



DOB connects
a program by the Division of Banks

FAIR LENDING RISK AND COVID 19: STRATEGIES FOR MAINTAINING FAIR LENDING COMPLIANCE

COVID19 Series

Discussion topics:

New ways financial institutions are serving customers and their communities; potential fair lending risks and mitigation strategies; continued outreach and community based collaborations

Dates: 7/1/2020, 7/7/2020

Time: 2:00 P.M.

Panel:

Mayte Rivera, Deputy Commissioner
Consumer Protection and Outreach Unit
Division of Banks

Anita Grieco, Supervisory Examiner
and Richard Park, Senior Bank Examiner
Consumer Protection Exam Unit
Division of Banks

Anita Grieco, Supervisory Examiner

Anita has worked for the Massachusetts Division of Banks for the past 15 years. As a Supervisory Bank Examiner she has overseen examinations with a focus on HMDA, CRA and Fair Lending for Banks, Credit Unions, and Mortgage Lenders. Anita is a CSBS-Certified Consumer Compliance Specialist and has participated on various working groups with the FFIEC and CSBS and recently collaborated with federal and state examiners to update HMDA and CRA examination procedures.

Richard Park, Senior Examiner

Richard is a Senior Bank Examiner for the Consumer Protection and Outreach Unit of the Massachusetts Division of Banks. As a Consumer Protection Examiner, Richard is responsible for Community Reinvestment Act examinations, Fair Lending reviews, and HMDA Data Integrity reviews for Massachusetts state-chartered banks and credit unions. Richard has been an examiner with the Division of Banks since May of 2017. Prior to the Division of Banks, Richard spent 13 years working in retail banking.

Mayte Rivera, Deputy Commissioner

Mayte joined the Massachusetts Division of Banks in 2007 as Director of Community Development. In 2008 she was promoted to Deputy Commissioner of the Consumer Protection and Outreach Unit of the Depository Institution Supervision Division. As Deputy Commissioner she has oversight and policy supervision of Consumer Protection and CRA compliance matters. In 2017, she received the FFIEC (Federal Financial Institutions Examination Council) Award of Excellence for her significant contributions in the development of the revised Consumer Compliance Rating System.

The opinions expressed in this presentation are intended for informational purposes, and are not formal or binding opinions of the Division of Banks.

Responsiveness by Financial Industry

- Retail Services
 - Drive-up services
 - Lobby hours
 - Virtual banking
- Lending Services
 - Loan programs
 - Deferral of mortgage payments
 - Forbearances and modifications programs
- Community Outreach
 - Donations to community organizations
 - Donations to small business funds
 - In-house COVID-19 innovative and flexible loan programs

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Fair Lending Risks

- Waiving customer fees
- Limiting branch hours and limited accessibility options
- Timing requirements under ECOA
- Prohibited basis groups and protected classes under ECOA

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Mitigating Practices and Recommendations

- Tracking of fees and waivers to ensure equal treatment
- Consider addendum to policies and procedures
- Verify second review practices for loans
- Strong communication with customers on new services
- Enhance staff training
- Enhance communication with staff regarding changes to internal processes
- Verify marketing and advertising strategies
- Verify internal controls and procedures

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Resources

- 12 CFR Part 1002 - Equal Credit Opportunity Act (Regulation B)
 - <https://www.consumerfinance.gov/policy-compliance/rulemaking/regulations/1002/>
- Adverse Action Notice requirements:
 - <https://consumercomplianceoutlook.org/2013/second-quarter/adverse-action-notice-requirements-under-ecoa-fcra/>
- CFPB guidance for PPP Loans
 - https://files.consumerfinance.gov/f/documents/cfpb_ecoa-regulation-b_faqs-covid-19.pdf
- Division of Banks Survey of Community Banks
 - <https://www.mass.gov/news/community-banks-and-credit-unions-step-up-to-help-small-businesses>
- Division of Banks Regulatory Bulletin: 1.3-106
 - <https://www.mass.gov/regulatory-bulletin/13-106-community-reinvestment-and-fair-lending-policy>
- FDIC general guidance
 - <https://www.fdic.gov/coronavirus/>



If you have consumer protection
compliance questions,
please email

Deputy Commissioner,
Mayte Rivera, at

mayte.rivera@mass.gov

(Slides will be posted on the Division of
Banks' website :

<https://www.mass.gov/info-details/dob-connects>)