

Banking Operations & FinTech Update

AUGUST 2018

BANKS VYING FOR LOS ANGELES CITY DEPOSITS MUST DISCLOSE SALES GOALS

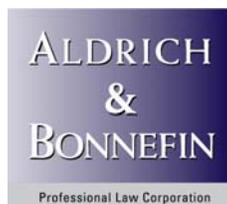
Effective August 19, 2018, financial institutions that provide banking services to the City of Los Angeles, or that seek to obtain the city's banking business, must provide information to the city regarding employee sales goals. This requirement is part of the city's Responsible Banking Investment Monitoring (RBIM) Program ordinance.

Among other things, the RBIM Program requires a financial institution wishing to compete for the city's banking business to disclose whether:

- It is currently in compliance with all applicable consumer financial protection laws, including any law or regulation that prohibits illegal predatory consumer adverse practices, including those used as a basis for an employee's compensation, promotion or discipline;

- It sets or allows individual or branch-level goals or requirements for the sale of a consumer financial service;
- It considers the quantity of an employee's sales of consumer financial products and services as a basis for an employee's advancement, discipline, termination or compensation; and
- It has policies, protocols and training in place at both the employee and management level to help prevent abuse in the sale of consumer financial services and products.

Financial institutions must provide the information on a form the city developed and an authorized representative of the financial institution must sign the form. In addition, the city will post the information on its website and make it available to the public for inspection and copying.



The Banking & Business Law Firm

www.ablawyers.com 949.474.1944

18500 Von Karman Ave., Suite 300, Irvine, California 92612

Authors: Keith R. Forrester, Esq. and Anne M. McEvilly, Esq.