

## **Equal Credit Opportunity Act**

### **Baseline Review Modules**

<b>Exam Date:</b>	<b>[Click&amp;type]</b>
<b>Exam ID No.:</b>	<b>[Click&amp;type]</b>
<b>Prepared By:</b>	<b>[Click&amp;type]</b>
<b>Reviewer:</b>	<b>[Click&amp;type]</b>
<b>Docket #:</b>	<b>[Click&amp;type]</b>
<b>Entity Name:</b>	<b>[Click&amp;type]</b>

These ECOA Baseline Review Modules consist of five modules that CFPB examination teams use to conduct ECOA Baseline Reviews to evaluate how institutions' compliance management systems identify and manage fair lending risks under ECOA. In addition, examination teams will use *Module 2: Fair Lending Compliance Management System (CMS)* to review a supervised entity's fair lending CMS as part of an ECOA Targeted Review, supplemented with additional modules from these procedures as necessary. Before using the modules, examiners should complete the appropriate risk assessment and examination scoping memoranda in accordance with general CFPB procedures. Each ECOA Baseline Review module identifies specific matters to review and assess:

- Module 1      Fair Lending Supervisory History
- Module 2      Fair Lending Compliance Management System (CMS)
- Module 3      Fair Lending Risks Related to Origination
- Module 4      Fair Lending Risks Related to Servicing
- Module 5      Fair Lending Risks Related to Models

All ECOA Baseline Reviews will include *Module 2: Fair Lending Compliance Management System (CMS)*, with additional modules assigned depending on the scope of the examination. On ECOA Targeted Reviews, examiners will complete Module 2 with respect to the specific institution product lines (IPLs) designated in the examination scope.

## **Examination Objectives**

- To understand a supervised entity's compliance management system for identifying and managing its fair lending risks under ECOA.
- To identify and analyze risk of potential ECOA violations to better inform prioritization of the CFPB's fair lending supervision activities.

## **Background**

The Equal Credit Opportunity Act (ECOA) and its implementing regulation, Regulation B, prohibit creditors from discriminating against any applicant with respect to any aspect of a credit transaction:

- On the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to contract);
- Because all or part of the applicant's income derives from any public assistance program; or
- Because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.<sup>1</sup>

Creditors also are prohibited from making any oral or written statement, in advertising or otherwise, to applicants or prospective applicants that would discourage, on a prohibited basis, a reasonable person from making or pursuing an application.

The courts have recognized three methods of proof of lending discrimination under ECOA: overt evidence of discrimination, disparate treatment, and disparate impact.

- *Overt Evidence of Discrimination* occurs when a creditor openly discriminates on a prohibited basis or makes statements indicating a discriminatory preference. There is overt evidence of discrimination even when a creditor does not act on the stated discriminatory preference.
- *Disparate Treatment* occurs when a creditor treats an applicant differently based on one of the prohibited bases. It does not require any showing that the treatment was motivated by prejudice or a conscious intent to discriminate against a person beyond the difference in treatment itself.<sup>2</sup>
- *Disparate Impact* occurs when a creditor employs a neutral policy or practice equally to all credit applicants, but the policy or practice disproportionately excludes or burdens certain persons on a prohibited basis. Even if a policy or practice that has a disparate impact on a prohibited basis can be justified by business necessity, it still may be found to be in violation if an alternative policy or practice could serve the same purpose with less discriminatory effect. Finally, evidence of discriminatory intent is not necessary to establish that a lender's adoption or implementation of a policy or practice that has a disparate impact is in violation of ECOA.<sup>3</sup>

## **Completion of the ECOA Baseline Review Modules**

Examiners will work with the CFPB's Office of Fair Lending and Equal Opportunity (OFLEO or Fair Lending) and with CFPB regional management to determine which ECOA Baseline Review Modules will be completed. Once the appropriate modules have been selected, and in advance of the review, examiners will send the entity an information request that corresponds with the selected modules. Examiners will complete the modules either prior to the on-site portion of the

<sup>1</sup> The Consumer Credit Protection Act, 15 U.S.C. 1601 et seq., is the collection of federal statutes that protects consumers when applying for or receiving credit. The Act includes statutes that have certain rights for consumers, such as dispute rights under the Fair Credit Reporting Act. The ECOA prohibits discriminating against an applicant who has exercised a right, such as a dispute right pursuant to one of the statutes outlined in the Act.

<sup>2</sup> 12 CFR Part 1002 Supp. I Sec. 1002.4(a)-1.

