



REDLINING

Lawmakers want inquiry into report that OCC halted redlining probes

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WASHINGTON – Three Senate Democrats are calling for an inquiry into reports that officials at the Office of the Comptroller of the Currency halted at least a half-dozen investigations related to racial discrimination and redlining.

Sens. Sherrod Brown of Ohio, Elizabeth Warren of Massachusetts and Catherine Cortez Masto of Nevada are asking the Treasury Department’s acting inspector general, Richard Delmar, for an inquiry into how the OCC handled allegations of discriminatory lending practices at at least six banks.

“Recent reports indicate that senior OCC officials have abdicated their responsibilities – allowing banks to continue business as usual despite alleged violations of [Equal Credit Opportunity Act] and [Fair Housing Act],” the senators wrote to Delmar Thursday. “This conduct stands in stark contrast to the OCC’s requirement to enforce the law, its finding that lending discrimination is ‘destructive, morally repugnant, and against the law,’ and its commitment to not ‘tolerate lending discrimination in any form.’ ”

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The senators' letter followed a July 13 ProPublica report that OCC staff over the last three years discovered at least six banks, including Bank of America and Cadence Bancorp, were allegedly engaged in discriminatory lending, but failed to reprimand or penalize the institutions. The report said that investigations were stalled and shelved after OCC officials failed to involve experts trained to spot patterns of abuse and took the "unusual step" of bringing in new lawyers to the case.



Sens. Sherrod Brown, D-Ohio, Elizabeth Warren, D-Mass., and Catherine Cortez Masto, D-Nev., are asking the Treasury Department's acting inspector general, Richard Delmar, for a probe into how the OCC handled allegations of discriminatory lending practices at at least six banks. *Bloomberg News*

But a spokesperson for the OCC said the agency disputes the allegations raised in the article.

"While it is inappropriate to discuss confidential supervisory information publicly, the OCC takes issue with the allegations and inaccuracies in the original article despite providing on-the-record information to the contrary," the spokesperson, Bryan Hubbard, said in an emailed statement. "We welcome the opportunity to



The letter calls on Delmar to investigate the processes and procedures in place for OCC staff and officials to launch, conduct and complete fair-lending investigations, and the extent to which staff are following those procedures.

Among other requests, the senators asked Delmar to consider whether OCC staff and officials shelved the investigations based on expert judgment or in response to pressure from the Trump administration. The letter also sought answers to whether OCC leadership is acting on recommendations from staff trained to analyze and detect fair-lending violations.

The senators also asked the Treasury inspector general to investigate whether the OCC is appropriately using its enforcement authorities to impose monetary penalties against banks that violate fair-lending laws and regulations.

Neil Haggerty Reporter, American Banker



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