

BANKWISE

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EQUAL CREDIT OPPORTUNITY ACT (REGULATION B)

The **Equal Credit Opportunity Act (ECOA)** applies to any extension of credit and prohibits discrimination in any aspect of a credit transaction (including oral and written loan applications). The ECOA has been amended several times since its enactment in 1974.

Regulation B outlines the requirements under ECOA.

KEY PROTECTIONS



Nondiscrimination

The regulation prohibits discrimination regarding any aspect of a credit transaction based on race, color, religion, national origin, sex (including sexual orientation and gender identity), marital status, age, receipt of public assistance, or exercising rights under the Consumer Credit Protection Act.



Adverse Action Notifications

Creditors must inform applicants of actions taken on their credit applications within 30 days. If credit is denied, creditors must give specific reasons or inform applicants of their right to get the reasons for the denial.

BANK REQUIREMENTS

Financial institutions are required to comply with ECOA and its implementing regulation. In addition to the protections listed under the KEY PROTECTIONS section:

BANKS MUST:

- **collect demographic information** in connection with a request for credit secured by a dwelling. Information such as race, ethnicity, sex (including sexual orientation and gender identity), marital status, and age is collected to monitor compliance with fair lending laws.
- **keep records** related to consumer credit applications and decisions for at least 25 months.

BANKS MAY NOT:

- **discriminate** against applicants based on race, color, religion, national origin, sex (including sexual orientation and gender identity), marital status, age (provided the applicant has the capacity to contract), receipt of public assistance, or exercise of rights under the Consumer Credit Protection Act.
- **discourage applications** from anyone applying for credit based on the prohibited factors.
- **require applicants to disclose childbearing plans** or consider an applicant's plans to have or raise children.
- **assign different credit terms** to the loan unless justified by an applicant's creditworthiness or other legitimate criteria.
- **require a spouse's signature** on an application unless the spouse is a joint applicant or state law requires it.
- **generally, collect demographic information** about the race, color, religion, national origin, or sex (including sexual orientation and gender identity) of an applicant or any other person in connection with a credit transaction not secured by a dwelling, unless in connection with self-testing or a special purpose credit program.

BANKS MAY (optional)

- **conduct voluntary self-testing programs** to monitor and ensure compliance with fair lending laws, as long as the results are not used in a discriminatory manner.
- **offer credit counseling** to applicants or customers as a service to help improve creditworthiness.
- **provide additional notices** or disclosures beyond what is required to ensure clarity and transparency, such as notifying a customer of changes to their credit report that could affect their credit standing.
- **establish a special purpose credit program** that meets ECOA's standards to meet the credit needs of specified classes of people.



RESOURCES



Read: Learn more about [ECOA](#).



Get assistance: The OCC's [HelpWithMyBank.gov](#) has answers to questions on a range of banking topics, including [credit scores and reports](#), and information on how customers may file a complaint against an OCC-supervised institution.



Find who regulates your financial institution: Visit [HelpWithMyBank.gov](#) to contact your bank's regulator for assistance. The [National Credit Union Administration](#) regulates most credit unions.



Office of the
Comptroller of the Currency

Promoting a Safe, Sound, and Fair Federal Banking System



The Office of the Comptroller of the Currency's (OCC) mission is to ensure that national banks and federal savings associations operate in a safe and sound manner, provide fair access to financial services, treat customers fairly, and comply with applicable laws and regulations.

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