address the root causes of systemic violations.

The first part of this article lists the most frequent violations of Regulation C and discusses common procedural breakdowns that may contribute to the root cause of those violations. The second part provides sound practices and other strategies an institution can use to enhance its HMDA data collection and reporting practices.

## FREQUENT VIOLATIONS AND ROOT CAUSES

All of the top-cited HMDA violations in 2024 involve failing to properly report the information required in the following data fields:

- The universal loan identifier and the application received date required under §1003.4(a)(1)(i) and (ii), respectively
- Loan purpose required under §1003.4(a)(3)
- Action taken required under §1003.4(a)(8)
- Census tract in which the property is located required under §1003.4(a)(9)(ii)(C)
- Borrower information required under §1003.4(a)(10)

Here is our review of the regulatory requirements and root causes.

## REGULATORY REQUIREMENTS

### Universal Loan Identifier and Application Received Date: 12 C.F.R. §1003.4(a)(1)

The data collected shall include:

“(i) A universal loan identifier (ULI) ... for the covered loan or application. ... The financial institution shall assign and report a ULI that: ...

(B)(3) *Must not include any information that could be used to directly identify the applicant or borrower. ...*

(ii) Except for purchased covered loans, *the date the application was received or the date shown on the application form.*” (Emphasis added.)

The violations of 12 C.F.R. §1003.4(a)(1) involved two issues. First, examiners cited institutions for not reporting the correct date that the application was received, as 12 C.F.R. §1003.4(a)(1)(ii) requires. The violations occurred because staff failed to use the regulation’s definition of *application* to determine the date that must be reported. Regulation C defines *application* as “an oral or written request for a covered loan [i.e., a mortgage loan subject to HMDA] that is made in accordance with procedures used by a financial institution for the type of credit requested.”<sup>73</sup> Thus, policies and procedures should ensure that staff use this definition to determine the correct application date.

A related challenge for compliance with 12 C.F.R. §1003.4(a)(1) is that the regulation distinguishes between preapprovals, which are reported on the loan/application register (LAR), and prequalifications, which are not considered applications for the purposes of Regulation C and are therefore not reported. The Official Staff Commentary to 12 C.F.R. §1003.2(b) notes that interpretations of the definition of *application* under the Equal Credit Opportunity Act (ECOA), as implemented by Regulation B, generally apply to the definition of *application* under Regulation C.<sup>4</sup> However, an exception applies for prequalification requests: “Regulation C does not require an institution to report prequalification requests on the loan/application register, even though these requests may constitute applications under Regulation B for purposes of adverse action notices.”<sup>75</sup> Thus, institutions must ensure they are relying on Regulation C’s definition of application to determine if an application is reported.

The Official Staff Commentary to Regulation C further clarifies the distinction between prequalifications and preapprovals. A prequalification occurs when prospective loan applicants seek a *preliminary* determination of whether

they “would likely qualify for credit under an institution’s standards, or for a determination on the amount of credit for which the prospective applicant[s] would likely qualify.”<sup>76</sup>

Conversely, an application submitted in a *preapproval program* is reported on the LAR because it involves a written *commitment* to finance a home purchase loan up to a specified amount after a comprehensive review of an applicant’s creditworthiness. If HMDA compliance staff do not understand this distinction between preapprovals and prequalifications, they may erroneously report prequalifications on the LAR, which should not be reported, or fail to report preapprovals, which must be reported.

The date reported for preapprovals, as with other applications for covered loans, is the date the application was received or the date shown on the application form.<sup>7</sup> Comment 4(a)(1)(ii)-1 offers additional guidance, noting that an institution’s reporting approach “should be generally consistent (such as by routinely using one approach within a particular division of the institution or for a category of loans).” When an institution has multiple versions of the application form, it reports the date listed on the first application.

The second issue under 12 C.F.R. §1003.4(a)(1) pertained to the ULI field.<sup>8</sup> The ULI is a unique number a financial institution assigns to a covered loan or application. It must begin with the institution’s Legal Entity Identifier, followed by up to 23 additional letters or numbers the institution assigns, and end with a two-character check digit.<sup>9</sup> The ULI cannot include information that could be used to identify the applicant or borrower directly, such as the borrower’s name or date of birth. Examiners cited institutions for reporting information that could be used to identify the applicant or borrower, such as partially redacted names of the consumer or business.

The root causes of these violations included the absence of compliance-related procedures and controls to ensure the compliance department is reporting accurate information and does not include applicant information it should not report.

## REGULATORY REQUIREMENTS

### Loan Purpose: 12 C.F.R. §1003.4(a)(3)

Data collected shall include:

“Whether the covered loan is, or the application is for, a home purchase loan, a home improvement loan, a refinancing, a cash-out refinancing, or for a purpose other than home purchase, home improvement, refinancing, or cash-out refinancing.”

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“ The root causes of these violations included manual input errors and weaknesses in the bank’s secondary review process. ”

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Examiners cited institutions for selecting the wrong *loan purpose* field. In some instances, institutions incorrectly reported loans as *home improvement* when they had multiple purposes of both refinance *and* home improvement. The Official Staff Commentary clarifies that when a covered loan is both a home improvement loan and a refinancing/cash-out refinancing, but is not a home purchase loan, the loan should be reported as a refinancing or a cash-out refinancing, as appropriate.<sup>10</sup> Examiners also cited institutions for reporting the loan purpose as *refinancing* when the loans were *cash-out refinancings*. The reverse issue was also cited: reporting refinance loans as cash-out refinance loans when no cash-out was made to the borrower.

Regulation C defines *refinancing* as “a closed-end mortgage loan or an open-end line of credit in which a new, dwelling-secured debt obligation satisfies and replaces an existing, dwelling-secured debt obligation by the same borrower.”<sup>11</sup> On the other hand, a loan is designated as a *cash-out refinancing* “if it is a refinancing as defined by §1003.2(p) and the institution considered it to be a cash-out refinancing in processing the application or setting the terms (such as the interest rate or origination charges) *under its guidelines or an investor’s guidelines*.”<sup>12</sup> (Emphasis added).

Thus, whether a loan is reported as a cash-out refinance depends on the creditor’s internal standards instead of a specific regulatory definition. For example, one institution may establish a relatively high threshold for a loan to be considered a cash-out refinance, such as a refinance loan in which the borrower receives \$25,000 or more at closing, while another institution may define it with a lower threshold, such as a loan providing the borrower \$1,000 or more at closing. See Comments 4(a)(3)-2.i-2.iii for examples.

