

Welcome to






Blue Cartera

jetBlue® | 

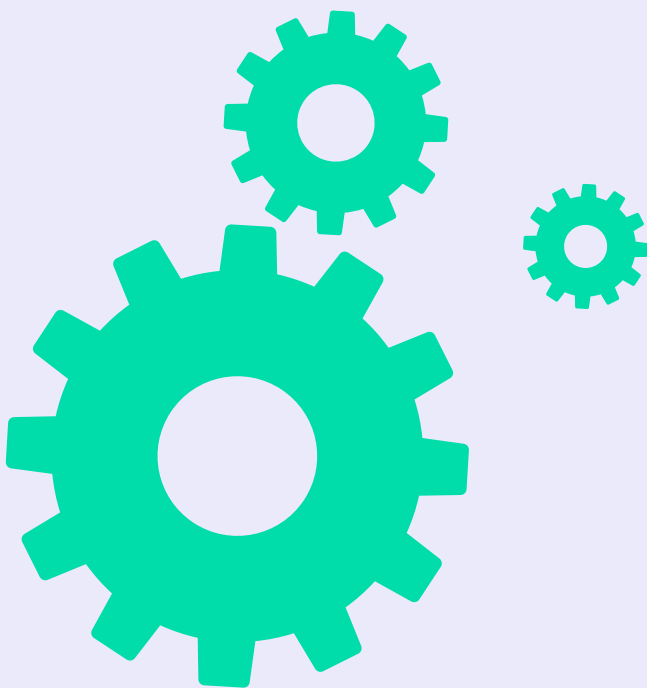
**Fair
lending.**

Objectives.

The topics that we will be discussing during this section are:

-  What is fair lending?
-  Identify all prohibited bases.
-  Learn about the theories of discrimination.
-  Review gender inclusive terms.
-  Understand common violations.

**Why is it
important
to discuss
fair lending
and UDAAP?**



Regulated Industry.

The banking and credit cards products industry are highly regulated.



Fairness.

All customers should be treated equally and fairly and have nondiscriminatory access to credit and other financial products.



Non- discrimination.

Popular's employees and third-party service providers are responsible to abide by fair, equitable and nondiscriminatory principles.

**What is
fair lending?**



Fair lending is a legal concept that includes federal, state, and local rules and regulations.



These laws and regulations are intended to guarantee fair, uniform and non-discriminatory treatment in all credit products and services offered by the bank.



The fair lending laws are:

- Equal Credit Opportunity Act (ECOA),
- Fair Housing Act (FHA)
- New York's Executive Law Section 296-a*

*Only applicable to New York residents.

**Fair lending
prohibited
basis.**

When presenting the JetBlue Mastercard® y JetBlue Mastercard® Eleva

from Banco Popular de Puerto Rico to customers you must be consistent and provide the same information to everyone. You can not exclude/discriminate against a prospective applicant because of:

ECOA - Regulation B Prohibited Basis

- Race.
- Color.
- Religion.
- National origin.
- Sex (this includes sexual orientation and gender identity).
- Marital status.
- Age (as long as the applicant has the capacity to contract).
- Applicant receives money from public assistance programs.
- Customer has exercised his/her rights under the Customer Credit Act.

FHA.

- Race.
- Color.
- Religion.
- National origin.
- Sex (this includes sexual orientation and gender identity).
- National origin.
- Disability.
- Family status (pregnant women or children under the age of 18 living in a household with parents, guardians, or legal custodians).

NY Exec. Law 296-a.

- Race.
- Creed.
- Color.
- National origin.
- Citizenship or immigration.
status.
- Sexual orientation.
- Gender identity or expression.
- Military status.
- Age.
- Sex.
- Marital status.
- Status as a victim of domestic
violence.
- Disability.
- Familial status.

Fair Lending.

