

Final Analysis and Conclusion

After gathering all the information related to the subject lender's redlining risk factors, the final analysis can be performed and documented. Most DOJ complaints, for example, tends to use the following order:

- CRA assessment area,
- Branch/LPO locations,
- Lending analysis, and
- Other risk factors.

This format first establishes the Appropriate Assessment Area and the geographic boundaries for the analysis and then reviews the other risk factors using that geography.

Generally, the strongest argument for high redlining risk is present when the subject lender shows high risk for all three of the key risk factors: the CRA assessment area, the branch/LPO locations, and the lending analysis. That said, there may be situations when the totality of the risk factors shows high redlining risk, even if one of the three key risk factors is not high risk. For example, the subject lender may have delineated a CRA assessment area that appropriately includes all of the majority minority census tracts, but the lender has still failed to locate any branches/LPOs in those tracts and the lending analysis shows statistically significant disparities. Under those circumstances, it may still be appropriate to take action. Advocates should weigh the totality of the information to draw a conclusion about whether the redlining risk is sufficiently high to warrant further action.

Below is a checklist of the redlining risk factors to facilitate the analysis.

Checklist of Redlining Risk Factors - Final Analysis and Conclusion

| Risk Factor | High Risk? Yes, No, Need More Information | Notes and Conclusion |
|-------------------------------------|--|-----------------------------|
| CRA Assessment Area | | |
| Branch/LPO Locations | | |
| Lending Disparities | | |
| Marketing | | |
| Staff Diversity | | |
| Complaints/Social Media | | |
| Overt Statements | | |
| Minimum Loan Amounts | | |
| Compliance Management System | | |
| Fair Lending Testing | | |
| | | |
| <u>Final Conclusion</u> | | |