

RE: Xactus Addendum

From Terry Janeiro <terry.janeiro@bcsbmail.com>

Date Wed 2/21/2024 11:10 PM

To Linda Sternfelt <Linda.Sternfelt@bcsbmail.com>

Cc Chad Doorley <Chad.Doorley@bcsbmail.com>; Erin Riendeau <Erin.Riendeau@bcsbmail.com>; William Muto <William.Muto@bcsbmail.com>

Hi Linda,

To avoid possible Fair Lending issues, we need consistency in the process. If the score will only be obtained on those guarantors that have provided the ability to pull credit reports, what is being done with the other subset. Do you know approximately the population that of guarantors in total that we have and how many of those that we have written consent to pull credit on an ongoing basis?

How would be charged with verifying whether or not the Bank has written permission for each guarantor to populate the user field in core? Who and how would the user field be populated? Who would be performing the inquires/submitting the data to Xactus to obtain the credit report and thru what channel?

How did this come about? Was there a demo and if so, is it available for review? Is this an EPMO project?

Apologies for the multitude of questions but trying to understand the initiative to be able to opine on it.

Regards, Terry









Terry Janeiro

1st VP \ Compliance Officer \ CRCM

P: 508-828-5386 | **F:** 508-828-5455 terry.janeiro@bcsbmail.com

Bristol County Savings Bank 29 Broadway | Taunton, MA 02780

From: Linda Sternfelt <Linda.Sternfelt@bcsbmail.com>

Sent: Monday, February 5, 2024 12:59 PM **To:** Terry Janeiro <terry.janeiro@bcsbmail.com>

Cc: Chad Doorley < Chad. Doorley@bcsbmail.com>; Erin Riendeau < Erin.Riendeau@bcsbmail.com>; William Muto

<William.Muto@bcsbmail.com>
Subject: RE: Xactus Addendum

Hi Terry:

Our thought process is that we are going to populate a user field in the core with a Y for commercial guarantors/borrowers that have submitted a personal financial statement or application that gives BCSB the ability to pull credit reports. It is for only those guarantors/borrowers that a FICO score (not a full credit report) will be obtained, typically annually, in the place of an annual review of a LOC. If a guarantor/borrower's credit score has fallen by more than 10%, it may prompt a manual annual review, based on the decision of the Chief Credit Officer. This is part of an "alerts" system that would take the place of a manual annual relationship review, initially for borrowing relationships below \$1MM. The "alerts" system includes other factors that may signify a problem credit, including the number of late payments, number of overdrafts, % line utilization, and ultimately past due RE taxes on the Bank's collateral (if applicable), a new UCC filing over the past 12 months that is not BCSB and judgements/liens showing up in their D&B report. We would like to populate the core with the FICO score, so that we can compare it year to year as detailed above. The credit score would ultimately be stored in the Credit Track credit file as a part of the daily upload from COCC, so anyone with access to Credit Track would have access to the credit score.

I hope this answers your questions. Please let me know if you have any other questions.

Thank you!

Regards,

Linda



Linda Sternfelt

SVP & Chief Credit Officer

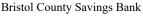
P: 774-226-1922 | **F:** 508-324-3629

linda.sternfelt@bcsbmail.com









540 Myles Standish Boulevard | Taunton, MA 02780

From: Terry Janeiro < terry.janeiro@bcsbmail.com>

Sent: Friday, February 2, 2024 3:30 PM

To: William Muto < William. Muto@bcsbmail.com>

Cc: Chad Doorley < Cc: Chad Doorley@bcsbmail.com; Erin Riendeau

< <u>Erin.Riendeau@bcsbmail.com</u>> **Subject:** RE: Xactus Addendum

Hi All,

Has the process been mapped out including:

- Verification that we have written consent from the guarantors to pull credit not segregated to the initial application?
- Identification of guarantors for whom we do have written consent to pull credit not segregated to the initial application versus that we do not, to allow for an automated process to exclude those that we do not

- Specifics on the criteria that would trigger the inquiries (Linda had indicated it would be on lines under \$500,000 and under \$1MM total relationship)
- What are the specifics that we are reviewing on the credit report that would lead us to take action or not to take action
- What actions will be taken based on what is identified on the credit report
- Who will have access to this information on the credit reports
- What would be in place to ensure only authorized individuals have access to the credit reports

All of this would need to be ironed out to be in minimal compliance with FCRA, as well as documenting the process in formal procedures.

