

URGENT: COMPLIANCE WARNING NOTICE

Date: [Insert Date]

To: [Recipient Name/Department Head]

Company: [Company Name]

Address: [Company Address]

Subject: Formal Warning Regarding Geographic Redlining and Fair Lending Compliance

Dear [Recipient Name],

This letter serves as a formal warning regarding potential non-compliance with fair lending laws and regulations, specifically concerning practices related to geographic redlining. Recent internal audits and data reviews have identified patterns in [Department Name/Specific Region] that may suggest the exclusion of specific geographic areas from access to [Products/Services offered].

Under the Fair Housing Act and the Equal Credit Opportunity Act (ECOA), it is illegal to deny or increase the cost of services based on the racial or ethnic composition of a neighborhood. Our preliminary review indicates the following areas of concern:

- Disproportionately low application or approval rates in specific zip codes.
- Marketing and outreach efforts that intentionally bypass minority-majority neighborhoods.
- Under-investment or lack of physical presence in designated underserved census tracts.

Geographic redlining carries significant legal, financial, and reputational risks, including heavy regulatory fines and civil litigation. You are hereby directed to take the following immediate actions:

1. Cease any internal policies that restrict service based on geographic boundaries not tied to verified safety or objective business necessity.
2. Conduct a comprehensive review of all current marketing and lending criteria.
3. Participate in a mandatory compliance training session scheduled for [Date/Time].
4. Provide a written response by [Deadline Date] detailing the steps taken to rectify these disparities.

Failure to address these concerns and demonstrate full compliance with fair lending standards may result in further disciplinary action, up to and including termination of employment or contract, and reporting to relevant regulatory authorities.

We expect your immediate attention to this matter.

Sincerely,

[Your Name/Signature]

[Your Title/Position]

[Compliance/Legal Department Name]