The root causes of these violations included manual input errors and weaknesses in the bank’s secondary review process. Training and policies and procedures could explicitly incorporate the examples provided in Comments (4)(a)(3)-2.i-2.iii to provide staff with additional clarifying guidance.

## REGULATORY REQUIREMENTS

### Action Taken: 12 C.F.R. §1003.4(a)(8)

Data collected shall include:

- “(i) The action taken by the financial institution, recorded as one of the following:
- (A) Whether a covered loan was originated or purchased;
  - (B) Whether an application for a covered loan that did not result in the origination of a covered loan was approved but not accepted, denied, withdrawn by the applicant, or closed for incompleteness; and
  - (C) Whether a preapproval request that did not result in the origination of a home purchase loan was denied or approved but not accepted.
- (ii) The date of the action taken by the financial institution.”

Institutions were cited for incorrectly reporting the action taken. The root causes included:

- weaknesses in internal controls;
- data entry errors;
- failing to conduct secondary reviews;
- weaknesses in the overall compliance management system;
- failing to provide compliance procedures to aid staff in ensuring accuracy before filing the LAR; and
- failing to understand the regulatory requirement.

Comments (4)(a)(8)(i)-1–14 specify in detail how to report the action taken in the following circumstances:

- (4)(a)(8)(i)-1: covered loan originated
- (4)(a)(8)(i)-2: covered loan purchased
- (4)(a)(8)(i)-3: application approved but not accepted
- (4)(a)(8)(i)-4: application denied
- (4)(a)(8)(i)-5: application withdrawn
- (4)(a)(8)(i)-6: file closed for incompleteness
- (4)(a)(8)(i)-7: preapproval request denied
- (4)(a)(8)(i)-8: preapproval request approved but not accepted
- (4)(a)(8)(i)-9: counteroffers
- (4)(a)(8)(i)-10: rescinded transactions
- (4)(a)(8)(i)-11: purchased covered loans

- (4)(a)(8)(i)-12: repurchased covered loans
- (4)(a)(8)(i)-13: conditional approvals
- (4)(a)(8)(i)-14: pending applications

The full text of these comments contains granular details to clarify the requirements of reporting the action taken and could be directly incorporated into training and policies and procedures so staff could readily reference them.

## REGULATORY REQUIREMENTS

### **Borrower Information: 12 C.F.R. §1003.4(a)(10)**

#### *Gross Annual Income*

“(iii) Except for covered loans or applications for which the credit decision did not consider or would not have considered income, the gross annual income relied on in making the credit decision or, if a credit decision was not made, the gross annual income relied on in processing the application,” shall be collected.

#### *Demographic Information of Co-applicants*

The instructions for demographic data collection in Appendix B to Part 1003 provide the requirements for reporting co-applicant information:

“5. If there are no co-applicants, you must report that there is no co-applicant. If there is more than one co-applicant, you must provide the ethnicity, race, and sex only for the first co-applicant listed on the collection form. A co-applicant may provide an absent co-applicant’s ethnicity, race, and sex on behalf of the absent co-applicant. If the information is not provided for an absent co-applicant, you must report ‘information not provided by applicant in mail, internet, or telephone application’ for the absent co-applicant.”

### **Gross Annual Income**

Examiners cited several different errors for the way in which institutions reported the gross annual income field.

First, institutions reported the gross annual applicant income for covered loans to employees, which should be reported as “NA” even if the bank relied on the applicant’s income in the credit decision. These errors occurred because staff did not understand the requirements for reporting income for bank employees.

Second, institutions reported the incorrect amount of gross annual applicant income: This should be reported based on the gross annual income relied on in making the credit decision; if a credit decision was not made, the gross annual income relied

on in processing the application should be used.

These errors resulted from using earlier underwriting data, whereas the final underwriting data recorded the income relied upon for the credit decision. Comment 4(a)(10)(iii)-1 helps to clarify a related issue of reporting only the income upon which the lender relied in making the credit decision when the lender excludes some types of income from the credit decision. For example, if a creditor does not include an applicant’s commission because it was earned for less than 12 months, the commission income should be excluded from the reported income.

### **Demographic Information of Co-applicants**

As noted, Appendix B to Part 1003 specifies the requirements for collecting the applicant’s demographic information, including co-applicants. If the loan has more than one co-applicant, only the demographic information about the first co-applicant must be provided, in accordance with the directions in Appendix B.

Examiners cited institutions for reporting incorrect demographic information about the co-applicants’ ethnicity, race, sex, and age. The root cause was weaknesses in training, policies and procedures, and internal controls. A secondary HMDA review would have identified the errors and is therefore a sound practice to mitigate this risk along with training.

## REGULATORY REQUIREMENTS

### **Census Tract Location: 12 C.F.R. §1003.4(a)(9)(ii)(C)**

“The following information about the location of the property securing the covered loan or, in the case of an application, proposed to secure the covered loan” shall be collected: ...

“(C) Census tract if the property is located in a county with a population of more than 30,000 according to the most recent decennial census conducted by the U.S. Census Bureau”

For the property address and location fields, examiners frequently cited errors recording the incorrect census tract code. Examiners also cited institutions reporting census tract data when they should have reported “NA” because specific property information was not available when the loan decision was made.

The root causes included:

- failing to conduct secondary reviews that would validate the reported data by cross-referencing the geocoding

information with the website of the Federal Financial Institutions Examination Council;

- making input errors;
- failing to understand regulatory requirements; and
- having deficient procedures.

### SOUND PRACTICES TO MITIGATE HMDA RISKS

Part 1 of this article provided analyses of specific HMDA data collection and reporting inaccuracies. Part 2 identifies sound practices and possible enhancements to a bank’s compliance

management system that can help ensure compliant HMDA data collection and reporting. The guidance shared below draws substantially from the *CCO* article “HMDA Data Collection and Reporting: Keys to an Effective Program,” by Allison Burns and Angelo Parker (Fourth Issue 2020), which also discussed sound HMDA data collection and reporting practices.

The table identifies the policies, procedures and controls that examiners have frequently observed at institutions with effective and compliant HMDA data collection and reporting processes.

