

THE ANNUAL REPORT TO THE CONGRESS
ON
THE EQUAL CREDIT OPPORTUNITY ACT
FOR THE YEAR
1981

The Board of Governors of the Federal Reserve System
January 28, 1982

This fifth annual report on the Equal Credit Opportunity Act (ECOA) discusses the uniform enforcement policy that was developed by the Federal Financial Institutions Examination Council. That policy was designed to ensure corrective action by financial institutions whose practices violate the intent of the Equal Credit Opportunity and Fair Housing Acts. The report also discusses compliance, rulewriting, and the activities of the Consumer Advisory Council.

UNIFORM ENFORCEMENT POLICIES

On August 10, 1981, the Federal Financial Institutions Examination Council proposed a policy statement for enforcement of the Equal Credit Opportunity and Fair Housing Acts. ^{1/} The objective of the statement is to establish a uniform national policy to require creditors to take corrective action for the more serious past violations, and to ensure future compliance. The policy statement was adopted by the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the National Credit Union Administration (NCUA) (46 F.R. 56500, November 17, 1981).

The policy statement emphasizes that the agencies will enforce the acts vigorously, and states that institutions will be required to establish procedures to prevent repetition of certain violations that the policy identifies as serious. The policy applies to violations that are discovered following its adoption; when a serious violation is discovered, the creditor is usually required to correct all similar violations that occurred in the 24 months before the discovery of the violation.

The serious violations identified are discouraging applicants on a prohibited basis, using credit criteria in a discriminatory manner in evaluating

1. The Examination Council consists of The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Office of the Comptroller of the Currency, and the National Credit Union Administration.