<sup>3</sup> 12 CFR Part 1002 Supp. I Sec. 1002.6(a)-2.

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review or during the on-site review. The completed modules will be included in the examination work papers and should be considered in conjunction with any fair lending statistical analysis to obtain a full picture of fair lending compliance and fair lending risks at the entity or within a particular IPL. In addition to responses to information requests, examiners should review and consider other sources of information to complete the modules, including publicly available information about the entity and information obtained at interviews or other supervisory meetings with the entity.

Where applicable, the modules include references to relevant Scoping Risk Factors in Part I of the Interagency Fair Lending Examination Procedures (e.g., O1, U1) or the Code of Federal Regulations (e.g., 12 CFR 1002.9). These references are included in parentheses at the end of specific steps.

## **Module 1: Fair Lending Supervisory History (may be completed during scoping)**

Describe the entity's fair lending supervisory history. Include any history of fair lending violations, or any areas identified as fair lending risks in either the last fair lending examination report or supervisory letter by the CFPB or any state or federal regulator, or new fair lending risks that have emerged since the last fair lending examination.

<ul style="list-style-type: none"> <li>a. Provide the following information about fair lending compliance reviews for the past two years:           <ul style="list-style-type: none"> <li>i. The date and scope of fair lending examinations or other reviews conducted by the CFPB or any state or federal regulator;</li> <li>ii. A description of any ECOA or Regulation B violations identified;</li> <li>iii. A description of any fair lending risks or violations identified; and</li> <li>iv. Any corrective actions required. (C4)</li> </ul> </li> </ul>	[Click&type]
<ul style="list-style-type: none"> <li>b. Describe the entity's efforts to address these conclusions or concerns. (C5)</li> </ul>	[Click&type]
<ul style="list-style-type: none"> <li>c. Describe any fair lending risks or violations self-identified by the entity, as well as efforts taken to address them. (C4)</li> </ul>	[Click&type]
<ul style="list-style-type: none"> <li>d. Identify any recent private litigation or federal or state agency investigation or enforcement action related to fair lending, including any legal complaint or investigation against the entity and any other action that may reflect a heightened fair lending risk at the entity. (C1)</li> </ul>	[Click&type]
<ul style="list-style-type: none"> <li>e. If the entity is subject to the Community Reinvestment Act (CRA), review the most recent CRA Public Evaluation (PE), and summarize any information related to fair lending risk. The CRA PE generally is available on the prudential regulator's website and in the entity's public file. (R5, R9)</li> </ul>	[Click&type]
<ul style="list-style-type: none"> <li>f. Request the entity's CRA public file either from the entity or from the prudential regulator, and note if there are any fair lending related complaints or comments.</li> </ul>	[Click&type]

Also, describe any efforts taken by the entity to address the complaints. (U9, P5, S7, R11, M7)	
g. If there have been any major, recent changes in the entity's business or structure, such as an acquisition or development of a new product line, describe any steps that have been taken to evaluate and respond to fair lending risks created by the change. (C5)	[Click&type]
h. If you have information about complaints alleging discrimination from any source (e.g., consumer complaints submitted to the CFPB or directly to the institution, or complaints to the CFPB from advocacy organizations), describe them here to the extent that they indicate heightened fair lending risk at the entity. Also, describe any efforts taken by the entity to address and respond to the complaints. (U9, P5, S7, R11, M7)	[Click&type]
<b>SUMMARY:</b> [Click&type]	

## **Module 2: Fair Lending Compliance Management System (CMS)**

Describe and evaluate the entity's fair lending compliance management system (CMS), including board and management oversight and compliance program (policies and procedures, training, monitoring and/or audit and consumer complaint response). In addition, include a description of the entity's approach to managing the fair lending risks posed by its service providers.

In summarizing the entity's fair lending CMS, note whether the entity has established a dedicated fair lending CMS, or if fair lending is integrated into the entity's broader consumer compliance CMS. Both options are valid and acceptable as long as the fair lending coverage is comprehensive and commensurate with the entity's size and risk profile.

NOTE: For *ECOA Targeted Reviews*, Fair Lending CMS topics should be addressed respective to the specific IPL indicated in the examination scope (for example, for Mortgage Origination, answers should address the entity's fair lending CMS as it relates specifically to Mortgage Origination, rather than the entity's fair lending CMS generally).

