Compliance Audit III:
Fair Lending Emphasis

Triac Compliance LLC

Schedule

This review may be conducted at any point during the year.

Area(s) of Review

The review emphasizes the following credit regulations, as applicable:

- *Equal Credit Opportunity—Regulation B*
- *Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act (FACT Act)*
- *Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)—Dodd-Frank Act §§ 1031, 1036*
- *Home Mortgage Disclosure Act (HMDA)—Regulation C*

Scope of Review

The scope of the review is modified to meet the needs of each client. Typically, however, it includes the following:

- Review of fair lending programs including the bank's second review and/or marginal transaction analysis, reflecting the CFPB's rule effective July 21, 2026 that removed the disparate-impact (“effects test”) standard from Regulation B and narrowed the “discouragement” standard.
- Review and evaluation of fair lending training.
- Review of all previous fair lending audits (including internal certifications/reviews) and the bank's response to the findings of these reviews.
- Drawing upon Interagency Fair Lending Examination Procedures (“IFLEP”), review up to two focal points centering on areas of highest risk. Utilize geoanalysis to evaluate for redlining factors, informed by current DOJ Combating Redlining Initiative and Fair Housing Act enforcement posture.
- Conduct interviews (up to 3 hours) of appropriate bank personnel regarding their understanding of fair lending concepts and also as part of our marginal transaction analysis. Where findings warrant additional sampling and/or a response from management, expand the review as agreed to by management.
- In addition to the fair lending emphasis of this review, this audit includes a limited review of general lending compliance areas (covered in greater depth during Compliance Audit I), including:
- Sampling of additional loans per major lending category (e.g., residential mortgage lending for both open and closed-end, consumer installment lending, small business lending, small farm lending, commercial real estate lending).
- Sampling of additional declines.
- Review of all lending advertisements over the past six months.

Proposal

Depending on the needs of the institution, this review typically requires three to four days.
For a specific fee proposal for your institution, please contact Frank Young at 702.217.7566 or fyoung@triaccompliance.com.

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