The prohibition against sex discrimination in ECOA and Regulation B, encompasses sexual orientation and gender identity discrimination, including:

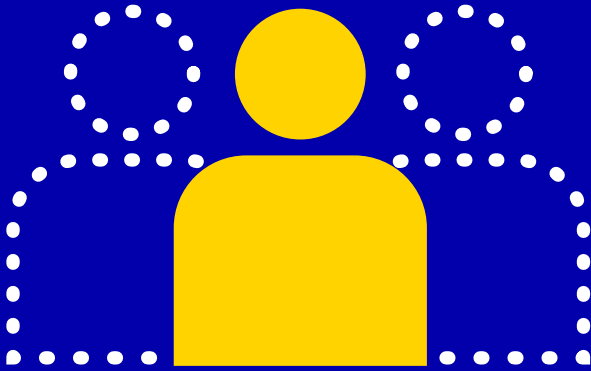


Discrimination based on actual or perceived nonconformity with sex-based or gender-based stereotypes.



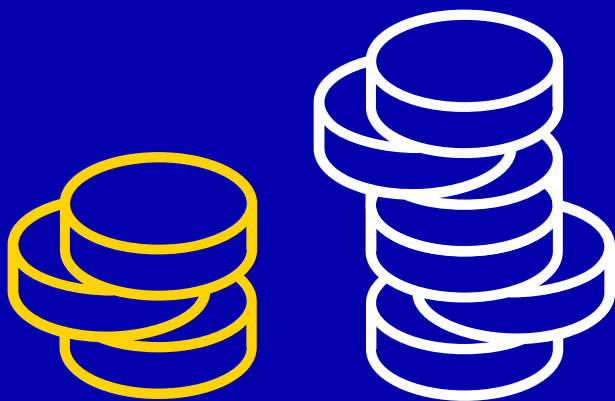
Discrimination based on an applicant's associations.

Theories of discrimination.



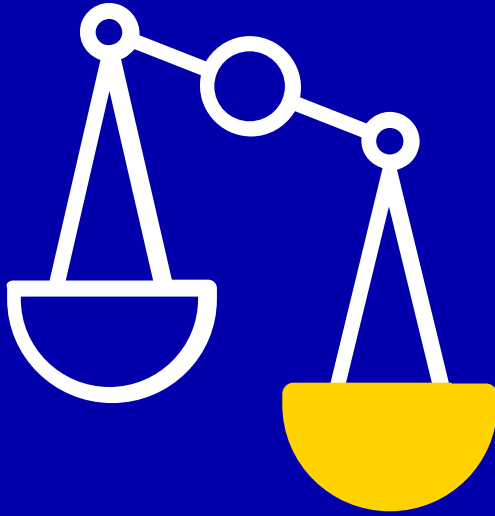
Overt discrimination.

Occurs when a consumer is openly and/or actively discriminated against on a prohibited basis factor.



Disparate treatment.

Which occurs when members of a prohibited basis group are treated differently than others.



Disparate impact.

Which occurs when a neutral policy or practice that is applied equally to all individuals nevertheless has a disproportionately adverse impact on a protected class of people.

ECOA.

**Remember
to always
use gender
inclusive
terms, like
the ones
sampled
below:**

Instead of...

Use...

Men/women

Everyone

Wife/husband

Spouse/partner

Mr/Ms/Mrs

Mx

Girls/boys

Kids

His/hers

Theirs

He/she

Them

Male/female

Human

Sister/brother

Sibling

**Fair lending
common
violations.**

Failure to provide information or provide different information.

Selectively discourage or encourage prospective applicants.

Treat a prospective applicant in a different way in the evaluation or servicing of a loan or invoke different default remedies, among others.

**Unfair,
Deceptive or
Abusive Acts
or Practices.**

(UDAAP)

Objectives.

The topics that we will be discussing during this section are:

- ✓ Understand the purpose of UDAAP.
- ✓ Learn the definition of UDAAP's.
- ✓ Learn examples of common UDAAP violations.

