

# REGULATORY ALERT

NATIONAL CREDIT UNION ADMINISTRATION  
1775 DUKE STREET, ALEXANDRIA, VA 22314

**DATE:** September 2009 **NO.:** 09-RA-09

**TO:** Federally Insured Credit Unions

**SUBJ:** Interagency Fair Lending Examination Procedures

**ENCL:** Interagency Fair Lending Examination Procedures and Appendix

Dear Board of Directors:

The purpose of this Regulatory Alert is to assist credit unions in assessing compliance with fair lending laws and regulations by sharing the recently updated Interagency Fair Lending Examination Procedures issued through the Federal Financial Institutions Examination Council (FFIEC).<sup>1</sup> The FFIEC updated the procedures previously in effect since 2000 to expand upon the general guidance for identifying areas of potential risk. In addition, the procedures also address important contemporary issues such as:

- The risks and potential fair lending implications associated with using **brokers or other third party entities** for various aspects of lending operations;
- Management's practices relative to loan **pricing** and procedures for detecting potential disparities; and
- Management's practices for ensuring policies and procedures do not result in the inappropriate **steering** of borrowers to higher priced loan products.

In this challenging economic environment, credit unions continue to flourish in meeting the borrowing needs of their members and maintain a reputation for making fair credit decisions. As credit union officials, you can protect this important legacy through continued efforts in ensuring compliance with all laws and regulations applicable to fair lending. I

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<sup>1</sup> Federal Financial Institutions Examination Council member agencies include Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, Office of Thrift Supervision, and the State Liaison Committee.

encourage you to review the enclosed procedures and use the content as a basis for designing appropriate compliance programs.

If you have any questions or concerns, please contact your NCUA Regional Office or State Supervisory Authority.

Sincerely,

*/s/*

Deborah Matz  
Chairman

Enclosures