



**Attorneys At Law**

8584 Katy Freeway, Suite 420

Houston, TX 77024

Phone: 713-871-0005

Fax: 713-871-1358

**Partners**

**Gregory S. Graham**<sup>1</sup>

**Shawn P. Black**<sup>2</sup>

**Ryan Black**<sup>3</sup>

**Senior Lawyers**

**David F. Dulock**

**Diane M. Gleason**

**Daniel S. Engle**<sup>4</sup>

**Margaret A. Noles**

**Associates**

**Nick Stevens**

**Sydney Davis**

**Mehreen Nadeem**

**Ambria Wilmore**

**Of Counsel**

**David M. Tritter**

**Calvin C. Mann, Jr.**

**Thomas E. Black, Jr.**<sup>5</sup>

**Retired Partner(s)**

**Calvin C. Mann, Jr.**

**Thomas E. Black, Jr.**<sup>5</sup>

<sup>1</sup> Also Licensed in Georgia

<sup>2</sup> Also Licensed in Kentucky and New York

<sup>3</sup> Also Licensed in District of Columbia

<sup>4</sup> Also Licensed in New York

<sup>5</sup> Also Licensed in New York and Washington

March 21, 2022

**To:** Clients and Friends

**From:** David F. Dulock

**Subject:** CFPB Updated Examination Manual Adds Unfair, Deceptive, or Abusive Acts or Practices Examination Procedures (UDAAPs)

On March 16, 2022, the CFPB published a press release announcing its updated examination manual ([click here](#)) that includes examinations for violations involving UDAAPs (Dodd-Frank Act, Title X, Subtitle C, Sec. 1032 -1036; PL 111-203 (July 21, 2010)).

As an overview of examinations for violations involving UDAAPs, the updated examination manual states:

“As examiners review products or services, such as deposit products or lending activities, they generally should identify the risks of harm to consumers that are particular to those activities. Examiners also should review products that combine features and terms in a manner that can increase the difficulty of consumer understanding of the overall costs or risks of the product and the potential harm to the consumer associated with the product.

“These examination procedures provide general guidance on:

- The principles of unfairness, deception, and abuse in the context of offering and providing consumer financial products and services;
- Assessing the risk that an institution’s practices may be unfair, deceptive, or abusive;
- Identifying unfair, deceptive or abusive acts or practices (including by providing examples of potentially unfair or deceptive acts and practices); and
- Understanding the interplay between unfair, deceptive, or abusive acts or practices and other consumer protection and antidiscrimination statutes.”

The updated examination manual also directs examiners, among other requirements, to “[d]etermine whether the entity’s compliance program includes an established process for periodic analysis and monitoring of all decision-making processes used in connection with consumer financial products or services, and a process to take corrective action to address any potential UDAAP concerns related to their use, including discrimination.”

We advise clients to read the unfair, deceptive, or abusive acts or practices Examination Procedures hyperlinked above, and where appropriate revise their policies and procedures.

**This Memorandum is provided as general information in regard to the subject matter covered, but no representations or warranty of the accuracy or reliability of the content of this information are made or implied. Opinions expressed in this memorandum are those of the author alone. In publishing this information, neither the author nor the law firm of Black, Mann & Graham L.L.P. is engaged in rendering legal services. While this information concerns legal and regulatory matters, it is not legal advice and its use creates no attorney-client relationship or any other basis for reliance on the information. Readers should not place reliance on this information alone but should seek independent legal advice regarding the law applicable to matters of interest or concern to them. The law firm of Black, Mann & Graham L.L.P. expressly disclaims any obligation to keep the content of this information current or free of errors.**

**[THIS PAGE INTENTIONALLY LEFT BLANK]**