



FEDERAL RESERVE BANK
OF DALLAS

ROBERT D. McTEER, JR.
PRESIDENT
AND CHIEF EXECUTIVE OFFICER

DALLAS, TEXAS
75265-5906

February 1, 1999

Notice 99-09

TO: The Chief Executive Officer of each
financial institution and others concerned
in the Eleventh Federal Reserve District

SUBJECT

**Interagency Fair Lending
Examination Procedures**

DETAILS

The Federal Financial Institutions Examination Council (FFIEC) has announced the release of core *Interagency Fair Lending Examination Procedures*. The uniform procedures will be used by each of the FFIEC member agencies in their examinations for compliance with the broad, nondiscriminatory requirements of the Equal Credit Opportunity Act and the Fair Housing Act.

The core procedures provide a basic and flexible framework to be used for the majority of fair lending examinations and may be augmented by each agency. Agencies may provide their examiners and the specific institutions they regulate with additional procedures and details as needed to implement the core procedures effectively.

The *Interagency Fair Lending Examination Procedures* are the culmination of two years of effort by the FFIEC Consumer Compliance Task Force. They reflect a determination by the FFIEC member agencies that fair lending compliance examinations should be conducted using a risk-based approach that considers each institution's particular loan product mix, market demographics and past performance, as well as the nature and quality of data available from or about the institution. The new core procedures are divided into four sections:

- I. Examination Scope Guidelines;
- II. Compliance Management Review;

III. Examination Procedures; and,

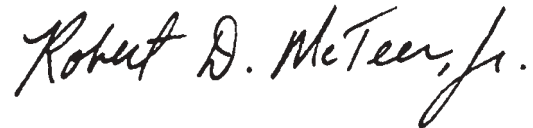
IV. Obtaining and Evaluating Responses from the Lender and Concluding the Examination.

MORE INFORMATION

The *Interagency Fair Lending Examination Procedures* are available on the FFIEC's Web site at www.ffiec.gov/PDF/fairlend.pdf. For more information regarding the procedures, please contact Dean Pankonien at (214) 922-6154.

For additional copies of this Bank's notice or a copy of the procedures, contact the Public Affairs Department at (214) 922-5254.

Sincerely yours,

A handwritten signature in black ink that reads "Robert D. McTeer, Jr." The signature is written in a cursive style with a prominent initial 'R' and a trailing flourish.