Terry



Terry Janeiro

 $1st\ VP \setminus Compliance\ Officer \setminus CRCM$

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From: William Muto < William. Muto@bcsbmail.com>

Sent: Friday, February 2, 2024 2:06 PM

To: Erin Riendeau < Erin.Riendeau@bcsbmail.com>

Cc: Chad Doorley < Chad.Doorley@bcsbmail.com; Terry Janeiro terry.janeiro@bcsbmail.com; Linda Sternfelt

<<u>Linda.Sternfelt@bcsbmail.com</u>> **Subject:** RE: Xactus Addendum

Hi Erin,

Any update on this Xactus Addendum? Is there anything I/We need to do to move this forward?

Please let me know.

Thanks, Bill









William Muto

1st VP \ Senior Business Intelligence Officer

P: 774-203-2012 | F: 508-828-5455 William.Muto@bcsbmail.com

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From: William Muto

Sent: Wednesday, January 10, 2024 4:28 PM **To:** Erin Riendeau < <u>Erin.Riendeau@bcsbmail.com</u>>

Cc: Chad Doorley <<u>Chad.Doorley@bcsbmail.com</u>>; Terry Janeiro <<u>terry.janeiro@bcsbmail.com</u>>; Linda Sternfelt

<<u>linda.sternfelt@bcsbmail.com</u>> **Subject:** RE: Xactus Addendum

Thanks for the update.

From: Erin Riendeau < Erin.Riendeau@bcsbmail.com>

Sent: Wednesday, January 10, 2024 2:27 PM **To:** William Muto < <u>William.Muto@bcsbmail.com</u>>

Cc: Chad Doorley < "> ; Terry Janeiro < terry.janeiro@bcsbmail.com ; Linda Sternfelt

<<u>Linda.Sternfelt@bcsbmail.com</u>> **Subject:** RE: Xactus Addendum

Terry is back next week, so I'd like to touch base with her first.

Erin











 $VP \setminus Executive \ Assistant \setminus Paralegal$

P: 774-226-1978 | F: 508-828-5455 <u>Erin.Riendeau@bcsbmail.com</u>

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From: William Muto < william.Muto@bcsbmail.com>

Sent: Monday, January 8, 2024 3:57 PM

To: Erin Riendeau < Erin.Riendeau@bcsbmail.com>

Cc: Chad Doorley <<u>Chad.Doorley@bcsbmail.com</u>>; Terry Janeiro <<u>terry.janeiro@bcsbmail.com</u>>; Linda Sternfelt

<<u>Linda.Sternfelt@bcsbmail.com</u>> **Subject:** RE: Xactus Addendum

Hi Erin,

Would you be able to provide an update on this addendum? This is one of the last primary components to a project that needs to be included prior to launch.

Please let me know if you have any questions.

Thanks, Bill



William Muto

1st VP \ Senior Business Intelligence Officer

P: 774-203-2012 | F: 508-828-5455 William.Muto@bcsbmail.com







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From: Erin Riendeau < Erin.Riendeau@bcsbmail.com >

Sent: Thursday, November 30, 2023 1:53 PM

To: William Muto < william.Muto@bcsbmail.com >; Terry Janeiro < terry.janeiro@bcsbmail.com >; Linda Sternfelt

<<u>Linda.Sternfelt@bcsbmail.com</u>>

Cc: Chad Doorley < Chad.Doorley@bcsbmail.com>

Subject: RE: Xactus Addendum

I'm adding the attached as part of the discussion, as it is incorporated into the Addendum and speaks to FCRA and credit bureau requirements for permissible use of the services. I'm reviewing both the Addendum and Appendices and will let you know if there are any questions.