IPL(s) Reviewed	[Click&type]
<b>Board and Management Oversight</b>	
a. What is the process for the entity's board of directors (or a designated committee of the board, or principals if there is no board) and senior management to review and discuss fair lending issues and receive periodic updates on the entity's fair lending risks? Please describe the forum and frequency for these communications and updates. (C5)	[Click&type]
b. What is the coverage of fair lending compliance matters in the entity's board meeting minutes and supporting materials? Are matters identified and resolved in a timely and complete manner? (C5)	[Click&type]
c. Who is responsible for overseeing the entity's fair lending compliance on a day-to-day basis? (C5)	[Click&type]
d. Is commensurate resource allocation for fair lending compliance part of the entity's budget and planning process? (C5)	[Click&type]
e. How many employees has the entity dedicated to managing fair lending compliance? Do these employees have other responsibilities besides fair lending compliance? (C5)	[Click&type]
f. How does the entity manage fair lending risks in its individual line(s) of business or regions? (C5)	[Click&type]

**Examination Procedures****Baseline Review**

<p>g. How complete and effective are the entity's processes for identifying and implementing new or revised regulatory requirements related to fair lending? How complete and effective are the entity's processes for fair lending review of new consumer financial products or services and distribution channels or strategies?</p>	<p>[Click&amp;type]</p>
<p><b>CONCLUSION:</b> Draw preliminary conclusions as to whether board and senior management oversight is strong, satisfactory, deficient, seriously deficient, or critically deficient.</p> <p>[Click&amp;type]</p>	
<p><b>Compliance Program</b></p>	
<p><b>Policies and Procedures</b>  <i>(see also the related policies and procedures questions in <b>Module 3: Fair Lending Risks Related to Origination</b> and <b>Module 4: Fair Lending Risks Related to Servicing</b>)</i></p>	
<p>a. Does the entity have up-to-date fair lending policies and associated procedures? Do they address new or amended Federal fair lending law implemented since the most recent compliance examination? Do they cover the full life-cycle of all consumer products and/or services offered, including products or services introduced since the last compliance examination? Please describe. (C6)</p>	<p>[Click&amp;type]</p>
<p>b. Does the entity review and approve its fair lending policies and procedures on a periodic basis? If so, please describe the nature and frequency of review and approval, and which area of the entity manages the review and approval process. Also, include the most recent review and approval date. Review fair lending policies and procedures for changes management committed to make following monitoring, audit, and examination findings and recommendations. (C6)</p>	<p>[Click&amp;type]</p>
<p>c. Does the entity have individual business line policies and procedures that are related to fair lending risks? Please describe. (C6)</p>	<p>[Click&amp;type]</p>
<p>d. Does the entity review individual business line policies and procedures for fair lending compliance? Are all business lines included in this review? To the extent that they vary, are policies and procedures for all of the regional divisions or legal entities included in this review? Please describe. (C5)</p>	<p>[Click&amp;type]</p>
<p>e. Review policies and procedures for record retention and destruction timeframes to ensure compliance with legal requirements.</p>	<p>[Click&amp;type]</p>

**Examination Procedures****Baseline Review**

<p>f. Review policies and procedures for products containing features that may pose heightened risk of unlawful discrimination. Such features may include:</p> <ul style="list-style-type: none"> <li>a. Particular incentives created by employee compensation or performance goal structures; both compensation and non-compensation based;</li> <li>b. Discretion over product selection, underwriting, or pricing; or</li> <li>c. Distinctions related to geography or prohibited bases (such as age or marital status).</li> </ul>	[Click&type]
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**CONCLUSION:** Draw preliminary conclusions as to whether policies and procedures are strong, satisfactory, deficient, seriously deficient, or critically deficient. [Click&type]

**Training**

<p>a. Please describe how the entity ensures that employees are trained on fair lending risks. (C7)</p>	[Click&type]
<p>b. Which of the entity's employees are required to receive fair lending training? Is training tailored to the responsibilities of particular positions? How frequently is the training required? Are any service providers required to receive training? Please describe. (C7)</p>	[Click&type]
<p>c. Do the entity's board of directors and senior management receive fair lending training? If so, please describe. (C7)</p>	[Click&type]
<p>d. How does the entity provide fair lending training to its employees (in-person, online, etc.)? (C7)</p>	[Click&type]
<p>e. How does the entity monitor fair lending training completion? Does the entity communicate any training results or issues to the board and/or senior management? If so, please describe the forum and frequency of these communications. (C7)</p>	[Click&type]
<p>f. How often is fair lending training content reviewed and updated? Which area within the entity is in charge of reviewing and updating the fair lending training content? Review training developed as a result of management commitments to address monitoring, audit, or examination findings and recommendations or issues raised in consumer complaints and inquiries. (C6, C7)</p>	[Click&type]

