



GENERAL MEETING INFORMATION

March 2023						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Topic: Prep for 1071 Data Collection

Presenter: Lynn Woosley, RiskExec

Date: March 22, 2023

Time: 12:00 noon

Location:

The Clubs of Prestonwood
15909 Preston Road
Dallas, TX 75248

OR

VIRTUAL

[Register Here!](#)

PRESIDENT'S MESSAGE

BY CHRYSTI PETERSEN, DACA PRESIDENT

It was so great kicking off the new year with you all at our General Meeting in January, and just like that time has fast-forwarded and we are already in March. Spring is nearing, the earth seems to be awakening, and I, for one, am ready for some nice patio weather and outdoor activities!

As we near the March 31 deadline for publication of the final rule implementing the small business lending data collection and reporting requirements of Section 1071 of the Dodd Frank Act, this month's General Meeting presentation will serve to keep us educated and informed as we continue planning and developing our 1071 implementation strategies.

I am so thankful for the Dallas Area Compliance Association (DACA) and the opportunity to network with and learn from you all. There is so much knowledge, talent, and skill within our membership. I cannot wait to hear what you all have in the works to implement Section 1071. Please join us in person, if you are able, to take advantage of the roundtable peer discussion including the various hot topics at your institution. One of the biggest attributes of DACA is our ability to share insight and talk through potential resolutions as we learn from each other.

The entire DACA Board looks forward to providing you with relevant training and networking opportunities throughout the year. If you have any ideas on how we can better serve to meet these objectives, please reach out to any board member. Let us know if you have suggestions for a presentation on a specific topic or if you have any feedback on how we can improve. We are here for you, at your service.

I look forward to seeing you at the general meeting on March 22, whether in person or via Zoom. Networking and lunch will begin at 11:30 and the presentation will start at noon. See you there!



MARCH GENERAL MEETING

Preparing for 1071 Data Collection

Presented By: Lynn Woosley, RiskExec

The implementation of Section 1071 of the Dodd-Frank Act is one of the most anticipated compliance changes of recent time. "1071" refers to new requirements that will require the collection of small business lending data by covered financial institutions under ECOA and Reg. B. While the CFPB gave us a lot to consider in their 900+ page proposed rule, institutions should start preparing now for these upcoming changes. Please join us on March 22nd for this informative presentation.

Lynn Woosley is a Managing Director with RiskExec. She is a seasoned executive with extensive risk management experience in consumer protection, regulatory compliance, consumer and commercial credit risk, credit and compliance risk modeling, model governance, regulatory change management, acquisition due diligence, and operational risk in both financial services and regulatory environments.

With strong knowledge and experience across multiple risk disciplines, Lynn has been a featured speaker for several banking, compliance, and CRA conferences across the country. Lynn has authored numerous articles and presentations on financial institution risk management and consumer protection issues. She has also developed training materials related to fair lending, fair housing, UDAAP, credit risk management, credit scoring, and consumer protection topics.

Lynn holds a BBA and MBA from Middle Tennessee State University and a MS Finance from Georgia State University. She is a Certified Regulatory Compliance Manager and a Commissioned Examiner of the Federal Reserve System. Lynn has also served as both Chair and Vice-Chair of the Consumer Bankers Association's Fair and Responsible Banking Committee.

RESERVATION REQUEST

MEMBER PRICE – \$25.00

MARCH GENERAL MEETING – 3/22/2023

NON-MEMBER OR GUEST PRICE – \$50.00

Reservations and cancellations must be received by Noon 3/15 (the Wednesday prior).

Online Reservations - <https://dacaonline.org/test-meeting-registration/>

If you prefer to not use our online system, you may:

- Email your reservation to: reservations@dacaonline.org
- Or, contact VP of Programs, Rhonda Coggins, with your name, company, email address, phone number & meeting date at rcoggins@smslp.com.



DACA MEMBERSHIP

CORPORATE MEMBERSHIP

A financial institution or industry-related organization must have one **Corporate Membership** with one person designated as the primary representative.

The primary representative holds voting privileges on DACA business. All employees of the Corporate Member may attend meetings at the member price.

INDIVIDUAL MEMBERSHIP

An **Individual Member** must be a compliance professional at a financial institution or industry-related service organization.

Individual Members have voting rights and pay the member rate for meetings.

APPLYING FOR MEMBERSHIP ONLINE

<https://dacaonline.org/membership-application/>

Or, see the membership application included below in this newsletter.

DACA MEMBERSHIP HAS GREAT BENEFITS!

To further the professional growth, education and career development of our membership, DACA is proud to offer the Kay Leaks Scholarship for professional certification in the field of regulatory compliance.

For additional information, eligibility requirements, to see a complete list of all certification types DACA supports, or if you're ready to complete an application, [click here](#).



