



Press Release

For Immediate Release

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FFIEC Issues Statement on Examination Principles Related to Valuation Discrimination and Bias in Residential Lending

The Federal Financial Institutions Examination Council today issued a statement of principles related to valuation discrimination and bias for member entities to consider in their consumer compliance and safety and soundness examinations. The principles aid member entities in assessing whether their supervised institutions' compliance and risk management practices are appropriate to identify and mitigate discrimination or bias in their residential property valuation practices.

Financial institution supervisors routinely assess the risk management processes of institutions' residential lending activity during both consumer compliance and safety and soundness examinations. Consumer compliance examinations focus on compliance with consumer financial protection laws and regulations, while safety and soundness examinations focus on an institution's financial condition and operations. The examination principles released today are designed for both types of examination.

The statement of principles should not be interpreted as new guidance to supervised institutions nor an increased focus on supervised institutions' appraisal practices. Instead, the statement of principles offers transparency into the examination process and supports risk-focused examination work.

Attachment:

[FFIEC Statement on Exam Principles Related to Valuation Bias](#) (PDF)

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The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. It also conducts schools for examiners employed by the five federal member agencies represented on the FFIEC and makes those schools available to employees of state agencies that supervise financial institutions. The Council consists of the following six voting members: a member of the Board of Governors of the Federal Reserve System; the Chairman of the Federal Deposit Insurance Corporation; the Director of the Consumer Financial Protection Bureau; the Comptroller of the Currency; the Chairman of the National Credit Union Administration; and the Chairman of the State Liaison Committee.

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