



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, DC 20429-9990

**Financial Institution Letter**  
**FIL-22-2006**  
**March 9, 2006**

## **Consumer Credit Protection Act and Fair Lending** ***Prohibition Against Discrimination in Credit Transactions***

### **Summary:**

The FDIC is reminding institutions that the Equal Credit Opportunity Act (ECOA) and its implementing regulation prohibit discrimination in credit transactions against consumers who have, in good faith, exercised any right under the Consumer Credit Protection Act (CCPA). The CCPA, which comprises several consumer protection titles, includes the rights provided to consumers by the Fair Credit Reporting Act (FCRA) – Title VI of the CCPA.

### **Distribution:**

FDIC-Supervised Banks (Commercial and Savings)

### **Suggested Routing:**

Chief Executive Officer  
Compliance Officer

### **Related Topics:**

Equal Credit Opportunity Act  
Federal Reserve Board Regulation B  
Fair and Accurate Credit Transactions Act  
Fair Credit Reporting Act

### **Attachment:**

None

### **Contact:**

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### **Note:**

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### **Highlights:**

- Under the ECOA, a financial institution may not discriminate in a credit transaction against a consumer who has exercised a right under the CCPA, including many new rights provided under amendments to the FCRA (which is Title VI of the CCPA) by the Fair and Accurate Credit Transactions Act of 2003 (FACT Act).
- Discriminatory practices may occur when financial institutions take adverse action in consumer credit transactions based upon rights legitimately exercised by consumers, such as placing fraud or active duty alerts on their consumer reports.
- Financial institutions are reminded to establish effective policies and procedures to ensure that all aspects of credit transactions are administered without regard to a prohibited basis, including the exercise of a right under the CCPA.