Sound HMDA Practices	
Board and Senior Management Oversight — <b>Tone at the Top</b>	<ul style="list-style-type: none"> <li>• Recognize that HMDA compliance has increased risk because of detailed, nuanced requirements and is a frequently cited violation</li> <li>• Provide necessary human and capital resources</li> </ul>
Policies and Procedures — <b>Standardized Processes</b>	<ul style="list-style-type: none"> <li>• Detail policies and procedures to ensure a consistent and repeatable process</li> </ul>
Policies and Procedures — <b>Training</b>	<ul style="list-style-type: none"> <li>• Conduct regular training specific to the individual contributor’s role in the process</li> <li>• Identify and train for difficult situations based on violations for which the bank has been cited or for the common violations discussed in this article that may apply</li> </ul>
Policies and Procedures — <b>Tools</b>	<ul style="list-style-type: none"> <li>• Use flowcharts, worksheets, and job aids for staff</li> <li>• Provide staff with <i>A Guide to HMDA: Getting It Right!</i> and the annual <i>Filing Instruction Guide</i></li> </ul>
Risk Monitoring and Management Information Systems — <b>Risk-Based Monitoring</b>	<ul style="list-style-type: none"> <li>• Ensure risk monitoring process is commensurate with institutional risk; establish a lead or subject matter expert with ownership of the compliance process</li> <li>• Monitor new applications, purchases, and originations to determine whether they are HMDA reportable</li> </ul>
Internal Controls — <b>Data Verification</b>	<ul style="list-style-type: none"> <li>• Develop a verification process to review source documents</li> </ul>
Internal Controls — <b>Automation</b>	<ul style="list-style-type: none"> <li>• Understand how the institution’s core system interfaces with its HMDA data collection software</li> </ul>

Most institutions can implement these practices regardless of the size and structure of the institution's HMDA program. It is important for an institution to determine its risk profile, assess the level of knowledge within the institution, commit the necessary resources to the compliance process, and apply the practices best suited for its level of risk and resources.

Institutions can implement the following additional examples of sound practices for three of the processes identified — training, tools, and data verification — to promote effective compliance with HMDA requirements.

### **Training**

Regular in-depth training is an effective tool for an institution to help its staff understand the HMDA reporting requirements and to help ensure that the institution applies data collection procedures consistently. Effective training is tailored to an individual's role in the collection process and provides sufficient detail to aid staff in identifying the transactions to be reported and the data to be collected.

Effective training also helps staff to better understand regulatory requirements and the institution's internal HMDA procedures and can be particularly beneficial for explaining the nuanced data fields discussed in this article. Regulation C has been amended several times in recent years, which makes regular training even more important to ensure that employees are up to date on the data collection requirements.

For example, the 2010 Dodd–Frank Act amended HMDA to add data points, directed the Consumer Finance Protection Bureau (CFPB) to amend Regulation C to implement the changes, and provided the CFPB with discretionary authority to create additional data points. In 2015, the CFPB issued a final rule to implement the Dodd–Frank Act amendments.<sup>13</sup>

But in 2018, Congress enacted the EGRRCPA, as discussed in Endnote 8, which exempted certain HMDA filers from collecting many of the data fields added in the 2015 final rule if they originated fewer than 500 closed-end mortgage loans or 500 home-secured open-end lines of credit in each of the two preceding calendar years.<sup>14</sup> Similarly, while a May 2020 final rule amended Regulation C to increase the threshold for collecting and reporting data about closed-end mortgage loans from 25 to 100 loan originations,<sup>15</sup> a September 2022 court ruling vacated that portion of the rule, which reverted the collection and reporting threshold for closed-end mortgage loans to 25 loan originations.<sup>16</sup> Regular training can help an institution's compliance staff stay up to date on the rules and create consistency in compliance among business lines and staff involved in the HMDA process.

### **Tools**

Providing staff with tools, such as flowcharts, data field worksheets, and guidance prepared for industry, can improve accuracy by aiding an institution's staff throughout the data collection process. For example, flowcharts can help staff determine whether a transaction is covered and HMDA reportable.

HMDA data field worksheets are another effective way to help ensure that staff collect data on all the key data fields during the loan application process. Worksheets can include references on where to find information in the loan file or reminders about HMDA's requirements. For example, the worksheet may indicate where to find the verified gross income in the loan file based on loan type, and could include a reference of when income should be reported as "NA." Worksheets can also guide staff on how to accurately geocode the collateral securing the loan. Providing staff with copies of guidance prepared to assist industry in HMDA compliance, such as *A Guide to HMDA Reporting: Getting It Right!* or the *Home Mortgage Disclosure (Regulation C) Small Entity Compliance Guide*, can help staff to better understand HMDA data collection requirements, especially for unfamiliar or complex covered transactions.

Finally, an automated collection process can reduce the burden of compiling HMDA data. Software programs are available to automate the collection process using the information entered during loan origination as the source documentation for reporting HMDA data points. Some financial institutions use their loan origination software to determine geocodes, while others use data collection software to compile the entire LAR.

### **Data Verification**

Comprehensively reviewing HMDA data before submission by comparing and verifying the data collected with the data contained in the source files can help staff identify and correct errors, which increases the accuracy of the data submitted. Depending on the volume of HMDA data an institution collects, this process may involve testing and verifying through sampling. An effective verification process also provides an institution with an opportunity to measure the accuracy of its data collection and reporting processes and promptly identify weaknesses. The verification process can also test the effectiveness of processes that the institution uses to identify all applicable loans and non-originated applications covered by HMDA.

Institutions can conduct data reviews internally or through a reputable third-party vendor. The strength of the institution's data collection processes can help determine the scope and frequency of the review. For example, the risk of HMDA

noncompliance may be greater for institutions with a high loan origination volume or a decentralized collection process, which may merit more frequent reviews. Such reviews may uncover errors that can range from simple typographical mistakes to more significant procedural errors that could lead to systemic reporting violations, data scrubs, and the need for resubmission. Identification of errors or weaknesses during the review gives an institution the opportunity to correct the data before submission, assess the severity of the weaknesses, and take appropriate corrective actions to address the root cause of identified weaknesses. A thorough data verification process provides a much-needed last line of defense for HMDA reporters.

**CONCLUDING REMARKS**

The federal banking agencies frequently cite violations of HMDA data collection and reporting requirements. Institutions can benefit from reviewing and validating their data collection and reporting processes to ensure they are accurately collecting and reporting HMDA data. Specific issues and questions about HMDA requirements should be raised with your primary regulator. ■

**Top-Cited Regulation C Violations in 2024**

In the three years for which *CCO* has published annual data for violations identified by Federal Reserve examiners, the most common violation identified by far has been institutions’ failure to properly collect and report the HMDA data fields for “covered loans” as §1003.4(a) of Regulation C requires. As noted in the *CCO* article “HMDA Data Collection and Reporting: Keys to an Effective Program,” by Allison Burns and Angelo Parker (Fourth Issue 2020), HMDA data collection and reporting can be challenging because HMDA reporters must collect multiple data fields, some

of which have nuanced requirements. The *CCO* article “Top Federal Reserve Compliance Violations in 2022: Data Collection and Reporting Requirements of the Home Mortgage Disclosure Act,” by Kenneth Benton and Alinda Murphy (Second/Third Issue 2023), elaborated further on the specific challenges underlying several of these §1003.4(a) violations.

