

**To:** Chief Executive Officers and Boards of Directors of All Supervised Financial Institutions

**Subject:** Interagency Supervisory Guidance on Fair Lending Compliance and Enforcement

**Date:** [Insert Date]

### **1. Purpose**

The [Agency Name] is issuing this guidance to reinforce expectations regarding compliance with the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA). This letter outlines the supervisory approach to identifying and addressing risks of discrimination in the lending process.

### **2. Regulatory Expectations**

Financial institutions are expected to maintain robust Fair Lending Management Systems commensurate with their risk profile. This includes:

- Regular monitoring of underwriting and pricing practices.
- Analysis of marketing and redlining risks.
- Clear internal controls and board oversight.
- Training programs for all employees involved in the credit process.

### **3. Examination Procedures**

Examiners will evaluate both disparate treatment and disparate impact. Particular focus will be placed on:

- Discretionary pricing and markups.
- Automated underwriting systems and algorithmic bias.
- Lending patterns in minority census tracts.

### **4. Enforcement**

Violations of fair lending laws may result in formal enforcement actions, civil money penalties, and mandatory remediation for harmed consumers. Significant violations involving a pattern or practice of discrimination will be referred to the Department of Justice.

### **5. Conclusion**

Institutions should review their existing policies to ensure they align with this guidance. Questions regarding this letter should be directed to your primary supervisory contact.

Sincerely,

[Name]

[Title]

[Agency Name]