COMPLIANCE IN THE NEWS

COMBATting BIAS IN APPRAISALS

BY RHONDA COGGINS, CRCM
SHESHUNOFF CONSULTING + SOLUTIONS

As those in the financial services industry are aware, the discussion of combatting **bias in appraisals** has been on the rise over the last couple of years. It's another component of **fair lending** that is a risk institutions need to manage.

So how did we get to where we are today?

A primary resource for the industry, [FAQs on Appraisal Regulations and the Interagency Appraisal and Evaluation Guidelines](#), contains policy and interpretations that were issued in 2018. This resource, along with supervisory agency regulations, serves as platform for appraisal standards in connection with transactions.

However, it was in 2021 when a variety of issuances and occurrences really paved the way to communicating the importance of this topic.

- It was in March 2021, when **HUD** [announced](#) their agreement with JPMorgan Chase that resolved claims of discrimination in appraisals. While the respondent (Chase) denied any violation, the [conciliation agreement](#) reflected \$50,000 in relief to the complainant. Chase also agreed to additional staff training, a re-review of their process, and changes to their appraisal transmittal letter and adverse action notices.
- In August 2021, the **White House** launched their first [Interagency Task Force Meeting on Property Appraisal and Valuation Equity \(PAVE\)](#). The Task Force discussed how "current appraisal practices are a significant contributor to the disparity in housing values." They also agreed that their scope of action will be to:

- o ensure that **government oversight** and **industry practice** further valuation **equity**;
- o combat valuation **bias** through educating the consumer and training the practitioner;
- o ensure equity in valuation by making available **high-quality data**; and
- o create a comprehensive approach to combating valuation bias through **enforcement and other efforts**.

Subsequently, **PAVE** issued their [Action Plan to Advance Property Appraisal and Valuation Equity](#) in March 2022. While the 58-page action plan includes background history, progress, and commitments; agency actions include, but are not limited to, the following:

- issue guidance to improve the processes by which a valuation may be reconsidered,
- address potential bias in the use of technology-based valuation tools, i.e., automated valuation models,
- strengthen coordination among supervisory and enforcement agencies to identify discrimination in appraisals,
- advance diversity in the appraiser workforce,
- incorporate appraisal bias information into first-time homebuyer education, and
- give researchers and enforcement agencies better data to monitor valuation bias.

In its most recent step to elevate this issue, this month the **CFPB**, along with other federal government leaders, issued a [letter](#) to The Appraisal Foundation (TAF). TAF is a private organization that sets appraisal standards. In the letter, the CFPB and other agencies provided comment on proposed changes of the Uniform Standards of Professional Appraisal Practice (USPAP). The comments provided were aimed at further clarifying support of the ban on discrimination under the Fair Housing Act (FHA) and the Equal Credit Opportunity Act (ECOA).

So what's a financial institution to do?

While the discussion of appraisal bias might be considered to be in its "infancy," discrimination standards of the FHA and ECOA have been around for decades. As the scrutiny of fair lending continues to grow and the aperture of the lens in which we look through widens, it is important for institutions to recognize that this is a risk to be managed.

Institutions should consider ways in which they can mitigate this risk. Considerations can include:

- discussion of this risk with appropriate stakeholders,
- incorporation of this risk into your fair lending program,
- adjustments to appraisal-related policies that clarify the bank's stance on this topic,
- enhanced fair lending training for staff,
- implementation of an appraisal review process that is sensitive to bias, and
- an enhanced complaint review process that elevates appraisal bias concerns.

Institutions should also remain cognizant of ongoing developments in this area.



2023 DACA Conference
Thursday September 14th

NOTE: Please fill in and return this form with your payment.

Member Information

Membership Type Corporate (primary representative: _____)

(check one): Individual

Applicant's Name: _____

Organization: _____

Asset Size: _____

Street/P.O. Box Address: _____

City, State, ZIP Code: _____

Work Phone No.: _____

E-mail Address: _____

Job Title/Function: _____

Compliance Certifications: _____

Primary Regulator: _____

MEMBERSHIP DEFINITIONS & DUES

- ❖ Each financial institution or industry-related service organization may have one Corporate Membership with one person designated as the primary representative. This person holds voting privileges on any DACA business. All employees of the Corporate Member may attend meetings at the member price.
- ❖ Individual Members also have voting rights and pay the member rate for meetings. Individual Members must be Compliance Professionals at a financial institution or industry-related service organization.
- ❖ Corporate Membership Annual Dues: \$315 USD, Individual Membership Annual Dues: \$135 USD

REMITTANCE DETAILS – IF NOT APPLYING AND PAYING ONLINE

1. Please make check payable to: **DALLAS AREA COMPLIANCE ASSOCIATION**
2. Mail **Membership Application** and **Check** to:
Amy Thorpe
Texas Brand Bank
1919 South Shiloh Rd, Suite 100, LB 30
Garland, Texas 75042

Total enclosed: _____

SIGNATURE: _____