

**BANK OF ANYTOWN REPORT SUMMARY FORMAT****OVERVIEW**

The following are sample examination reports completed using the Instructions for Summary Report of Examination.

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**FDIC**

Federal Deposit Insurance Corporation  
Division of Compliance and Consumer Affairs  
555 Any Street, Suite 4444  
Any Town, Any State, 22222

Any Regional Office  
(555) 546-0100

March 12, 19XX

Board of Directors  
Bank of Anytown  
1111 Main Street  
Any Town, Any State, 12345

Dear Members of the Board:

A compliance examination of your institution was conducted as of February 12, 19XX, by Examiner I. M. Sharp. The examination, conducted at the main office, included a review of compliance with applicable consumer protection and fair lending laws and regulations. The examination focused on the lending-related regulations, while the institution's deposit operations were reviewed as part of the off-site pre-examination planning procedures. In addition, the financial institution's performance under the Community Reinvestment Act was evaluated using the small bank examination procedures.

### **Compliance Examination Findings**

A copy of the violations was provided to President William Jones on March 3, 19XX. This information will serve as the institution's official record of violations identified during the examination. A significant violation of Truth in Lending, and other violations of Real Estate Settlement Procedures and Equal Credit Opportunity were identified during the examination. These violations are considered technical in nature and correctable in the normal course of business. The Board of Directors is encouraged to review the Violation pages to ensure that corrective action has been taken on each violation, and that procedures are applied consistently to prevent recurrence.

The limited number of violations identified during this examination is attributed to the institution's strong compliance program, which includes an effective system of internal procedures and controls. Changes in consumer protection laws and regulations are promptly addressed in the institution's policies and procedures, and deficiencies receive immediate corrective action. Overall, Vice President and Compliance Officer Mary Smith is administering an effective compliance program. Accordingly, a Consumer Compliance Rating of "1" is assigned. An institution in this category is in a strong compliance position.

**Community Reinvestment**

The financial institution's Community Reinvestment Act (CRA) performance is acceptable. Lending activity is reasonable in relation to the institution's size, financial condition, and assessment area credit needs. Based on a sampling of loans, a majority of the institution's installment and real estate loans were originated within the assessment area. Additionally, the distribution of loans by geographies and borrower income levels is consistent with the composition of the assessment area. The distribution of business loans exhibits an adequate responsiveness to business customers of different sizes, particularly businesses with gross revenues of less than \$50,000. Accordingly, a CRA rating of "Satisfactory" is assigned. An institution in this group has a satisfactory record of helping to meet the credit needs of its entire assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. Please refer to the enclosed Community Reinvestment Act Performance Evaluation for a complete discussion of the institution's performance.

**Meeting with Management**

On March 3, 19XX, Examiners I. M. Sharp and D. W. Jones held a meeting with management to discuss the results of the compliance examination and Community Reinvestment Act evaluation. Chairman of the Board John Doe, President William Jones, and Vice President and Compliance Officer Mary Smith represented the institution at the meeting. Chairman Doe stated that additional procedures will be implemented to prevent the recurrence of the violations cited at this examination. Management was informed of the tentative ratings for compliance and Community Reinvestment at the conclusion of the meeting.

The results of the compliance examination are subject to the confidentiality restrictions embodied in Part 309 of the FDIC Rules and Regulations. The institution must, however, make the CRA Performance Evaluation available to the public within 30 business days of receipt.

Based on the financial institution's favorable compliance and CRA postures, no written response by the institution is required. Should questions arise concerning this letter or any matters pertaining to the compliance examination, please contact Review Examiner R. L. Wilkins at the Any Regional Office.

Sincerely,

David Smith  
Regional Director

Enclosure

<b>Significant Violations</b>	<b>00000</b>
Violations cited below are of supervisory concern due to their serious nature, recurrent pattern, or system-wide impact. Individually or collectively, the violations reflect deficiencies requiring prompt corrective action by the financial institution.	

**TRUTH-IN-LENDING**

**Section 226.19(a)(1) of Regulation Z requires, in a residential mortgage transaction subject to RESPA, that the creditor make good faith estimates of the disclosures required by Section 226.18 before consummation or deliver or mail them not later than three business days after receipt of the consumer's written application, whichever is earlier. [087101]**

A review of 20 approved loan files identified 6 instances in which applicants did not receive an early Truth in Lending disclosure, as required. This violation is attributed to a training deficiency. Although the institution has written procedures for providing disclosures, a new loan officer had not received sufficient training in the use of these procedures. Examples of the loans containing the violation are provided below:

<b>Loan Customer(s)</b>	<b>Loan Number</b>	<b>Loan Date</b>	<b>Application Date</b>	<b>Purpose</b>
Montes, Joseph and Mary	0404000	8-14-XX	7-15-XX	Purchase Residence
Moore, Ronald and Julie	0409700	5-30-XX	5-12-XX	Purchase Residence
Smith, Carltonn	0234008	9-12-XX	8-25-XX	Purchase Residence

<b>Other Violations</b>	<b>00000</b>
Violations cited below represent deficiencies of a less serious nature that neither individually or collectively represent significant concern for the financial institution, but require corrective action where appropriate.	

### REAL ESTATE SETTLEMENT PROCEDURES

**Section 3500.8(b) of Regulation X of the Department of Housing and Urban Development requires the settlement agent to complete the HUD-1 or HUD-1A in accordance with the instruction set forth in Appendix A. [132401]**

Of the 20 residential real estate files reviewed, 3 of the loan closing statements, in which the institution was the settlement agent, did not reflect the Paid Outside of Closing (POC) amounts correctly. The seller's address was also not included on one HUD-1. The following HUD-1 settlement statements were improperly completed.

