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Media Release

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NCUA Testifies on Mortgage Lending Consumer Protection Laws

July 25, 2007, Alexandria, Va. -- National Credit Union Administration (NCUA) Director of Examination and Insurance David M. Marquis testified today on oversight of consumer laws pertaining to mortgage lending before the U.S. House of Representatives Financial Services Subcommittee on Oversight and Investigations.

“NCUA places a priority on ensuring that credit unions comply with all nondiscrimination laws and work to protect consumers against discriminatory or unfair home mortgage lending practices,” Marquis said.

Fair lending laws are enforced by NCUA using a comprehensive examination process and HMDA data. Also, reviewing member complaints enables NCUA to evaluate each credit union’s compliance and gain a more complete picture of how a credit union makes mortgage loans. During 2006, nearly 5,600 federally insured credit unions provided mortgage loans, comprising approximately 2 percent of the mortgage market.

NCUA works closely with the credit unions subject to HMDA to ensure timely filings. After noting disappointing trends in timeliness of the filings, the agency began assessing Civil Money Penalties against late filers -- 17 penalties were assessed in 2005 and 22 in 2006.

“As part of NCUA’s risk focused examination, if a violation is noted it is documented in the Agency’s compliance database and the examiner communicates corrective actions to be taken,” Marquis said. “In addition to regularly scheduled exams, NCUA also has 25 examiners devoted to fair lending compliance.”

Credit union members have several options to file consumer complaints for possible discrimination in home mortgage lending. NCUA maintains an 800 consumer helpline and an Internet site, although most complaints continue to be received by mail. The agency encourages credit unions to resolve consumer complaints, initially directing the credit union to investigate a complaint, inform NCUA of the results, and resolve the matter according to applicable law or regulation.

NCUA continues to refine its methods to oversee fair lending law compliance. More sophisticated training has resulted in a more complete understanding of lending patterns in specific geographic areas as well as heightened awareness of how to detect patterns of discrimination.

“NCUA constantly exhorts the credit union industry to promote financial education to their members and participate in industry compliance seminars and training in order to be more proactive,” Marquis said. The goal is to help credit unions institute adequate compliance programs and oversight procedures.

“Credit union members are entitled to fair treatment, not because the law says so, but because they own the institution. When treatment is unfair and not within the law, NCUA steps in to ensure no member is subject to discrimination,” Marquis said.

The complete text of the testimony is available online at [Marquis Speeches](#)

The National Credit Union Administration charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates and manages the National Credit Union Share Insurance Fund, insuring the accounts of nearly 86 million account holders in all federal credit unions and the majority of state-chartered credit unions. NCUA is funded by credit unions, not federal tax dollars.