

# InfoSight Newsletter

June 28, 2024 | Volume 18 | Issue 25

**THERE WILL BE NO NEWSLETTER NEXT WEEK (7/5)**

## League InfoSight Highlight

### Quality Control Standards for AVMs

In June 2023, the NCUA (along with other agencies) invited comments on a proposed rule related to quality control standards for the use of automated valuation models (AVMs) by mortgage originators and secondary market issuers when determining the collateral worth of a mortgage secured by a consumer's principal dwelling. Almost a year later, the [final rule](#) has been issued and will become effective 12 months after publication in the Federal Register. The final rule is largely unchanged from the proposed rule.

An automated valuation model (AVM) is defined within the rule to mean any computerized model used by mortgage originators and secondary market issuers to determine the value of a consumer's principal dwelling collateralizing a mortgage. The final rule will require credit unions engaged in credit decisions to adopt and maintain policies, practices, procedures, and control systems to ensure that AVMs used in these transactions adhere to quality control standards which will be designed to:

1. Ensure a high level of confidence in the estimates produced;
2. Protect against the manipulation of data;
3. Seek to avoid conflicts of interest;
4. Require random sample testing and reviews; and
5. Comply with applicable nondiscrimination laws.

These policies, procedures, practices, and control systems will be based on the size, complexity, and risk profile of the credit union, along with the types of transactions the credit union utilizes AVMs. The commentary in the final rule indicates that the Agencies took a non-prescription approach to this requirement which they believed necessary as modeling technology continues to evolve. They believe this will allow the credit union to refine their implementation of the rule, as appropriate, based on the quickly evolving nature of this tool.

Stay tuned for more updates to [InfoSight](#) and [CU PolicyPro](#) resources regarding these changes!

## InfoSight Update

Discussion Board Email Oops!



On June 26th and 27th, 2024, some of you may have received an email from [info@leagueinfosight.com](mailto:info@leagueinfosight.com), with a subject line that indicated: **“Discussion Board Thread Added – Master InfoSight.”**

We appreciate everyone who reached out to us and/or their League/Association to clarify the authenticity of the email. We wanted to take some space in this newsletter to clarify that although this message was sent in error as a result of our internal testing, **it was a legitimate email coming from the InfoSight platform** and was not a phishing attempt or virus! Our apologies for the confusion this may have caused! We have since taken down the discussion board on our “master” site, since posts in response to the original post would also generate additional email notifications.

As we prepare for the combination of all of our products, we are testing all the features and functionality we will have at our fingertips! Exciting things are on the way, pardon the construction during the process!

**From:** InfoSight <[info@leagueinfosight.com](mailto:info@leagueinfosight.com)>  
**Sent:** Wednesday, June 26, 2024 2:26 PM  
**To:** Glory LeDu <[Glory.LeDu@LeagueInfoSight.com](mailto:Glory.LeDu@LeagueInfoSight.com)>  
**Subject:** Discussion Board Thread Added - Master InfoSight

test

Hi Glory,

A new Discussion Board thread has been added to the Category "Thanksgiving" by Vineet Agrawal.

Click here to view the post or unsubscribe from these notifications: [https://newmaster.leagueinfosight.com/discussion-board?view=thread&post\\_id=3617](https://newmaster.leagueinfosight.com/discussion-board?view=thread&post_id=3617)

## News and Alerts!

### **CFPB Extends Compliance Dates for Small Business Lending Rule**

The Consumer Financial Protection Bureau (CFPB) issued an [interim final rule](#) to extend compliance deadlines for the small business lending rule. The interim final rule extends the compliance dates by 290 days, which is the time that has elapsed between the court's first issuance of a stay last year and the most recent decision last month. Lenders may continue using their small business originations from 2022 to 2023 to determine their initial compliance date, or instead use their originations from 2023 and 2024.

[Read More](#)

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### **CFPB Approves Rule to Ensure Accuracy and Accountability in the Use of AI and Algorithms in Home Appraisals**

The Consumer Financial Protection Bureau (CFPB) approved a new rule to address the current and future applications of complex algorithms and artificial intelligence (AI) used to estimate the value of a home. The new rule requires companies that use algorithmic appraisal tools to put safeguards into place to ensure a high level of confidence in the home value estimates, protect against manipulation of data, avoid conflicts of interest, and comply with applicable nondiscrimination laws.

[Read More](#)

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### **NCUA Releases Annual Cybersecurity and Credit Union System Resilience Report**

The Cybersecurity and Credit Union Resilience Report summarizes the current cybersecurity threat landscape, highlights the agency's key cybersecurity initiatives, and outlines the NCUA's ongoing efforts to enhance cybersecurity preparedness and resilience within the credit union industry.

[Read More](#)

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## MDI Credit Union Growth Expands Financial Security and Creates Opportunities

The NCUA released its [2023 report to Congress](#) detailing minority depository institutions' (MDIs) performance and the NCUA's actions in support of their efforts.

[Read More](#)

## FHFA Announces Conditional Approval of Freddie Mac Pilot to Purchase Second Mortgages

The Federal Housing Finance Agency (FHFA) announced conditional approval for Freddie Mac to engage in a limited pilot to purchase certain single-family closed-end second mortgages. The limited pilot will allow the FHFA to explore whether his closed-end second mortgage product effectively advances Freddie Mac's statutory purposes and benefits borrowers, particularly in rural and underserved communities.

[Read More](#)



**LeagueInfoSight**

### 2024 Credit Union Fraud Symposium

*August 14th and 15th*

Free in partnership with your League/Association.

**REGISTER NOW** 

*\*Registration is limited*

Questions, Comments, Concerns? We are here to help! Email us at [info@leagueinfosight.com](mailto:info@leagueinfosight.com)

