



Consumer Compliance Hot Topics

Regional Bankers Forum

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Agenda

- UDAAP Abusive Standard
- Ability-to-Repay Rule
- TILA/RESPA Concerns
- Q&A



UDAAP Abusive Standard

- Agency discussions on supervisory approach
- Section 5 of FTC Act (UDAP)
 - [Federal Reserve/FDIC Joint Guidance \(2004\)](#)
 - [UDAP Examination Procedures \(2007\)](#)
- Dodd-Frank Act (UDAAP)
 - Definition of “abusive”
 - Materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service; or
 - Takes unreasonable advantage of –
 - (A) a consumer’s lack of understanding of the material risks, costs, or conditions of the product or service;
 - (B) a consumer’s inability to protect his or her interests in selecting or using a consumer financial product or service; or
 - (C) a consumer’s reasonable reliance on a covered person to act in his or her interests.
- [Guidance on Managing Outsourcing Risk \(SR 13-19/CA 13-21\)](#)
 - Federal Reserve guidance only



Ability-to-Repay Rule

- Growing paperwork requirements
- Restricting access to credit?
- Inability to influence vendors?
- Fair lending/CRA concerns?
 - [CA 13-15](#) (Fair lending)
 - [SR 13-20/CA 13-23](#) (CRA)
- Ongoing Federal Reserve communications to address concerns associated with new rules



TILA/RESPA Concerns

- APR thresholds
- Fee/charge thresholds
- Waiver for *bona fide* personal financial emergency



Resources

- Outlook Live
 - <http://www.philadelphiafed.org/bank-resources/publications/consumer-compliance-outlook/outlook-live/archives.cfm>
- Consumer Compliance Outlook
 - <http://www.philadelphiafed.org/bank-resources/publications/consumer-compliance-outlook/>
- Consumer Affairs (CA) Letters
 - <http://www.federalreserve.gov/bankinforeg/caletters/caletters.htm>
- FRBSF District Circular Letters
 - <http://www.frbsf.org/banking-supervision/publications/district-circular-letters/>



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