**CONCLUSION:** Draw preliminary conclusions as to whether the training program is strong, satisfactory, deficient, seriously deficient, or critically deficient. [Click&type]

<b>Monitoring and/or Audit</b>	
a. Describe the fair lending monitoring program. How does the entity ensure that business transactions, processes, and models are periodically tested for fair lending risks and ensure Regulation B compliance? (C5)	[Click&type]
b. How often does the entity conduct fair lending related monitoring? Please include recent and planned dates for fair lending related monitoring. (C5)	[Click&type]
c. How does the entity determine the frequency and focus of fair lending related monitoring? (C5)	[Click&type]
d. Does the entity's fair lending monitoring program include conducting self-tests or self-evaluations (12 CFR 1002.15(b))? If it includes self-tests, describe the methodology used, scope of the tests, period covered, and dates they were conducted (12 CFR 1002.15(b)(3)(i)). Also, describe any self-evaluations. (C5)	[Click&type]
e. Does the entity have guidelines or procedures for fair lending related monitoring? If so, please describe. If not, how does the entity ensure that fair lending related monitoring is performed appropriately and consistently? (C5)	[Click&type]
f. Does the entity conduct any statistical or other analyses as part of its fair lending monitoring process? Please describe the extent of the analysis, including lines of business, products, or other areas that the entity analyzed. (C5)	[Click&type]
g. If the entity learns of fair lending violations or risks through its monitoring, does it take appropriate corrective action or other steps to mitigate risk? Note results of the latest fair lending related monitoring and any corrective actions taken. Review reports for indications of weaknesses, repeat violations of law and resulting risks or harm to consumers. (C4)	[Click&type]
h. If the entity works with third parties who participate in underwriting or pricing decisions, does it monitor the third party decisions for potential fair lending risks or violations? Does it take appropriate corrective action? Please describe. (C5)	[Click&type]
i. Does the entity provide periodic results of its fair lending monitoring and corrective action results to the board and/or senior management? If so, please describe the forum and frequency for such updates. (C5)	[Click&type]

**Examination Procedures****Baseline Review**

j. Does the entity's compliance audit program report to an audit committee or other committee of the board? Please describe the compliance audit reporting structure. Is the audit program independent of the business line and compliance management functions? (C5)	[Click&type]
k. How does the entity incorporate fair lending risks into its compliance audit program? Does the entity conduct fair lending audits or contract with third parties to perform the audits on its behalf? Please describe. If audit is performed by a third party, request and review the engagement letters or contracts during the review period. (C5)	[Click&type]
l. How often does the entity conduct fair lending related audits? Which of the entity's individual business lines are included? Please include recent and planned dates for fair lending related audits, as well as the determined scope for the audits.	[Click&type]
m. How does the entity determine the frequency and scope of fair lending related audits? (C5)	[Click&type]
n. Do written audit reports identify the sampling techniques, findings/deficiencies, recommendations for corrective action, and management responses with time frames for corrective action? Do fair lending audit scopes include previous audit and examination findings, new requirements, new products and channels, and self-identified higher risk areas of the supervised entity's operations? Please describe.	[Click&type]
o. How does the entity document any corrective actions taken as the result of fair lending related audits? (C5)	[Click&type]
p. Does the entity provide periodic results of its fair lending related audits, and any resulting corrective actions, to the board, senior management, and/or appropriate business unit head(s)? If so, please describe the forum and frequency for such updates. (C5)	[Click&type]
q. Review the fair lending related audits conducted during the review period, or the latest audit conducted prior to the review period. Please note the results of the audit and whether and how any risks, issues, or corrective actions were resolved. (C4, C5)	[Click&type]
<b>CONCLUSION:</b> Draw preliminary conclusions as to whether monitoring and/or audit is strong, satisfactory, deficient, seriously deficient, or critically deficient. [Click&type]	
<b>Consumer Complaint Response</b>	