The following are the top 10 data fields underlying the §1003.4(a) violations the Federal Reserve System cited in 2024.

Subsection	Description
12 C.F.R. §1003.4(a)(10)	Ethnicity, race, sex, age, and gross annual income of the applicant or borrower
12 C.F.R. §1003.4(a)(9)	The property address or other information about the location of the property securing the covered loan
12 C.F.R. §1003.4(a)(8)	The action taken by the financial institution and the date of the action
12 C.F.R. §1003.4(a)(3)	Whether the covered loan or application is for a home purchase loan, a home improvement loan, a refinancing, a cash-out refinancing, or another purpose
12 C.F.R. §1003.4(a)(1)	A universal loan identifier and the date for the covered loan or application
12 C.F.R. §1003.4(a)(25)	The scheduled number of months after which the legal obligation will mature or terminate or would have matured or terminated
12 C.F.R. §1003.4(a)(23)	The ratio of the applicant’s or borrower’s total monthly debt to the total monthly income relied on in making the credit decision
12 C.F.R. §1003.4(a)(31)	The number of individual dwelling units related to the property securing, or proposed to secure, the covered loan
12 C.F.R. §1003.4(a)(7)	The amount of the covered loan or the amount applied for
12 C.F.R. §1003.4(a)(15)	The credit score or scores relied on in making the credit decision and the name and version of the scoring model used to generate each credit score

# ENDNOTES\*

- <sup>1</sup> See 12 C.F.R. §1003.2(e). A consumer-purpose, dwelling-secured closed-end mortgage loan or open-end line of credit is reported unless an exemption or exclusion in 12 C.F.R. §1003.3 applies. A commercial-purpose, dwelling-secured closed-end mortgage loan or open-end line of credit is reported only if it “is a home improvement loan under §1003.2(i), a home purchase loan under §1003.2(j), or a refinancing under §1003.2(p)” and no other exclusion applies. See 12 C.F.R. §1003.3(c)(10).
- <sup>2</sup> See Revised Interagency Examination Procedures for the Home Mortgage Disclosure Act (2019) at p. 1.
- <sup>3</sup> 12 C.F.R. §1003.2(b)(1).
- <sup>4</sup> Comment 2(b)-1.
- <sup>5</sup> Comment 2(b)-2.
- <sup>6</sup> Comments 2(b)-1, -2, and -3.
- <sup>7</sup> 12 C.F.R. §1003.4(a)(1)(ii).
- <sup>8</sup> HMDA reporters eligible for the partial exemption in the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) are not required to report the ULI. See EGRRCPA, §104 (Pub. L. 115–174, 132 Stat. 1296 (May 24, 2018))(codified at 12 U.S.C. §2803(i)(1), (2)). This provision is implemented in Regulation C at 12 C.F.R. §1003.3(d)(1)(iii). Institutions eligible for the partial exemption must still report a non-universal loan identifier (NULI). The NULI must be composed of up to 22 characters to identify the covered loan or application and cannot include information that could be used to directly identify the applicant or borrower. See 12 C.F.R. §1003.3(d)(5).
- <sup>9</sup> 12 C.F.R. §1003.4(a)(1)(i)(A)–(C).
- <sup>10</sup> Comment 4(a)(3)-3.
- <sup>11</sup> 12 C.F.R. §1003.2(p).
- <sup>12</sup> Comment 4(a)(3)-2.
- <sup>13</sup> 80 FR 66128 (October 28, 2015).
- <sup>14</sup> 83 FR 45325 (September 7, 2018).
- <sup>15</sup> 85 FR 28364 (May 12, 2020), *vacated in part by National Community Reinvestment Coalition v. Consumer Financial Protection Bureau*, No. 20-cv-2074, 2022 WL 4447293 (D.D.C. September 23, 2022).
- <sup>16</sup> See Consumer Affairs letter 23-1, “Changes to Home Mortgage Disclosure Act (HMDA) Loan Volume Reporting Threshold for Closed-End Mortgage Loans” (January 31, 2023); 87 FR 77980 (December 21, 2022).

\* Note: The links for the references listed in the Endnotes are available on the *Consumer Compliance Outlook* website at [consumercomplianceoutlook.org](http://consumercomplianceoutlook.org).

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# COMMON COMMUNITY REINVESTMENT ACT (REGULATION BB) DATA COLLECTION AND REPORTING VIOLATIONS IN THE FEDERAL RESERVE SYSTEM

BY ALINDA MURPHY, FORMER LEAD EXAMINER, FEDERAL RESERVE BANK OF KANSAS CITY

A review of Federal Reserve examination data indicates that violations of the small business and small farm data collection and reporting requirements of Regulation BB,<sup>1</sup> the Federal Reserve’s implementing regulation for the Community Reinvestment Act (CRA) for the state member banks it supervises, were the most common Regulation BB violations in 2024.<sup>2</sup> To facilitate compliance, this article reviews the violations and discusses sound practices to mitigate the root causes of the violations.<sup>3</sup>

The CRA requires the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (the agencies) to periodically evaluate the insured depository institutions (banks)<sup>4</sup> they supervise to assess whether they are meeting the credit needs of their entire communities, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations.<sup>5</sup> The agencies’ CRA regulations provide different methods to evaluate a bank’s CRA performance depending on its asset size<sup>6</sup> and business strategy:

- Small banks — those with assets of less than \$402 million as of December 31 of either of the prior two calendar years — are evaluated under a lending test.
- Intermediate small banks — those with assets of at least \$402 million as of December 31 of both of the prior two calendar years and less than \$1.609 billion as of December 31 of either of the prior two calendar years — are evaluated under the lending test for small banks and a community development test.
- Large banks — those with assets of more than \$1.609 billion as of December 31 of both of the prior two calendar years — are evaluated under separate lending, investment, and service tests.
- Designated wholesale banks (defined as banks not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers)<sup>7</sup> and limited purpose banks (defined as banks offering only a narrow product line to a regional or broader market)<sup>8</sup> are evaluated under a standalone community development test.
- Banks of any size may elect to be evaluated under a

strategic plan<sup>9</sup> that sets out measurable, annual goals for lending, investment, and service activities and must be developed with community input and approved by the appropriate federal banking agency.

