

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

**Circular No. 79-172
October 22, 1979**

POLICY STATEMENT ON DISCRIMINATION

**TO ALL STATEMENT MEMBER BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:**

The five constituent Federal financial regulatory agencies of the Federal Financial Institutions Examination Council have approved a joint statement of policy on discrimination effective October 11, 1979.

The press release concerning this statement, along with the text of the policy statement, is printed on the following pages. For further information contact Mr. Samuel H. Talley, Board of Governors of the Federal Reserve System, (202) 452-3354.

Sincerely yours,

Robert H. Boykin

First Vice President

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.



Press Release

For immediate release

October 16, 1979

The Examination Council announced today that the five Federal bank and thrift institution regulators represented on the Council have adopted the attached Policy Statement on Discrimination, as recommended to them by the Council.



POLICY STATEMENT ON DISCRIMINATION

The Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Federal Home Loan Bank Board and the National Credit Union Administration, as federal agencies responsible for the regulation and supervision of depository institutions, in cooperation with other responsible authorities, are committed to identifying and eliminating illegal discrimination and to encouraging non-discriminatory practices in the operations of these institutions. Over the years, the attention of the federal financial regulatory agencies has focused especially on such matters as discrimination on the basis of race, religion, national origin, sex, and marital status in the provision of lending and other financial services and the discriminatory aspects of mortgage and other lending practices which may have a disparate impact on various neighborhoods and communities. The various efforts of the agencies have been directed towards the enforcement of prohibitions against such discrimination, the development by the institutions they supervise of appropriate remedial or affirmative actions to help eradicate the effects of past discrimination, and the sponsorship or support of numerous special-emphasis programs that have the objective of assisting the financial institutions to meet the credit needs of all segments of the communities which they serve.

Within the boundaries of their jurisdiction, the five federal financial regulatory agencies are committed to effective enforcement of the various civil rights laws of the nation. The agencies believe that illegal discrimination is contrary to the best interests of not only the people discriminated against but also the financial institutions themselves.

The provision of employment opportunity without discrimination on any prohibited basis is first and foremost the legal responsibility of the employer, and it is the policy of the agencies that the financial institutions which they regulate should review periodically their employment practices to ascertain that they are, in fact, non-discriminatory and, to the extent that any discrimination is found, adopt appropriate remedial policies and practices to eliminate it.

Such an examination of employment practices should include consideration of the institutions' policies regarding the payment of dues on behalf of employees to private clubs which discriminate on the basis of race, sex, religion, color, or national origin. Because business is commonly conducted at such clubs, membership prohibition may have an adverse and discriminatory effect upon the career advancement of employees who are denied equal opportunity to access either as members or guests.

For this reason, the agencies discourage the payment by financial institutions, on behalf of their employees, officers or directors, of fees or dues for membership in private clubs where business is commonly conducted, which so discriminate. Payment by financial institutions of the costs of any business or social function held at any such club or organization which practices discrimination is also discouraged.