a. How does the entity accept and keep track of complaints alleging discrimination? Is there a fair lending complaints process? Are fair lending complaints part of the entity's general complaints process? Please describe. (U9, P5, S7, R11, M7)	[Click&type]
b. How does the entity review and resolve complaints alleging discrimination? Are fair lending complaints handled by a centralized unit? Are complaints handled by the entity's individual business line(s)? How are fair lending complaints involving service providers or other third parties referring business to the institution handled? Please describe.	[Click&type]
c. Does the entity's evaluation of consumer complaints alleging discrimination, including whistleblower complaints, include comprehensive root cause analysis to assess why a particular law violation or error occurred? If so, does the entity use evaluations of root cause analysis in corrective action, such as modifying policies, procedures, training, monitoring, and/or other appropriate business adjustments?	[Click&type]
d. Does the entity provide periodic fair lending complaints updates to its board and/or senior management? If so, please describe the forum and frequency for such updates. (C5)	[Click&type]
<b>CONCLUSION:</b> Draw preliminary conclusions as to whether the supervised entity's response to consumer issues and concerns is strong, satisfactory, deficient, seriously deficient, or critically deficient. [Click&type]	
<b>Service Provider Oversight</b>	
a. Does the entity use service providers to administer certain products or business lines that could pose fair lending risks to the entity's applicants or borrowers? (C5, C6)	[Click&type]
b. Does the entity have a service provider oversight program? If so, how are fair lending risks incorporated? (C5, C6)	[Click&type]
<b>CONCLUSION:</b> Draw preliminary conclusions as to whether the institution's service provider oversight is strong, satisfactory, deficient, seriously deficient, or critically deficient. Consider the impact this conclusion has on conclusions regarding Board and Management Oversight and components within the Compliance Program. [Click&type]	

**OPTIONAL FAIR LENDING CMS SUMMARY:**

1. Assess whether the entity's fair lending CMS is Strong, Satisfactory, Deficient, Seriously Deficient, or Critically Deficient.
2. Include supporting statements for the assessment covering the different aspects of the entity's fair lending CMS components:
  - a. Board and Management Oversight
  - b. Compliance Program: Policies and Procedures
  - c. Compliance Program: Training
  - d. Compliance Program: Monitoring and/or Audit
  - e. Compliance Program: Consumer Complaint Response
3. Summarize the entity's use of service providers and whether its service provider oversight program includes fair lending risks.

**CONCLUSION:** [Click&type]

**Module 3: Fair Lending Risks Related to Origination**

IPL Examination or Review Summary	
<b>CFPB Docket #</b>	[Click&type]
<b>Name of Supervised Entity</b>	[Click&type]
<b>IPL(s) Reviewed</b>	[Click&type]

Describe the entity's fair lending related risks and controls related to origination. Address the following topics. Separate modules should be completed for each IPL reviewed.	
<b>Marketing and Advertising</b>	
a. How does the entity advertise its products to consumers? Note any use of print or media advertisements, mail, email or social media advertising, or telemarketing. Also, note the primary means of advertising. (M2)	[Click&type]
b. If applicable, note any employee statements that reflect preferences that indicate that certain consumers are either more or less desirable due to prohibited basis characteristics. (M1, M2)	[Click&type]
c. Does the entity advertise its products in languages other than English? If so, please list the languages and describe the advertisements offered in those languages. (M2)	[Click&type]

<p>d. Does the entity target its products to particular populations? Consider the extent to which the marketing of a product or service is targeted to, for example: the elderly; minorities; immigrants; consumers of certain national origins; members of specific religious groups or denominations; consumers with limited English proficiency; consumers receiving any type of public assistance; consumers with limited experience with financial products or services; or consumers of a certain sex or marital status.</p> <p>Consider whether any particular populations are missing or excluded from the entity's advertising. (M2)</p>	<p>[Click&amp;type]</p>
<p>e. Does the entity periodically review its marketing plans and materials for fair lending risks? If so, please describe the forum and frequency for such review. (C5)</p>	<p>[Click&amp;type]</p>
<p>f. Does the entity offer and/or require fair lending training to employees and service providers that market its products to consumers? If so, describe the type and frequency of such training. (C7)</p>	<p>[Click&amp;type]</p>
<b>SUMMARY</b> [Click&type]	
<b>Accepting and Referring Applications/Steering</b>	
<p>a. Does the entity have a defined process and requirements for accepting applications from consumers? If so, please describe. (S1)</p>	<p>[Click&amp;type]</p>
<p>b. Does the entity allow employees discretion to deviate from the processes described above? If so, please describe. (S1)</p>	<p>[Click&amp;type]</p>
<p>c. Are policies and procedures for referring applicants to subsidiaries, affiliates, lending channels, or products based on specific, objective, and defined criteria? Please describe. (S1, S5)</p>	<p>[Click&amp;type]</p>