Erin









Erin Riendeau

 $VP \setminus Executive\ Assistant \setminus Paralegal$

P: 774-226-1978 | F: 508-828-5455 <u>Erin.Riendeau@bcsbmail.com</u>

Bristol County Savings Bank 29 Broadway | Taunton, MA 02780 From: William Muto < <u>William.Muto@bcsbmail.com</u>>

Sent: Thursday, November 30, 2023 12:10 PM

To: Terry Janeiro < terry.janeiro@bcsbmail.com; Linda Sternfelt < Linda.Sternfelt@bcsbmail.com; Erin Riendeau

<<u>Erin.Riendeau@bcsbmail.com</u>>

Cc: Chad Doorley < Chad.Doorley@bcsbmail.com>

Subject: RE: Xactus Addendum

Hi Terry,

Here is what came out of a meeting that Chad had with Linda on this topic.

Yes, it will be an automated list of guarantors for a set criteria (currently on lines under \$500,000 and under \$1MM total relationship exposure) that will be sent to Xactus and they will provide us with their updated credit score on a quarterly basis. What I gathered was that we need their permission only once to run soft pulls, not on an ongoing basis and this could be coded as a "Y" or "N."

Please let me know if you have any questions.

Thanks, Bill



William Muto

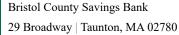
1st VP \ Senior Business Intelligence Officer

P: 774-203-2012 | **F:** 508-828-5455 William.Muto@bcsbmail.com









From: Terry Janeiro < terry.janeiro@bcsbmail.com>
Sent: Thursday, November 30, 2023 9:42 AM

To: William Muto < William.Muto@bcsbmail.com; Linda Sternfelt < Linda.Sternfelt@bcsbmail.com; Erin

Riendeau < Erin.Riendeau@bcsbmail.com>

Subject: RE: Xactus Addendum

Hi Linda & Bill,

Would this be an automated solution that automatically pulls soft credit based on a preset criteria, such as loan amount, term of loan, etc?









Terry Janeiro

1st VP \ Compliance Officer \ CRCM

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From: William Muto < William.Muto@bcsbmail.com >

Sent: Thursday, November 30, 2023 8:50 AM

To: Linda Sternfelt < Linda. Sternfelt@bcsbmail.com >; Erin Riendeau < Erin. Riendeau@bcsbmail.com >; Terry Janeiro

<terry.janeiro@bcsbmail.com> Subject: RE: Xactus Addendum

Thank you Linda.











1st VP \ Senior Business Intelligence Officer

P: 774-203-2012 | **F:** 508-828-5455 William.Muto@bcsbmail.com

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From: Linda Sternfelt < Linda. Sternfelt@bcsbmail.com >

Sent: Thursday, November 30, 2023 8:46 AM

To: William Muto < William.Muto@bcsbmail.com; Erin Riendeau < Erin.Riendeau@bcsbmail.com; Terry Janeiro

<terry.janeiro@bcsbmail.com> Subject: FW: Xactus Addendum

Looping in Terry Janeiro on this....Terry, we are looking to run periodic soft pulls for existing customers as a portfolio management tool (i.e., if someone's credit score falls too much year to year, we will look more closely at the credit). These pulls will be done for the smaller loans in the portfolio to gain efficiency in annual reviews. These are not new loans, they are existing loans. For FCRA purposes, can we assume that because they are existing customers, there is permission to pull a credit report in file or will these also have to be manually checked as I do monthly for the other credit reports pulled by the Commercial Loan Department?

Thank you for weighing in on this. I do not want to upset my Compliance friends!











SVP & Chief Credit Officer

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From: William Muto < william.Muto@bcsbmail.com>

Sent: Thursday, November 30, 2023 7:59 AM **To:** Erin Riendeau < <u>Erin.Riendeau@bcsbmail.com</u>>

Cc: Chad Doorley < Cc: Chad Doorley@bcsbmail.com; Linda Sternfelt < Linda.Sternfelt@bcsbmail.com>

Subject: Xactus Addendum

Good morning Erin,

We are adding an additional service to our current relationship with Xactus as a data component to the bank's Portfolio Review Solution. Our goal is to begin in January 2024.

Please review the attached and let me know if you have any questions or concerns.

Thanks, Bill









William Muto

1st VP \ Senior Business Intelligence Officer

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