To facilitate the agencies’ CRA analysis, large banks are required to annually report certain data on community development loans, small business loans, and small farm loans (small banks and intermediate small banks are not required to report these data unless they opt into being evaluated under the large bank lending test). In addition, if a large bank reports loans under the Home Mortgage Disclosure Act, it must also report the location of applications, originations, or purchases of covered loans outside the metropolitan statistical areas (MSAs) in which the bank has a home or branch office (or outside any MSA).

## REGULATION BB DATA COLLECTION COMPLIANCE VIOLATIONS

In 2024, examiners frequently cited the following violations of small business and small farm data collection requirements:

- Reporting incorrect loan amounts<sup>10</sup>
- Reporting incorrect census tracts<sup>11</sup>
- Reporting incorrect revenue codes<sup>12</sup>

### REGULATORY REQUIREMENTS

#### **Data collection, reporting, and disclosure: 12 C.F.R. §228.42(a)(2)–(4)\***

“(a) Loan information required to be collected and maintained. A bank, except a small bank, shall collect, and maintain in machine readable form (as prescribed by the Board) until the completion of its next CRA examination, the following data for each small business or small farm loan originated or purchased by the bank: ...

- (2) The loan amount at origination;
- (3) The loan location; and
- (4) An indicator whether the loan was to a business or farm with gross annual revenues of \$1 million or less.”

\* Because the agencies are rescinding their 2024 amendment to the CRA regulations, the prior version applies.

### **Reporting Inaccurate Loan Amounts**

Examiners observed errors resulting from bank software pulling information from the wrong core system data fields and inadvertent manual input failures. The errors were primarily attributed to the lack of a process for periodically validating the accuracy of data input by bank software systems and to weak bank controls and secondary review processes that did not verify collected data against source documents.

### **Reporting Wrong Loan Locations**

Examiners found census tract data based on the residential address of the business or farm owner; however, banks are expected to document the census tract where the main business facility or farm is located or where the loan proceeds otherwise will be applied.<sup>13</sup> In other instances, bank software improperly geocoded addresses, or inadvertent errors occurred during manual input. The root causes for the violations included insufficient staff training in data collection requirements, inadequate controls and second review processes, and the lack of a process to periodically verify the accuracy of geocodes generated by software systems.

### **Reporting Incorrect Revenue Indicators**

Errors included failing to document filing indicator code “1” when business or farm revenues were less than or equal to \$1 million and code “2” when gross annual revenues were greater than \$1 million. In other instances, “NA” was not included in the revenue indicator field when the bank did not collect gross annual revenue information from the business or farm. Examiners determined that the root causes of the violations were inadequate staff training and bank staff’s failure to compare collected data against supporting loan documentation during second reviews.

In summary, most of the top-cited Regulation BB data collection and reporting compliance violations occurred because of inadequate software monitoring, internal controls and second reviews, and staff compliance training. Examiners also attributed primary root causes to inadequate change management oversight with boards of directors not ensuring that banks reviewed and updated their compliance management systems to align with regulatory and filing requirements and changes in bank strategy, structure, staff, or software.

### **SOUND PRACTICES TO MITIGATE COMPLIANCE ISSUES**

The table lists sound compliance practices examiners have observed and recommended to address the referenced types of CRA data collection and reporting violations.

<b>Sound Compliance Practices</b>	
Board and Senior Management Oversight	<ul style="list-style-type: none"><li>• Review the continued adequacy of CRA data collection and reporting compliance procedures based on regulatory and filing requirements and after bank strategy, structure, staff, or software changes</li><li>• Ensure that updated CRA data collection and reporting procedures are implemented on a timely basis</li><li>• Establish clear expectations of accountability and ensure appropriate resources are in place</li></ul>
Internal Controls	<ul style="list-style-type: none"><li>• Periodically verify the accuracy of CRA data generated or input by software systems</li><li>• Use a second review process that compares collected data with supporting loan documentation</li><li>• Document and monitor all identified data errors</li></ul>

## Sound Compliance Practices (Continued)

Training	<ul style="list-style-type: none"> <li>• Promptly address training issues detected during second review processes</li> <li>• Review whether compliance training requires adjustment or updating with respect to regulatory and filing requirements and any bank strategy, structure, staff, or software changes</li> </ul>
Monitoring and Audit	<ul style="list-style-type: none"> <li>• Periodically review currently offered bank products against Call Report instructions in Schedule RC-C, Part II (Loans to Small Businesses and Small Farms)</li> <li>• Ensure that monitoring and audit efforts are commensurate with data volume and any bank strategy, structure, staff, or software changes that have occurred</li> <li>• Determine and address the root causes of all issues, including those that appear to be isolated but may indicate larger compliance management system weaknesses</li> </ul>
Policies and Procedures	<ul style="list-style-type: none"> <li>• Review bank policies and procedures periodically to ensure they align with compliance requirements based on the bank’s current operations and whenever the bank implements strategy, structure, staff, or software changes</li> </ul>

### CONCLUDING REMARKS

This article describes the most common Federal Reserve System CRA examination violations relating to data collection and reporting requirements for large banks and recommends

sound compliance practices to help banks address the root causes of those violations and mitigate risks. Banks with questions about CRA data collection and reporting requirements should contact their primary federal regulator. ■

## ENDNOTES\*

<sup>1</sup> See 12 C.F.R. Part 228. The CRA implementing regulations of the Federal Deposit Insurance Corporation (12 C.F.R. Part 345) and the Office of the Comptroller of the Currency (12 C.F.R. Part 25) are substantially similar for the institutions they supervise. For convenience, this article refers to and cites Regulation BB. The currently applicable version of Regulation BB is available here.

<sup>2</sup> The CRA examinations were conducted in 2024 and evaluated compliance with CRA data collection and reporting requirements since the last examination. The examination cycle varies, depending on the bank’s asset size and rating. Because data collection and reporting requirements apply only to large banks, the CRA examination cycle is either 24 months for large banks with a CRA rating of “satisfactory” or “outstanding” or 12 months for large banks with a CRA rating of “needs to improve” or “substantial noncompliance.”

<sup>3</sup> The article includes information from the presentation slides for a 2010 Outlook Live webinar, “Tips for Reporting Accurate HMDA and CRA Data,” presented by Federal Reserve Bank of Atlanta

Senior Examiner Cindy J. Anderson and Federal Reserve Bank of Minneapolis Vice President Karin Bearss.