d. Does the entity allow employees discretion to deviate from the processes described above? If so, please describe. (S1, S5)	[Click&type]
e. Do any policies and procedures for referring applicants to subsidiaries, affiliates, lending channels, or products specify or mention the use of prohibited bases? Please list the identified policies and procedures, as well as the prohibited bases named in those documents. (O1)	[Click&type]
f. Does the entity contract with service providers to accept and/or refer applications on the entity's behalf? If so, please describe the service providers and services provided.	[Click&type]
g. Are the entity's employees and/or service providers compensated based on application volume for certain types of products or prices of products or other terms or conditions? If so, please note any compensation criteria and/or products listed. (S2)	[Click&type]
h. Does the entity offer and/or require fair lending training of employees and/or service providers that accept applications or refer applications on the entity's behalf? If so, describe the type and frequency of such training. (C7)	[Click&type]
i. Does the entity conduct any fair lending related monitoring of its application acceptance and referral rates? If so, please note the frequency of such monitoring, the part(s) of the entity responsible for monitoring, the results of the last monitoring performed, and any corrective action(s) taken. (S4, S5, S6)	[Click&type]

j. Does the entity conduct any fair lending related monitoring of employee or service provider discretion in accepting and referring applications? If so, please note the frequency of such monitoring, the part(s) of the entity responsible for monitoring, the results of the last monitoring performed, and any corrective action(s) taken. (C5, S1, S2, S4, S5)	[Click&type]
<b>SUMMARY</b> [Click&type]	
<b>Evaluating Applications (Underwriting)</b>	
a. How does the entity make underwriting decisions? How does the entity use manual underwriting, automated underwriting, credit models, or a combination of these options? Please describe. (U4)	[Click&type]
b. Does the entity have policies and procedures governing its underwriting processes? If so, please describe these documents and how often they are reviewed and approved. (U4)	[Click&type]
c. Do any of the entity's underwriting policies or procedures vary on one or more prohibited bases? If so, please describe. (O1)	[Click&type]
d. Do any of the entity's underwriting policies or procedures contain factors that could treat applicants differently on a prohibited basis? If so, please describe the factors, the prohibited basis, and the potential impact. (O1)	[Click&type]
e. Does the entity allow its employees discretion, overrides and/or exceptions, to deviate from the underwriting criteria or process? If so, please note the guidelines that are provided for exercising discretion. (U5, U6)	[Click&type]
f. How are underwriting criteria, including guidance for overrides and/or exceptions, communicated to employees? (U5, U6)	[Click&type]

g. How frequently do underwriting overrides and/or exceptions occur? Does the entity have standards for when overrides/exceptions are appropriate? If so, please describe, including any standards for justifying and documenting the override/exception reasons. (U5, U6, U7)	[Click&type]
h. Does the entity contract with service providers to make underwriting decisions on the entity's behalf? If so, please describe the service providers and services provided.	[Click&type]
i. Are the entity's employees or service providers compensated based on approval/declination rates for certain types of products, or prices of products? If so, please note any compensation criteria and/or products listed. (U8)	[Click&type]
j. Does the entity offer and/or require fair lending training of employees and/or service providers that make underwriting decisions? If so, briefly describe the type and frequency of such training. (C7)	[Click&type]
k. Does the entity conduct any fair lending related monitoring of underwriting decisions? If so, please note the frequency of such monitoring, the area(s) responsible for monitoring, the results of the last monitoring performed, and any corrective action(s) taken. (C5, U1, U2, U3)	[Click&type]
l. Does the entity conduct any fair lending related monitoring of underwriting overrides and/or exceptions by employees and/or service providers? If so, please note the frequency of such monitoring, the part(s) of the entity responsible for monitoring, the results of the last monitoring performed, and any corrective action(s) taken. (C5, U1, U2, U3, U7)	[Click&type]
<b>SUMMARY</b> [Click&type]	
<b>Pricing and Other Terms and Conditions</b>	