Loan Customer(s)	Loan Number	Loan Date	Reason for Violation
Collins, Albert and Nancy	0308009	5-29-XX	POC fees not shown correctly on HUD-1
Farewell, Timothy	0307001	6-12-XX	POC fees not shown correctly on HUD-1
Wilkins, Arnold and Betsy	0506006	6-09-XX	Seller's address not on HUD-1 and POC fees not shown correctly on HUD-1

### EQUAL CREDIT OPPORTUNITY

**Section 202.5(d)(3) of Regulation B prohibits a creditor from requesting the sex of an applicant, except as required for monitoring purposes. An applicant may be requested to designate a courtesy title if the form discloses that such a designation is optional; otherwise, the form must use only terms that are neutral as to sex. [332301]**

**Section 202.5(d)(5) of Regulation B prohibits a creditor from requesting the race, color, religion or national origin of an applicant, except as required for monitoring purposes. [332901]**

A review of 20 installment loans revealed 2 instances in which race and sex information was inadvertently obtained from an applicant. The loans in violation are listed below:

Loan Customer(s)	Loan Number	Loan Date	Application Date	Purpose
Barker, Ronnie	099090	7-24-XX	7-24-XX	Unsecured
Lyons, Juanita	079900	4-25-XX	4-25-XX	Purchase Vehicle

<b>COMPLIANCE - SUPERVISORY SECTION</b>			<b>00000</b>				
<b>BANK NAME</b> Bank of Anytown							
<b>CITY</b> Anytown		<b>STATE</b> Anystate		<b>TOTAL ASSETS (000s)</b> \$75,000			
<b>REGION</b> Any	<b>FIELD OFFICE</b> Any	<b>NO. OF OFFICES</b> 2		<b>OFFICES EXAMINED</b> 1			
<b>CURRENT EXAMINATION DATE</b> 02-12-XXXX	<b>EXAMINATION START DATE</b> 02-12-XXXX	<b>EXAMINATION COMPLETE DATE</b> 03-03-XXXX		<b>LAST COMPLIANCE EXAMINATION DATE</b> 02-26-XXXX			
<b>RATINGS:</b>							
<b>CURRENT COMPLIANCE</b> 1-1-1/1			<b>LAST COMPLIANCE</b> 1-1-1/1				
<b>CURRENT CRA</b> Satisfactory*			<b>LAST CRA</b> Satisfactory				
<b>WORKING HOURS</b>				<b>GG</b>	<b>IN</b>	<b>OUT</b>	<b>TOTAL</b>
<b>EXAMINER-IN-CHARGE:</b>		Sharp, I.M.		13	32	24	56
<b>OTHER EXAMINATION STAFF:</b>		Jones, D.W.		11	16	8	24
							0
							0
							0
							0
<b>TOTAL HOURS</b>				48	32	80	

**COMMENTS**

\* - Small Bank Procedures:

Composite Rating	Satisfactory
-Loan-to-deposit ratio	Meets Standards
-Assessment area concentration	Meets Standards
-Geographic distribution of loans	Meets Standards
-Borrower's profile	Meets Standards
-Response to CRA Complaints	No CRA Complaints Received
-Investments and Services	N/A

President William Jones confirmed that the institution did not request that Investments and Services be reviewed during the examination.

**COMPLIANCE - SUPERVISORY SECTION****00000****Structure of Institution**

There has been no change in ownership since the previous examination. The institution is wholly owned by Anytown Bancorporation, Anytown, Anystate, a one-bank holding company. Members of the Directorate collectively own 80 percent of the holding company stock.

**Management**

President William Jones formulates bank policy and oversees the daily operations of the institution. Vice President Mary Smith has been appointed as the compliance officer. She displays an in-depth knowledge of the various consumer protection regulations.

**Fair Lending Review**

A full review of the institution's compliance with fair lending was performed. A hypothesis was developed involving discriminatory treatment of Black applicants when applying for residential real estate loans. The hypothesis was predicated on the 30 percent denial rate among Black applicants compared to 7 percent for White applicants. The Black and White population within the institution's assessment area accounted for 25 percent and 70 percent, respectively. A comparative file analysis was utilized to compare a Target group consisting of 10 denied applications submitted by Black applicants with a Control group consisting of 20 approved loans originated to White applicants.

Upon the review of the aforementioned files, discussions with lending officers, and a review of the institution's loan policy, no evidence of illegal discrimination was discovered among the targeted Black applicants. The denials to the Black (Target group) applicants appeared to be based solely on their high debt ratios and derogatory credit performance. No approved loans to the targeted Control group members had similar debt ratios or derogatory credit performance. The higher denial ratio among Black applicants was primarily attributable to an intense marketing campaign conducted by the institution to originate residential loans to minorities. A significant increase in applications from minorities was submitted which resulted in a 30 percent increase in the institution's residential loan category. However, many applicants submitted real estate applications without the financial capacity to pay additional debt combined with historical credit problems.

A second comparative file analysis of a Target group consisting of 10 approved loans to Black applicants and a Control group of 20 approved loans to White applicants was utilized to identify possible disparate treatment on loan rates, terms, and conditions. The analysis did not reveal any inconsistencies.

**Future Examinations**

President William Jones has no preference with regard to concurrent examinations.

**Community Contact**

Anytown Economic Development Corporation  
Bruce Branson - Associate Director  
Anytown, Anystate 12345  
(123) 456-7890