



BANKING ISSUANCE

Comptroller of the Currency
Administrator of National Banks

Type: Banking Bulletin

Subject: Guide to Fair Mortgage Lending

TO: The Chief Executive Officers and Compliance Officers of All National Banks, Deputy Comptrollers, Department and Division Heads, and all National Bank Examiners

Attached is a Federal Financial Institutions Examination Council (FFIEC) pamphlet entitled "Home Mortgage Lending and Equal Treatment."

The pamphlet outlines a preventive approach for financial institutions to help ensure their compliance with the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA). It should assist financial institutions in performing self-assessments to ensure that no unlawful policies, procedures, or standards exist. The pamphlet's aim is to make home mortgage lenders aware of the possible unintended consequences of policies and practices.

Topics discussed in the pamphlet as possible sources of unlawful discrimination are:

- Policies, procedures, and underwriting standards that are assumed, without justification, to be necessary and that have disproportionate effects along racial lines.
- Ambiguous and subjective lending criteria.
- Waiving standards, granting exceptions to standards, and adjusting standards.
- Interpreting certain secondary market standards as inflexible. (The Federal Home Loan Mortgage Corporation's Seller-Servicer Bulletin 92-2, issued in January 1992, clarifies a number of Freddie Mac's underwriting standards to remove the potential for such misinterpretation.)
- Dealings with appraisers, realtors, and private mortgage insurance companies.

The Office of the Comptroller of the Currency (OCC), as a member of the FFIEC, recommends the use of this pamphlet. The pamphlet does not, however, state OCC policy or mandate particular approaches or initiatives by lenders for avoiding discrimination in home mortgage lending. Examiners will continue to base their determinations of compliance with ECOA and FHA on the presence or absence of unlawful discrimination and on the lender's



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performance of statutory procedural requirements, rather than on the degree to which a lender has implemented recommendations in the pamphlet.

The pamphlet may be reproduced without restriction. A camera-ready copy of the pamphlet is also attached.

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Acting Comptroller of the Currency

Related Link

- [Home Mortgage Lending and Equal Treatment Pamphlet](#)