a. How does the entity make decisions regarding pricing and other terms and conditions? Does the entity use rate sheets, pricing models, or a combination of these options? Please describe.	[Click&type]
b. Does the entity have policies and procedures governing its product pricing processes? If so, please describe these documents and how often they are reviewed and approved. (P2, P3)	[Click&type]
c. Do any of the entity's pricing policies or procedures vary on one or more prohibited bases? If so, please describe. (O1)	[Click&type]
d. Do any of the entity's pricing policies or procedures contain factors that could treat applicants differently on a prohibited basis? If so, please describe the factors, the prohibited basis, and the potential impact. (O1)	[Click&type]
e. Does the entity allow third parties or service providers to make pricing decisions? If it does, please describe the third parties and service providers. Also describe the entity's controls to prevent discrimination in pricing (e.g., in indirect auto lending, caps on dealer markups) by its third parties and/or service providers. (C5)	[Click&type]
f. Does the entity allow pricing exceptions (including the waiving of any charges)? If so, please describe the guidelines that are provided for making these pricing exceptions, the frequency for such exceptions, and the standards for justifying and documenting the reason(s) for the exceptions. (P2, P3)	[Click&type]
g. How frequently do pricing exceptions occur? Please describe. (P2, P3)	[Click&type]
h. How does the entity communicate its pricing structure, including guidance for pricing exceptions, to employees? Please describe. (P2, P3)	[Click&type]

i. Are the entity's employees or service providers compensated based on any component of product pricing (rate, term, etc.)? If so, please note any compensation criteria and/or any pricing criteria listed. (P1)	[Click&type]
j. Does the entity offer and/or require fair lending training of employees and/or service providers that make pricing decisions? If so, briefly describe the type and frequency of such training. (C7)	[Click&type]
k. Does the entity conduct any fair lending related monitoring of pricing decisions, including separate pricing components? If so, please note the frequency of such monitoring, the part(s) of the entity responsible for monitoring, the results of the last monitoring performed, and any corrective action(s) taken. (C5, P4, P6, P7)	[Click&type]
l. Does the entity conduct any fair lending related monitoring of pricing overrides and/or exceptions by employees, third parties, and/or service providers? If so, please note the frequency of such monitoring, the part(s) of the entity responsible for monitoring, the results of the last monitoring performed, and any corrective action(s) taken. (C5, P4, P6, P7)	[Click&type]
<b>SUMMARY</b> [Click&type]	
<b>Redlining</b>	
a. If applicable, note any employee statements that reflect preferences as to geographic areas in which to do business, including preferences concerning business in areas with relatively high concentrations of minority residents. (O1, R10)	[Click&type]

b. Please describe if documents indicate that the entity's CRA assessment areas or other demarcations used for marketing or other purposes exclude political subdivisions, census tracts, or other geographic areas that have relatively high concentrations of minority residents. Please also describe the entity's response to any concerns raised. (R6, R9, M4)	[Click&type]
c. Does the entity engage in any geography- or neighborhood-based advertising that may indicate that certain geographies/ neighborhoods are either favored or disfavored? If so, please note the type of advertising, the criteria, and any specific products advertised. (M1, M4, R8)	[Click&type]
d. Does the entity use service providers that selectively serve particular neighborhoods or geographic areas? If so, please describe. (M3)	[Click&type]
e. If you have used any application or software to map an entity's branch patterns (if applicable), applications, and/or originations, include a copy of the map(s), and note which areas reviewed indicated any concerns. (R1)	[Click&type]
<b>SUMMARY</b> [Click&type]	

**Module 4: Fair Lending Risks Related to Servicing****IPL Examination or Review Summary**

<b>CFPB Docket #</b>	[Click&type]
<b>Name of Supervised Entity</b>	[Click&type]
<b>IPL(s) Reviewed</b>	[Click&type]

Describe the entity's fair lending related risks and controls related to servicing. Address the following topics. Separate modules should be completed for each IPL reviewed.

**Fair Lending Training and Monitoring**

a. Does the entity provide fair lending training to its servicing staff? If so, please describe the type and frequency of such training. (C7)	[Click&type]
b. Does the entity perform any fair lending related monitoring of its servicing? If so, note the frequency of the monitoring, the part(s) of the entity responsible for monitoring, the results of the last monitoring performed, and any corrective action(s) taken. (C5)	[Click&type]

**SUMMARY** [Click&type]

**Servicing Options for Consumers with Limited English Proficiency (LEP)**

a. Does the entity offer servicing options for borrowers with limited English proficiency (LEP)? Are such options offered through live customer service? Through translated documents? Please note the languages offered and servicing options provided.	[Click&type]
b. Does the entity have policies and procedures governing its LEP servicing options? If so, please describe and note whether these policies and procedures are reviewed on a periodic basis.	[Click&type]
c. Does the entity capture and track borrowers' indicated preferences to receive services in languages other than English? If so, please describe.	[Click&type]

d. If customer service personnel are available to provide assistance in languages other than English, are they dedicated customer service personnel (as opposed to personnel who have other roles but are available to translate on an as-needed basis)?	[Click&type]
e. Do customer service personnel who are available to provide assistance in languages other than English receive the same training, and have the same authority, as other customer service personnel?	[Click&type]
f. Does the entity contract with service providers to provide any LEP services on behalf of the entity? If so, please describe.	[Click&type]
g. How does the entity ensure that its services provided to LEP borrowers are consistent with its policies and procedures?	[Click&type]

