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Sample

## Section 1 General

### 1.1 Statement of Purpose

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[Sample Client] designed these policies and procedures to safeguard their legal responsibility to comply with applicable residential lending laws and regulations. The [board of directors](#) and senior management, through a sound [Compliance Management System](#), ensure the integration of these policies and procedures into the overall framework for product design, delivery and administration across the residential lending origination and service life cycle. Management and employees utilize these policies and procedures to guide their daily responsibilities to effect mitigation of regulatory compliance risk within their job roles.

### 1.2 Objective

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The guidance in this policy applies throughout [Sample Client]'s operations with the objective to mitigate regulatory risk and consumer harm within the standards of [Sample Client]'s compliance program. [Sample Client] requires employees, contractors, and [third-party vendors](#) to comply with these policies and procedures.

### 1.3 State Law and Agency Guidelines

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Federal law may alter, affect, or preempt state laws that are inconsistent with the federal law. Preemption applies only to the extent of the inconsistency. A state law is not inconsistent if it is more protective of a consumer. Wherever state law or local regulations overlap and provide greater consumer protections than federal law or the requirements set out in this policy, [Sample Client] will comply with the more protective law or regulation and will consult with the appropriate legal counsel to set forth [Sample Client]'s policies and procedures for compliance.

In some instances, agencies may overlay guidelines that expand upon the requirements of federal law. [Sample Client] must be cognizant of agency guidelines and incorporate those guidelines into [Sample Client]'s policies and procedures.

## Section 2 Summary

The Equal Credit Opportunity Act (ECOA) requires creditors to make credit equally available to all creditworthy consumers, thereby making it illegal for a [creditor](#) to discriminate against an [applicant](#) on a prohibited basis before, during, and after the extension of credit.

### 2.1 Prohibited Basis

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ECOA, as implemented by Regulation B, prohibits creditors from requesting and collecting specific applicant information which has no bearing on the applicant's ability or willingness to repay the credit requested and could be used to [discriminate against the applicant](#). Specifically, Regulation B prohibits creditors from discriminating against credit applicants on the following bases:

- Race
- Color
- Religion
- National origin
- Sex (including sexual orientation and gender identity)
- [Marital status](#)
- [Age](#) (must be of legal age to enter into a legally binding contract)
- All or part of the applicant's income comes from any public assistance program
- The applicant has in good faith exercised rights under the Consumer Credit Protection Act

### 2.2 Discrimination

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In compliance with Regulation B a creditor may not discriminate against an applicant on a prohibited basis during any aspect of a consumer's dealing with a creditor; beginning with information gathering, servicing of the loan and collection efforts during the life of the loan.

Discrimination occurs when a creditor's actions, intentionally or unintentionally, result in a disproportionate, unfavorable impact on a protected class without evidence of the

## Section 3 Requirements

### 3.1 General Rules

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#### 3.1.1 Written Application Requirement

[Sample Client] must take a written [application](#); the application information may be taken in any of the following manners:

- In person
- By telephone
- By mail
- Entered directly into and retained by a computer system

#### 3.1.2 Disclosure Requirements and Permissions

[Sample Client] must provide required written disclosures in compliance with the following rules:

- Must be clear and conspicuous
- Must be provided in a form the [applicant](#) may keep except for the following:
  - Monitoring information disclosures
  - Disclosure that alimony or child support income need not be provided

##### 3.1.2.1 Foreign-Language Disclosures

[Sample Client] may provide disclosures in any language as long as disclosures in English are available upon request.

#### 3.1.3 Electronic Delivery

[Sample Client] may provide disclosures to the applicant in electronic form in compliance with the Electronic Signatures in Global and National Commerce Act (E-Sign Act), including the requirement of consumer consent.

## Section 4 Origination Compliance

### 4.1 Fair Lending

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[Sample Client] is prohibited from discouraging or discriminating against any [applicant](#) with respect to all loan origination processes, as summarized below:

- On the basis of race, color, religion, national origin, sex or [marital status](#), or [age](#) provided the applicant has the capacity to contract
- Because all or part of the applicant's income derives from any public assistance program
- Because the applicant has in [good faith](#) exercised any right under the Consumer Credit Protection Act

For expanded policy information on the Regulation B rules specific to discriminating against an applicant refer to [Requirements](#).

### 4.2 Application Requirements

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[Sample Client] must take a written [application](#). Application information may be taken using any of the following methods:

- In person
- By telephone
- By mail
- Entered directly into and retained by a computer system

### 4.3 Appraisal and Other Valuation Requirements

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#### 4.3.1 Appraisal Disclosure

[Sample Client] must mail or deliver the appraisal disclosure to meet the following requirements:

- Within three business days after receipt of a loan application for the purchase or refinance of a first lien

## Section 5 Servicing Compliance

### 5.1 Fair Servicing

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[Sample Client] is prohibited from discouraging or discriminating against any [applicant](#) with respect to all loan administration processes for any of the following reasons:

- On the basis of race, color, religion, national origin, sex or [marital status](#), or [age](#) provided the applicant has the capacity to contract
- Because all or part of the applicant's income derives from any public assistance program
- Because the applicant has in [good faith](#) exercised any right under the Consumer Credit Protection Act

For expanded policy information on the Regulation B rules specific to discriminating against an applicant refer to [Requirements](#).

### 5.2 Furnishing Credit Information

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#### 5.2.1 Designation of Accounts

In furnishing credit information to a consumer reporting agency for loans held by both spouses, [Sample Client] must designate to reflect both spouses' participation in the loan for the following scenarios:

- Any new account if the spouse is [contractually liable](#)
- Any existing loan, if one of the spouses makes a written request to reflect both spouses' participation on the loan

This type of request requires [Sample Client] to change the designation on the account within 90 days after receiving the borrower's written request.

#### 5.2.2 Routine Reports to Consumer Reporting Agency

If a loan is designated to reflect both spouses' participation, [Sample Client] must furnish the information in a manner that will enable the credit reporting agency to provide access to the information in the name of each spouse.