<sup>4</sup> 12 U.S.C. §1813(c)(2) (definition of insured depository institution).

<sup>5</sup> 12 U.S.C. §§2901(b), 2903(a)(1).

<sup>6</sup> The thresholds for asset size are as of January 1, 2025. They are annually adjusted for inflation.

<sup>7</sup> 12 C.F.R. §228.12(x).

<sup>8</sup> 12 C.F.R. §228.12(n).

<sup>9</sup> 12 C.F.R. §228.27.

<sup>10</sup> 12 C.F.R. §228.42(a)(2).

<sup>11</sup> 12 C.F.R. §228.42(a)(3).

<sup>12</sup> 12 C.F.R. §228.42(a)(4).

<sup>13</sup> *Interagency Questions and Answers Regarding Community Reinvestment*, Q&A §\_\_42(a)(3)—1.

\* Note: The links for the references listed in the Endnotes are available on the *Consumer Compliance Outlook* website at [consumercomplianceoutlook.org](https://www.consumercomplianceoutlook.org).

## 2024 AGGREGATE SUPERVISORY DATA FOR INSTITUTIONS THE FEDERAL RESERVE SUPERVISES

<b>TABLE 1: Top Consumer Violations in 2024 for State Member Banks (Continued)</b>			
	<b>Provision</b>	<b>Number of Violations</b>	<b>Percentage of All Violations</b>
3.	Regulation E (Electronic Fund Transfers Act), 12 C.F.R. §1005.11(c): Requires a financial institution to perform an investigation and determine whether an error occurred within 10 business days of receiving a notice of error.	35	5.3
4. (Tie)	Federal Trade Commission Act, Section 5(a), 15 U.S.C. §45: Prohibits unfair or deceptive acts or practices in or affecting commerce.	12	1.8
(Tie)	Regulation DD (Truth in Savings Act), 12 C.F.R. §1030.4(b): Requires a depository institution to provide certain information in account disclosures that must be provided to a consumer before an account is opened.	12	1.8
6. (Tie)	Regulation Z (Truth in Lending Act), 12 C.F.R. §1026.38(o): Requires a creditor to disclose certain loan calculations associated with a closed-end mortgage transaction on the Closing Disclosure.	10	1.5
(Tie)	Regulation Z (Truth in Lending Act), 12 C.F.R. §1026.19(e): Requires a creditor in a closed-end mortgage transaction to provide good faith estimates of the disclosures required in the Loan Estimate.	10	1.5
(Tie)	Regulation H (Flood Disaster Protection Act), 12 C.F.R. §208.25(i): Requires a bank that makes a loan secured by a property in a special flood hazard area to deliver a written notice to the borrower indicating whether flood insurance is available under the Flood Disaster Protection Act.	10	1.5
9.	Regulation Z (Truth in Lending Act), 12 C.F.R. §1026.38(f): Requires a creditor to disclose all loan costs associated with a closed-end mortgage transaction on the Closing Disclosure under the heading “Closing Cost Details.”	9	1.4
10. (Tie)	Regulation E (Electronic Fund Transfers Act), 12 C.F.R. §1005.11(d): Requires a financial institution to respond to a consumer’s notice of error in writing if it determines that no error occurred or that an error occurred in a manner or amount different from that described by the consumer.	8	1.2
(Tie)	Regulation Z (Truth in Lending Act), 12 C.F.R. §1026.38(i): Requires a creditor to calculate cash to close in a closed-end mortgage transaction on the Closing Disclosure.	8	1.2
(Tie)	Regulation H (Flood Disaster Protection Act), 12 C.F.R. §208.25(c): Prohibits a bank from making a loan secured by a property in a special flood hazard area unless the property is covered by flood insurance for the term of the loan.	8	1.2
<b>Subtotal of Top Violations</b>		<b>428</b>	<b>64.7</b>
<b>Total</b>		<b>662</b>	<b>100</b>

During 2024, the Federal Reserve monitored consumer complaints by topic. Table 2 describes the most frequent topics of consumer complaints in 2024.<sup>3</sup> ■

<b>TABLE 2: Top Consumer Complaints in 2024 for State Member Banks</b>			
<b>Complaint Topic</b>		<b>Number of Complaints</b>	<b>Percentage of All Complaints</b>
1.	Restricted/Blocked Account	3,102	38.2
2.	Fraud/Forgery	1,255	15.4
3.	Error Resolution	902	11.1
4.	Funds Availability/Withdrawals/Unable to Access Funds	850	10.5
5.	Credit Reporting	624	7.7
6.	Fees/Terms/Rates	226	2.8
7.	Account Closure	211	2.6
8.	Application/Account Opening	114	1.4
9.	Debt Validation	106	1.3
10.	Inability to Pay	88	1.1
<b>Subtotal of Complaints in Top 10 Categories</b>		<b>7,478</b>	<b>92.1</b>
<b>Total of All 2024 Complaints</b>		<b>8,127</b>	<b>100</b>

## ENDNOTES\*

<sup>1</sup> The Federal Reserve System examines state member banks using an examination calendar that factors in institution size and risk profile. Therefore, not all state member banks were examined in 2024.

<sup>2</sup> For the purposes of this table, a violation is a citation of a bank in an examination report by the Federal Reserve for violating the listed provision; the listed numbers do not refer to the number of consumers the violation affected.

<sup>3</sup> The Federal Reserve investigates complaints against state member banks and selected nonbank subsidiaries of bank holding companies (Federal Reserve–regulated entities). For more information on the Federal Reserve’s complaint handling process, see the *110th Annual Report of the Board of Governors of the Federal Reserve System* and *The Fed Explained: What the Central Bank Does*.

\* Note: The links for the references listed in the Endnotes are available on the *Consumer Compliance Outlook* website at [consumercomplianceoutlook.org](https://consumercomplianceoutlook.org).

# RECORD RETENTION REFERENCE GUIDE FOR FEDERAL CONSUMER PROTECTION LAWS AND REGULATIONS

Most federal consumer protection laws and regulations require providers of financial products and services to retain records of compliance for a specified period. To facilitate compliance, this is a high-level summary of the retention requirements for select federal consumer protection laws and regulations. This chart has been designed as a pullout for easy future reference: For example, if a compliance officer has a question about the retention requirements for Regulation B, the chart provides a summary and a link to the regulation for more details. *Consumer Compliance Outlook (CCO)* originally published this chart in the First Issue 2018; it has been updated to reflect changes since 2018. The chart is intended to provide a quick overview but is not a substitute for reviewing the applicable statute or regulation.

