

## Banking Compliance

# Advisory Services: Community Bank Fair Lending Performance Baseline Analysis

Complying with fair lending regulations to ensure all customers have access to fair, equitable and nondiscriminatory access to credit is a challenge for many banking institutions. Competing priorities and stretched resources can impact an organization's ability to stay up to date on fair lending monitoring.

That is why Wolters Kluwer® created the Fair Lending Performance Baseline Analysis, which is a consulting service specifically designed for Community Banks. Engage our experts to provide a practical 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 informed of potential fair lending risks derived from your Home Mortgage Disclosure Act (HMDA) data.

### 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)

### The Fair Lending Performance Baseline Analysis

Created specifically for Community Banks with up to \$1 billion in assets and up to 1,000 HMDA records on one year of its Loan

Application Register (LAR)<sup>1</sup>, this consulting service includes:

- Marketing Analysis: evaluates application and origination volumes compared to area demographics and peer data
- Underwriting Analysis: determines disparities in raw denial rates, differences in processing times, and disparities in the percentage of withdrawn or incomplete applications
- Pricing Analysis: determines raw disparities in average interest rates or APR, if available
- Redlining Analysis: determines disparities in origination and denial rates by tract minority concentration
- Disparate Treatment Analysis: identification of target records for independent underwriting and pricing comparative file review.

### 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 risk
- Strengthening risk avoidance strategies
- Merger and acquisition activity
- Regulatory exams

<sup>1</sup>Complex data sets, as identified by a Wolters Kluwer consultant, may need additional analysis, and may not qualify for the fair lending performance baseline analysis regardless of size.



### Stay In Touch

Do you have a complex data set that includes multiple loan types, purposes, and/or open and closed-end data? Do you need a more robust analysis that reviews risk by loan type and/or purpose? We can help.

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*

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