

## CFPB Issues Third Fair Lending Report to Congress

On April 28, 2015, the [Consumer Financial Protection Bureau](#) ("CFPB") released its third [Fair Lending Report to Congress](#). The report summarizes the CFPB's fair lending activities during the 2014 calendar year. The report largely focuses on the efforts of the CFPB's Office of Fair Lending, which according to Director Cordray's comments in the report "provides oversight and enforcement of Federal fair lending laws; coordinates the Bureau's fair lending efforts with Federal agencies and State regulators; works with private industry, fair lending, civil rights, consumer and community advocates to promote fair lending compliance and education; and provides annual reports on these efforts to fulfill its fair lending mandate."

The report includes a focus on two markets:

**Mortgage Lending:** The report makes clear that during 2014, mortgage lending was a "key priority" for the Office of Fair Lending in both enforcement and supervision. The integrity of the data disclosed under the Home Mortgage Disclosure Act (HMDA), and potential fair lending risks in connection with redlining, underwriting, and pricing are identified as areas of focus.

**Auto Lending:** The report identifies the indirect auto lending industry as another critical area of focus during 2014. The report notes that the CFPB considered the use of discretionary pricing policies which it contends has resulted in discrimination against certain minorities in violation of the Equal Credit Opportunity Act (ECOA). It noted that during the past two years, several supervisory reviews allegedly revealed discretionary dealer markup and compensation policies that may discriminate against certain minorities.

The report also notes fair lending activities in the credit card market, including a CFPB enforcement action against a company that allegedly failed to provide certain consumers with debt relief offers because of national origin.

According to the report, the CFPB's fair lending enforcement activities during 2014 resulted in financial institutions paying approximately **\$224 million** in monetary relief to over 300,000 consumers.