15 U.S.C. §7001(d)(1) et seq. The E-Sign Act was designed to facilitate electronic commerce by providing that the validity or enforceability of a contract, electronic record, or signature for a transaction affecting interstate commerce (subject to certain exceptions) cannot be challenged solely because it is in electronic form or because an electronic signature or record was used to form the contract. For the purposes of this article and chart, the E-Sign Act also provides that, if a law requires the record of a transaction to be retained, an electronic record satisfies this requirement. The record-keeping requirements for electronic records were discussed in a 2009 *CCO* article, “Moving from Paper to Electronics: Consumer Compliance Under the E-Sign Act,” by Jeffrey T. Paul and Gary Louis (Fourth Quarter 2009).

A discussion of record retention must include the Electronic Signatures in Global and National Commerce Act (E-Sign Act),

Specific questions should be directed to your primary regulator. ■

Regulation/Statute	Citation	Requirement <sup>1</sup>	Retention Period <sup>2</sup>
Regulation B/Equal Credit Opportunity Act (ECOA)	12 C.F.R. §1002.12	Maintain applications and required notifications, including written statements alleging violations, prescreened solicitations, related selection criteria, complaints correspondence, self-test documentation, right-to-appraisal notice, adverse action notices, and ECOA notices; maintain records of fair lending self-test	25 months for consumer transactions and self-tests 12 months for commercial transactions (with a special rule for business credit applications in §1002.12(b)(5)) The period is extended for enforcement proceedings and investigations (§1002.12(b)(4))
Regulation C/Home Mortgage Disclosure Act	12 C.F.R. §1003.5(a)(1) and (d)	Maintain loan/application register (LAR) and public disclosure statement	3 years for LAR 5 years for disclosure statement
Regulation E/Electronic Funds Transfer Act (EFTA)	12 C.F.R. §§1005.13(b) and .33(g)(2)	Maintain evidence of compliance as required by the EFTA and Regulation E, including (but not limited to) error-related documentation	2 years
Regulation G/Secure and Fair Enforcement for Mortgage Licensing Act	12 C.F.R. §1007.104(h)	Maintain records of registrants’ criminal history background reports and actions taken	Does not specify

<sup>1</sup> This information is paraphrased from the law or regulation. The applicable law or regulation contains more details.

<sup>2</sup> This identifies the *period* that a record must be retained, not what triggers the retention period (e.g., application or date notice sent).

Regulation/Statute	Citation	Requirement	Retention Period
Regulation H/Flood Disaster Protection Act of 1973	12 C.F.R. §208.25(i)(3)–(4) and (f)(2) <sup>3</sup>	Retain a record of the special flood hazard determination form and receipt of notices to the borrower and servicer, force-placed notices, and evidence of flood insurance if required	Life of the loan
Regulation M/Consumer Leasing Act	12 C.F.R. §1013.8	Retain evidence of compliance with Regulation M, including having performed required actions (except advertising) and having made required disclosures	2 years
Regulation V/Fair Credit Reporting Act (implementing regulations for accuracy and integrity requirements)	Appendix E to 12 C.F.R. Part 1022	Maintain records to substantiate accuracy of consumer information furnished to credit reporting agencies that is subject to a direct dispute	Reasonable period of time but not less than any applicable recordkeeping requirement to substantiate the accuracy of any information about consumers it furnishes that is subject to a direct dispute
Regulation X/Real Estate Settlement Procedures Act	12 C.F.R. §§1024.10(e), 14(h), and 15(d)	Retain HUD-1/HUD-1A (if applicable) and documents relating to kickbacks and unearned fees, and affiliated business arrangements	5 years after settlement
	12 C.F.R. §1024.38(c)(1), (2)  Small servicers, as defined in §1026.41(e)(4), are exempt from §1038(c)'s requirements	Servicer must retain records documenting actions taken for a mortgage loan account, including servicing disclosure statements  A servicer must also maintain documents and data of servicer transactions for each mortgage loan that can be compiled into a servicing file within 5 days, including escrow and suspense accounts, the security instrument, servicers' notes for communications with the borrower, and any documents the borrower provided to the servicer	1 year after loan is discharged or servicing is transferred
Regulation Z/Truth in Lending Act	12 C.F.R. §1026.25	Retain evidence of compliance for 2 years with exceptions noted below	2 years — agencies may require longer retention periods
	§1026.25(c)(1)(ii)(A)	Retain Closing Disclosure	5 years
	§1026.25(c)(1)(ii)(B)	If a loan is sold or serviced, must provide records to new owner or the servicer, who must retain records for the balance of 5 years; the creditor must also retain evidence that it performed the required actions and issued the required disclosures	5 years
	§1026.25(c)(2)	Loans subject to §1026.43 and loans secured by real property, except the Closing Disclosures, which is covered in §1026.25(c)(1)(ii)(A)	3 years
	§1026.25(c)(2)(i)	Creditor must maintain records of compensation to loan originator, including compensation agreement	3 years after date of payment
	§1026.25(c)(2)(ii)	Loan originator organization must maintain records of compensation it receives from a creditor, consumer, or another person; compensation it pays loan originators; and the loan compensation agreement	3 years after date of payment

<sup>3</sup> The federal banking agencies issue the implementing regulations for the Flood Disaster Protection Act of 1973 on an interagency basis, but each agency codifies them in its respective regulations. We have provided the citation for the Federal Reserve's flood insurance implementing regulations. The other agencies' flood insurance record retention requirements, which are substantially similar, appear in 12 C.F.R. Part 22.9(d)–(e) for institutions supervised by the Office of the Comptroller of the Currency (OCC); 12 C.F.R. Part 339(d)–(e) for institutions supervised by the Federal Deposit Insurance Corporation (FDIC); and 12 C.F.R. Part 760.9(d)–(e) for institutions supervised by the National Credit Union Administration.

