

Banking Compliance

Advisory Services: Fair Lending Performance Baseline Analysis

A fair lending review created specifically for small institutions

Complying with fair lending regulations to ensure all end-consumers have access to fair, equitable, and nondiscriminatory access to credit is a challenge for many financial institutions. With competing priorities, stretched resources, and little time to conduct deep fair lending analysis, financial institutions can struggle.

That's why Wolters Kluwer® created the Fair Lending Performance Baseline Analysis, an advisory services offering specifically designed for smaller institutions. Engage our experts to provide a practical and robust fair lending analysis with this right-sized, cost-friendly service. From our initial information gathering interview to our delivery of a fair lending performance baseline analysis, we help you get the information you need to keep internal and external stakeholders apprised of any potential fair lending risks derived from the HMDA data.

"HMDA data provides a wealth of information regarding an institution's lending activities, which can be assessed by any interested party. Therefore, it is imperative that financial institutions are conducting analysis to gain insight and understanding into the narrative that the data is telling, so they can prepare and respond appropriately to any potential concerns."

Sara Resmer, Senior Regulatory Consultant, Wolters Kluwer

The Fair Lending Performance Baseline Analysis

Created specifically for institutions with fewer than \$1 billion in assets and 600 or less records on their HMDA Loan Application Register (LAR), this consulting service includes:

- **Marketing/redlining** analysis of application and origination volumes compared to area demographics and peer data
- **Underwriting analysis** of disparities in approval/denial rates and processing times in percentage of withdrawn/incomplete applications and in origination and denial rates by tract minority concentration
- **Pricing analysis** of disparities in average APR, rate spread or interest rate
- **Disparities** in prices being quoted or charged to applicants
- **Identification** of target records for independent comparative file review

Validate your institution's compliance with fair lending laws

The Fair Lending Performance Baseline Analysis provides a picture of your institution's compliance with laws and regulations that promote fairness and equal access to credit for prohibited basis groups throughout the lending process, including:

- The Fair Housing Act (FHA)
- The Equal Credit Opportunity Act (ECOA)
- The Home Mortgage Disclosure Act (HMDA)

Prepare for increased regulatory scrutiny

In a recent banking industry survey, 56% of respondents indicated they are very or somewhat concerned about fair lending laws and regulations and 38% identified an increase in examiner scrutiny of fair lending programs.

- 2020 Regulatory & Risk Management Indicator Survey

Face today's demands with confidence in your fair lending program

Tougher oversight measures, reputational harm, and harsher penalties call for preventative measures. A Fair Lending Performance Baseline Analysis will provide a foundational evaluation of potential fair lending risk based on analysis of HMDA data. You'll get the information you need to meet the next obligations you face, including;

- Informing management of potential fair lending risks
- Strengthening risk avoidance strategies
- Merger and acquisition activity
- Regulatory exams

Want more information?

Go to [WoltersKluwer.com](https://www.wolterskluwer.com) to learn more about advisory services and provide us your contact information to get started.

About Wolters Kluwer Governance, Risk & Compliance

Governance, Risk & Compliance (GRC) is a division of Wolters Kluwer, which provides legal and banking professionals with solutions to ensure compliance with ever-changing regulatory and legal obligations, manage risk, increase efficiency, and produce better business outcomes. GRC offers a portfolio of technology-enabled expert services and solutions focused on legal entity compliance, legal operations management, banking product compliance, and banking regulatory compliance.

Wolters Kluwer (AEX: WKL) is a global leader in information services and solutions for professionals in the health, tax and accounting, risk and compliance, finance and legal sectors. Wolters Kluwer reported 2020 annual revenues of €4.6 billion. The company, headquartered in Alphen aan den Rijn, the Netherlands, serves customers in over 180 countries, maintains operations in over 40 countries and employs 19,000 people worldwide.

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Fair Lending Consulting Product Sheet