**SUMMARY** [Click&type]**Offering of Hardship/Loss Mitigation Options**

a. How do borrowers apply for hardship/loss mitigation options? How does the entity communicate these application options to the borrowers?	[Click&type]
b. Does the entity have policies and procedures guiding the selection of hardship/loss mitigation options to offer to borrowers? If so, describe and note if these are reviewed and approved on a periodic basis.	[Click&type]
c. Do any of the entity's hardship/loss mitigation policies or procedures vary on one or more prohibited bases? If so, please describe. (O1)	[Click&type]
d. Do any of the entity's hardship/loss mitigation policies or procedures contain factors that could treat applicants differently on a prohibited basis? If so, please describe the factors, the prohibited basis, and the potential impact. (O1)	[Click&type]

e. Does the entity allow its employees discretion in offering hardship/loss mitigation options to borrowers? If so, please note the guidelines, if any, which are provided for exercising discretion.	[Click&type]
f. Does the entity offer and/or require fair lending training to employees and/or service providers that offer or advise borrowers on hardship/loss mitigation options? If so, briefly describe the type and frequency of such training. (C7)	[Click&type]
g. Does the entity conduct any fair lending related monitoring of the types of hardship/loss mitigation options offered to borrowers? If so, please note the frequency of such monitoring, the part(s) of the entity responsible for monitoring, the results of the last monitoring performed, and any corrective action(s) taken. (C5)	[Click&type]
h. Does the entity conduct any fair lending related monitoring of employees' discretion in offering or enrolling borrowers in hardship/loss mitigation options? If so, please note the frequency of such monitoring, the part(s) of the entity responsible for monitoring, the results of the last monitoring performed, and any corrective action(s) taken. (C5)	[Click&type]
i. Where appropriate, does the entity have policies and procedures to ensure that applicants receive adverse action notices as required by Regulation B (12 CFR 1002.9)?	[Click&type]
<b>SUMMARY:</b> [Click&type]	

## **Module 5: Fair Lending Risks Related to Models**

<b>IPL Examination or Review Summary</b>	
<b>CFPB Docket #</b>	[Click&type]
<b>Name of Supervised Entity</b>	[Click&type]
<b>IPL(s) Reviewed</b>	[Click&type]

Describe the entity's fair lending related risks and controls related to the use of models in the credit decision process. Address the following topics:	
<b>Use of Models</b>	
a. Does the entity use models in the credit process (e.g., in underwriting, pricing, or account management)? If so, please describe.	[Click&type]
b. Does the entity track the expected usage of each model; the type(s) and source(s) of data used by each model; and whether the model was developed internally or by a third-party? If so, please describe how this information is tracked. (C5)	[Click&type]
c. How often are the entity's models validated or re-validated? Please describe the nature of validation or re-validation. (C5)	[Click&type]
d. Does the entity conduct any fair lending-related review or testing of models? If so, please note the frequency and nature of such review or testing; the part(s) of the entity responsible for such review or testing; the results of the last review or testing performed; and any corrective action(s) taken. (C5)	[Click&type]
e. Do any of the entity's models contain factors that could treat applicants differently on a prohibited basis? If so, please describe the factors, the prohibited basis, and the potential impact. (O3)	[Click&type]
f. Does the entity evaluate the validity or performance of its models by prohibited basis group? If so, please describe.	[Click&type]

g. Do any of the entity's models specifically include age as a criterion? If so, how does the entity ensure that the use of age is consistent with requirements in Regulation B (12 CFR 1002.6(b)(2))? (O3)	[Click&type]
h. If the entity employs third party models in the credit process, have the models been reviewed or tested by the entity or third party for fair lending risk? If so, please describe the nature of the review or testing and any corrective action(s) taken. (C5)	[Click&type]
i. Does the entity have policies and procedures governing model use, including when it may be appropriate to make overrides/exceptions to a model decision? If so, please describe. Please also describe any procedures for justifying, documenting, and monitoring override/exception reasons. (C5)	[Click&type]
j. When adverse action is taken on the basis of one or more credit scoring models, what methodology is used to select the reasons why the adverse action was taken?	[Click&type]
<b>CONCLUSION:</b> [Click&type]	