Regulation/Statute	Citation	Requirement	Retention Period
Regulation BB/ Community Reinvestment Act (CRA)	12 C.F.R. §228.43 <sup>4</sup>	<ul style="list-style-type: none"> <li>• CRA disclosure statement</li> <li>• CRA public file, including written comments, assessment area, branch information, and HMDA disclosure statement (if bank is a HMDA reporter)</li> <li>• Bank responses or letters</li> <li>• Most recent public CRA performance evaluation</li> </ul>	Current year and prior 2 calendar years
Regulation CC/ Expedited Funds Availability Act (EFAA)	12 C.F.R. §229.21(g)(1)	Retain evidence of procedures to ensure receipt of disclosures and notices and to prove compliance with funds availability; must also retain copies of “reasonable cause” exceptions under §229.13(g) and description of why exceptions apply	2 years
	12 C.F.R. §229.21(g)(2)	If a bank has an actual notice that it is being investigated or is subject to an enforcement proceeding by an agency charged with monitoring that bank’s compliance with the EFAA and this subpart, or has been served with notice of an action filed under this section, it shall retain the records pertaining to the action or proceeding pending final disposition of the matter, unless an earlier time is allowed by order of the agency or court	Until final disposition, unless earlier time is allowed
Regulation DD/Truth in Savings Act	12 C.F.R. §1030.9(c)	Retain evidence of compliance and show evidence that procedures are followed (e.g., information of rate and balances to verify interest properly paid); sample disclosures must be kept	Minimum 2 years — agencies may require longer retention periods
Servicemembers Civil Relief Act (SCRA)	50 U.S.C. §3901 et seq.	The SCRA does not impose recordkeeping requirements; however, examiners may want to view SCRA records to verify compliance	NA
Fair Credit Reporting Act (FCRA)	15 U.S.C. §1681m	Creditors or insurance companies making prescreened offers of credit or insurance based on consumer reports must retain criteria used to make the offer and the requirements that apply to loan if secured	3 years
	15 U.S.C. §1681w and 12 C.F.R. Part 208, Appendix D-2	While this chart focuses on record retention requirements, a related issue is the <i>disposal</i> of records; the FCRA also requires that when financial institutions dispose of certain sensitive consumer information, they take reasonable measures to protect against unauthorized access to the disposed information	NA

<sup>4</sup> The federal banking agencies issue the implementing regulations for the Community Reinvestment Act on an interagency basis, but each agency codifies them in its respective regulations. We have provided the citation to the Federal Reserve’s CRA implementing regulations. The other agencies’ record retention requirements for the CRA, which are substantially similar, appear in 12 C.F.R. Part 195.43 for federal savings associations supervised by the OCC, 12 C.F.R. Part 25.43 for national banks supervised by the OCC, and 12 C.F.R. Part 345.43 for state nonmember banks supervised by the FDIC. On March 28, 2025, the agencies announced “their intent to issue a proposal to both rescind the Community Reinvestment Act (CRA) final rule issued in October 2023 and reinstate the CRA framework that existed prior to the October 2023 final rule.” In the meantime, the prior version of the CRA regulations continues to apply.

# REGULATORY CALENDAR

EFFECTIVE DATE OR PROPOSAL DATE†	IMPLEMENTING REGULATION	REGULATORY CHANGE
10/01/25*	Regs. E and Z	Consumer Financial Protection Bureau (CFPB) issues final rule for overdraft fee for very large financial institutions
10/01/25	Reg. Z	Agencies issue final rule on quality control standards for automated valuation models
07/01/25	Reg. CC	Agencies implement inflation-adjusted dollar thresholds for Regulation CC funds availability
03/17/25**	Reg. V	CFPB issues final rule to limit the use of medical debt in underwriting consumer credit (90 FR 8173 corrected the effective date)
01/17/25**	12 U.S.C. §1033	CFPB issues final rule on personal financial data rights
01/09/25*	12 C.F.R. §1090.109	CFPB issues larger participant final rule for the general-use digital consumer payment applications market
01/01/25	Reg. Z	Agencies announce dollar thresholds for smaller loan exemption from appraisal requirements for higher-priced mortgage loans
01/01/25	Regs. M and Z	Agencies adjust dollar thresholds for consumer credit and lease transactions
12/09/24	Reg. V	CFPB issues an advance notice of proposed rulemaking for furnishing information about coerced debt
12/03/24	Reg. V	CFPB issues proposal to define data brokers as consumer reporting agencies subject to the Fair Credit Reporting Act
07/30/24***	Reg. Z	CFPB issues interpretive rule applying certain provisions of Regulation Z to Buy Now, Pay Later loans
07/26/24	FHA, Regs. Z and B	Final Interagency Guidance on Reconsiderations of Value of Residential Real Estate Valuations

# REGULATORY CALENDAR

EFFECTIVE DATE OR PROPOSAL DATE†	IMPLEMENTING REGULATION	REGULATORY CHANGE
05/14/24**	Reg. Z	CFPB issues final rule for credit card penalty fees
04/29/24	24 C.F.R. §100.500	Guidance on “Application of the Fair Housing Act to the Advertising of Housing, Credit, and Other Real Estate-Related Transactions Through Digital Platforms”
02/01/24****	Reg. BB	Agencies issue final rule to modernize their implementing regulations for the Community Reinvestment Act
01/31/24***	12 C.F.R. §1042.2	CFPB issues proposal to prohibit fees for instantaneously declined transactions
11/14/23	Reg. II	Federal Reserve issues proposal to lower the maximum interchange fee a large debit card issuer may charge
10/12/23	Reg. B	CFPB and Department of Justice issue Joint Statement on Fair Lending and Credit Opportunities for Noncitizen Borrowers Under the Equal Credit Opportunity Act
09/19/23	Reg. B	CFPB issues Advisory Opinion on adverse action notice requirements for creditors using artificial intelligence
08/29/23**	Reg. B	CFPB’s Statement on Enforcement and Supervisory Practices Relating to the Small Business Lending Rule Under the Equal Credit Opportunity Act and Regulation B

† Because proposed rules do not have an effective date, we have listed the *Federal Register* publication date.

\* Subject to the Congressional Review Act.

\*\* Litigation is pending in which a court has stayed the rule pending the outcome of the lawsuit.

\*\*\* Subject to CFPB review.

\*\*\*\* On March 28, 2025, the agencies announced “their intent to issue a proposal to both rescind the Community Reinvestment Act (CRA) final rule issued in October 2023 and reinstate the CRA framework that existed prior to the October 2023 final rule.”

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## 2025 CALENDAR OF EVENTS

- |                             |  |
|-----------------------------|--|
| <b>June 10–13, 2025</b>     | <b>ABA Risk and Compliance Conference</b><br>Indiana Convention Center<br>Indianapolis, IN |
| <b>November 16–19, 2025</b> | <b>CRA &amp; Fair Lending Colloquium</b><br>JW Marriott Los Angeles<br>Los Angeles, CA     |

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