Under the
Dodd-Frank Act,
**it is unlawful for
any provider of
consumer financial
products or
services or a
service provider
to engage in any
unfair, deceptive
or abusive act
or practice.**

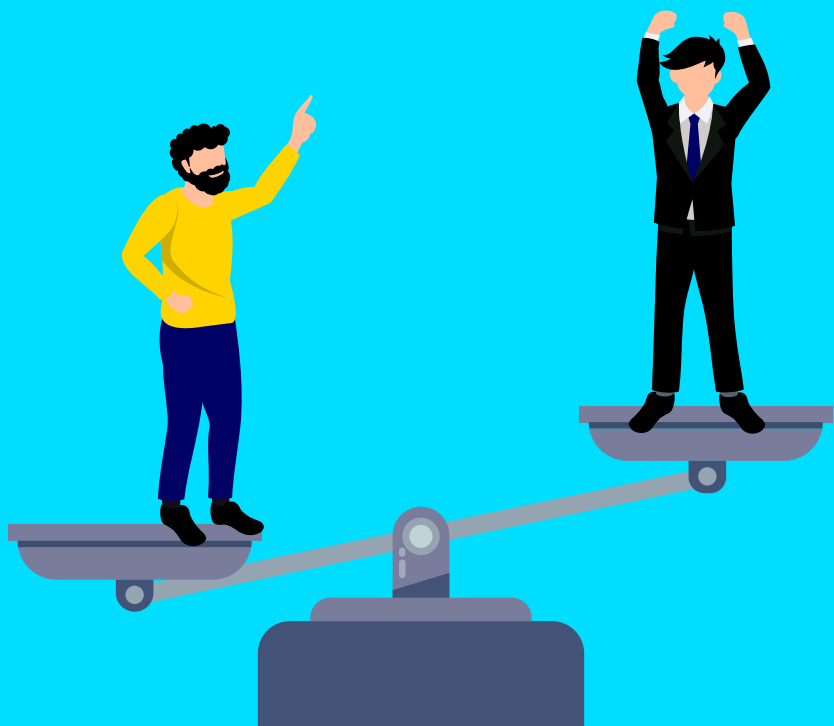
**The act also provides
Consumer Financial
Protection Bureau (CFPB)***
with rule-making authority and,
with respect to entities within
its jurisdiction, **enforcement
authority to prevent unfair,
deceptive, or abusive acts or
practices in connection with
any transaction with a
consumer for a consumer
financial product or service,
or the offering of a consumer
financial product or service.**

*The Consumer Financial Protection Bureau (CFPB) is a federal regulatory agency charged with overseeing financial products and services that are offered to consumers.

What is UDAAP?

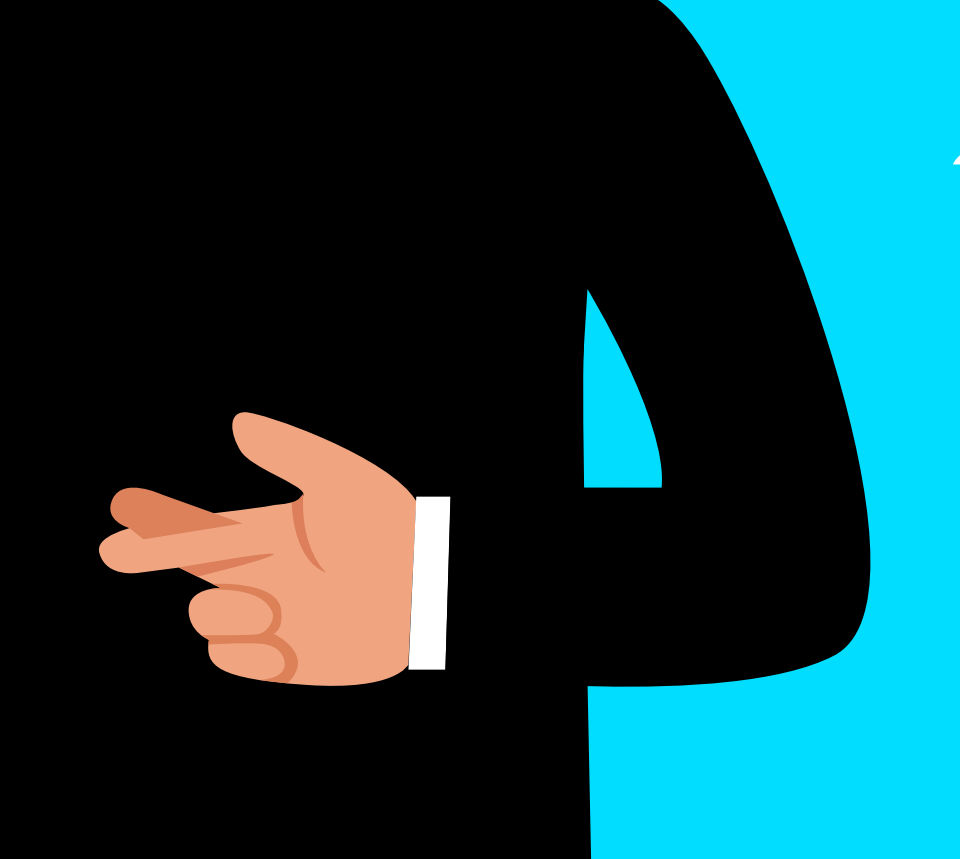
- ✔ UDAAP stands for Unfair, Deceptive or Abusive Acts or Practices.
- ✔ A UDAAP is any act or practice that is considered to be unfair, deceptive or abusive in banking.
- ✔ UDAAP = Fairness.

