

Consumer Regulations Primer

In this document, we have listed and defined the [15 most common Federal Reserve consumer regulations](#) along with [four other related laws and regulations](#) that affect District financial institutions.

Consumer Regulations

Information about all Federal Reserve regulations -- including those not listed below -- can be found on the [Board of Governors'](#) web site. The Philadelphia Fed also publishes a [Guide to Consumer Regulations](#).

Regulation B: Equal Credit Opportunity Act

Prohibits lenders from discriminating against credit applicants, establishes guidelines for gathering and evaluating credit information, and requires lenders to provide written notification whenever they deny credit.

Regulation C: Home Mortgage Disclosure Act

Requires mortgage lenders to disclose data regarding their lending patterns.

Regulation D: Reserve Requirements of Depository Institutions

Defines consumer depository accounts (e.g., checking, savings, money market, CDs, transactions etc.) and the rules governing those accounts. This law also requires that financial institutions keep a minimum amount of reserve deposits either as vault cash or with the Federal Reserve.

Regulation E: Electronic Fund Transfer Act

Establishes the rights, liabilities and responsibilities of all parties involved in electronic fund transfers and protects consumers when they use such systems. Examples of these transactions include those at automated teller machines, telephone bill-payment plans, point-of-sale purchases and pre-authorized transfers to and from a consumer's account (such as direct deposit and regular utility and mortgage payments).

Regulation G: Disclosure and Reporting of Community Reinvestment Act (CRA) Related Agreements

Requires that insured depository institutions (or their affiliates) report and publicly disclose any written agreements they make with non-governmental entities (or persons) in connection with fulfilling Community Reinvestment Act requirements.

Regulation H: Flood Disaster Protection Act

In part, this regulation requires property owners to obtain flood insurance on any property that is located in a flood hazard area (under the National Flood Insurance Program).

Regulation M: Consumer Leasing Act

Requires that institutions disclose the cost and terms of consumer leases (e.g. vehicle leases).

Regulation P: Privacy of Consumer Information

Requires a financial institution to provide notice to consumers about its privacy policies and practices; describes the conditions under which institutions may disclose non-public personal information to non-affiliated third-parties; and provides a method for consumers to "opt-out" of that disclosure.

Regulation Q: Prohibition against Payment of Interest on Demand Deposits

Prohibits member banks from paying interest on demand deposits, such as checking accounts.

Regulation V: Fair Credit Reporting Act

Protects consumers against inaccurate or misleading information in credit files maintained by credit reporting agencies. The regulation also addresses sharing information with consumer-information affiliates.

Regulation Z: Truth In Lending Act

Prescribes uniform methods for computing the cost of credit, disclosing credit terms and resolving errors on certain types of credit accounts.

Regulation AA: Unfair and Deceptive Acts and Practices Act

Establishes consumer complaint procedures and defines unfair or deceptive practices in extending credit to consumers.

Regulation BB: Community Reinvestment Act (CRA)

Implements the CRA and encourages banks to help meet the credit needs of their communities (particularly low-and moderate-income neighborhoods), to specify their services and to identify their lending areas.

Regulation CC: Expedited Funds Availability Act

Governs the availability of funds deposited in checking accounts and the collection and return of checks. The regulation also requires institutions to disclose their policies on funds availability to their customers.

Regulation DD: Truth In Savings Act

Requires depository institutions to provide disclosures that enable consumers to make meaningful comparisons between deposit accounts.

Other Related Laws and Regulations

These four related laws and regulations also affect District financial institutions:

Fair Debt Collection Practices Act

Prohibits abusive debt-collection practices and applies to banks that function as debt collectors for other entities.

Fair Housing Act

Prohibits financial institutions from discriminating (not extending) housing credit on a prohibited basis.

Real Estate Settlement Procedures Act - HUD's Regulation X

Requires that financial institutions disclose the nature and cost of the real estate settlement process to borrowers. The law also protects borrowers against certain abusive practices and limits the use of escrow accounts.

Right to Financial Privacy Act

Protects bank customers' financial records from unlawful scrutiny by federal agencies. The law also specifies the procedures governmental authorities must follow whenever they seek information about a customer's financial records from a financial institution.