UDAAP Definition.



Unfair.

Substantial damage to consumer, which could not be prevented and that surpass the benefit that could have been obtained.



Deceptive.

False representation or material omission that confuses or deceits a reasonable consumer.



Abusive.

Action that interferes with the ability of the consumer to understand terms and conditions and it is taken advantage of the inability of the consumer to offer products and or services that may not be favorable.

UDAAP Principles.

Value.

The product or service offers the consumer a value that is commensurate with the cost charged for it.

Understanding.

The product is described clearly enough for the consumer to understand how it works at the time of purchase.

Predictability.

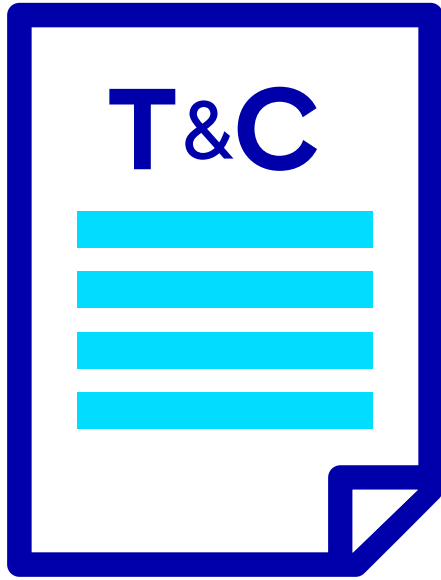
The consumer can predict how the product works in all circumstances.

Appropriateness.

The institution offers a large enough group of products so that some of them are appropriate for the consumer in question.

UDAAP.

**Situations
that can be
considered
UDAAP:**



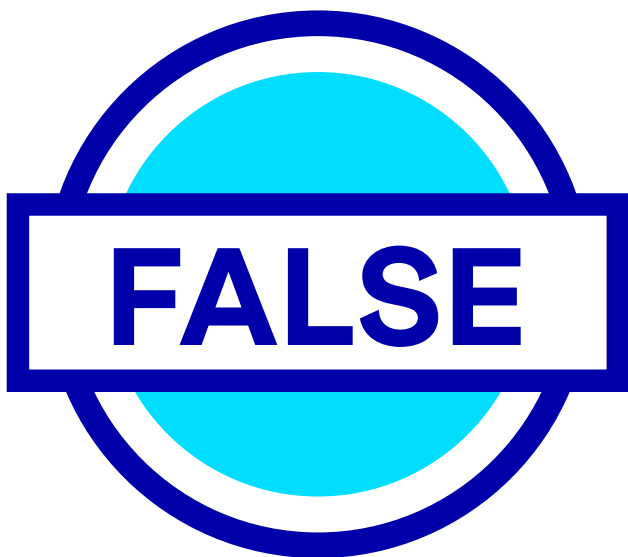
**The prospective
applicant did
not understand.**

the terms and conditions of the
product/service.



**The prospective
applicant was
subscribed.**

to a product/service without
their consent.

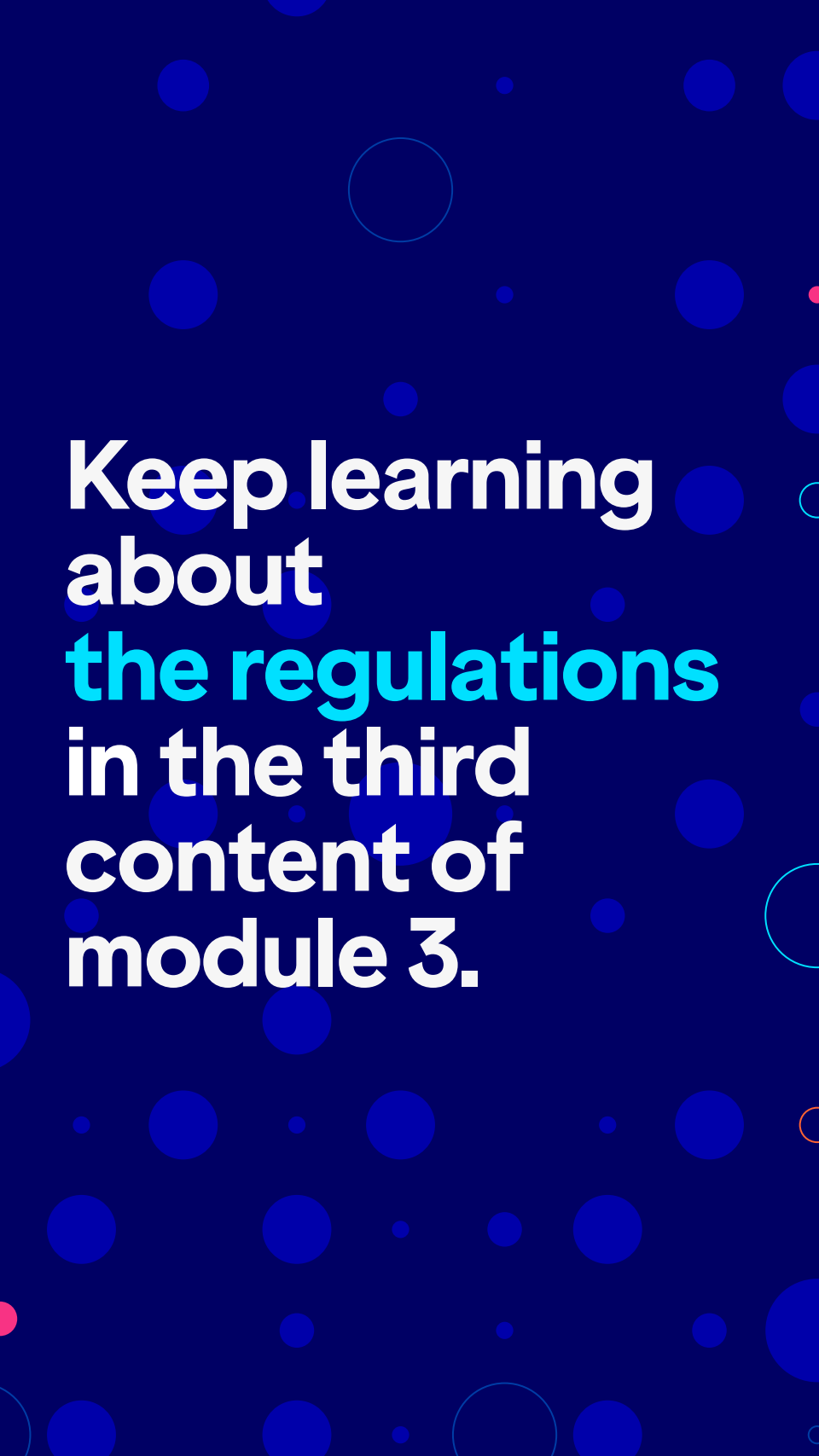


**False or
incomplete
information.**

was provided to the prospective
applicant.

**This can be
avoided by
applying the
UDAAP
principles,**

complying with the
instructions provided,
not over promising, and
behaving in an ethical
manner.



**Keep learning
about
the regulations
in the third
content of
module 3.**

**Now, let's go
through
what you've
learned.**

