



Fair Lending Analyses in Comply™ from RATA Associates



Comply™ Fair Lending, from RATA Associates, is a robust software solution based on the FFIEC Fair Lending Examination Procedures and is a user-friendly and cost effective way to monitor potential risk associated with lending performance.

ADI Consulting provides training and ongoing consulting support for creating Disparity Data Mines and conducting Comparative File Reviews (CFR or file reviews) in the Comply™ Fair Lending software. Typically there are two starting points for these file reviews. The first is a scorecard (example below) that has been generated as part of the Disparity Data Mine created with this software. The second is a list of files that are the output of regression analysis.

P4 - Average APR Analysis by Ethnicity

	Total					1 - Home purchase					2 - Home Improvement					3 - Refinancing				
	Avg APR	Count	Std Dev	T-Stat	Significance	Avg APR	Count	Std Dev	T-Stat	Significance	Avg APR	Count	Std Dev	T-Stat	Significance	Avg APR	Count	Std Dev	T-Stat	Significance
Hispanic	5.39	128	0.61	6.37	100%	5.51	104	0.58	2.81	99.42%	0	0	0	0	0%	4.88	24	0.44	2.37	97.37%
Non Hispanic	5.04	3578	0.63	0	0%	5.35	1976	0.53	0	0%	5.04	16	0.62	0	0%	4.67	1586	0.54	0	0%
Joint (Hispanic/Non-Hispanic)	4.98	41	0.72	-0.59	44.18%	5.4	25	0.49	0.61	45.02%	0	0	0	0	0%	4.31	16	0.48	-2.99	99.1%
Ethnicity Not Available	5.21	13	0.65	0.95	64.03%	5.56	9	0.41	1.57	84.64%	0	0	0	0	0%	4.43	4	0.26	-1.8	83.26%

Data Mine Path:

Entire DataSet

Data mines and resulting scorecards can be generated in Comply™ itself, on a set of applications or files, and in a matter of minutes. ADI’s training includes an overview of RATA Comply, detailed procedures for importing and preparing your data for analysis in Comply, step-by-step instruction on generating the scorecards, and hands-on assistance with designing and conducting the CFRs. All of the key components of Comply™ are covered:

- ❖ Period Reviews
- ❖ Analysis Workspaces
- ❖ Quick Review
- ❖ Data Mining
- ❖ Scorecards
- ❖ Application Groups (from regression analysis)
- ❖ Comparative File Review
- ❖ Executive Summaries

Contact us to learn more about our RATA Comply™ training and support services.

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INDUSTRY EXPERIENCE

- ✓ Customized, full scope Fair Lending assistance to clients since 1993
- ✓ Assistance establishing Fair Lending Compliance Programs or evaluating current Programs and recommending enhancements
- ✓ Powerful regression analyses, aiding in enhancing monitoring regimes and offering expertise in efforts with enforcement officials
- ✓ Comparative File Review analysis, evaluating the similarities and differences between applicants or borrowers at the file level
- ✓ Pioneer in Pre-Application Self-Testing, executing programs for lenders who reach every corner of the continental United States
- ✓ Fair Lending training, addressing client needs that are not adequately met by standardized training courses

Call or email us today to discuss how ADI can assist with your RATA Comply™ training or other Fair Lending compliance needs.



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The Comply™ training offered by ADI Consulting assumes some basic understanding of Comply™ Fair Lending and knowledge of Fair Lending Compliance. Questions on both aspects can always be answered, but at least elementary knowledge is required. (If a separate course on Fair Lending Compliance is needed, ADI can make that Day 1 of the training.)

A typical presentation begins with procedures for generating scorecards and conducting a Comparative File Review within the intended scope of Comply™ Fair Lending. It concludes with a section on how to use the output of regression analyses as the bases for a Comparative File Review in the Wizard provided by Comply™ Fair Lending.

A sample outline for a typical session follows. Sessions can be customized, however, to fit your specific training needs. Hands-on, on-site assistance with conducting Disparity Data Mines and Comparative File Reviews, can also be provided as needed.

I. INTRODUCTION

THE OBJECTIVE OF THIS TRAINING

A NOTE ON THE ART OF FAIR LENDING ANALYSIS

II. OVERVIEW OF RATA COMPLY™ – FAIR LENDING

III. CREATING THE DATA MINE AND SCORECARDS

IV. USING THE FILE REVIEW WIZARD

DECIDING THE TYPE OF FILE REVIEW TO CONDUCT

THE CORE WORK OF THE CFR

V. COMPARATIVE FILE REVIEWS FOR REGRESSION MODEL OUTPUTS

A BRIEF OVERVIEW OF REGRESSION ANALYSIS

PREPARING REGRESSION FILES FOR A CFR

VI. IN SUMMARY / Q&A

ADI Consulting offer clients an array of consulting and execution services. ADI is a team of consultants based in Fairfax, Virginia, just outside of Washington, D.C. In addition, we have an array of affiliated consultants who live throughout the United States and provide very specialized expertise on discrete engagements.

Our Compliance Services group provides comprehensive regulatory compliance expertise to financial institutions. Core consulting areas include Fair Lending; Anti-Money Laundering and Bank Secrecy Act; and Investment Products and Services. Our Compliance Services clients range from top-five bank holding companies to community banks; from very large mortgage companies to individual mortgage brokers; and from bank-affiliated investment businesses to independent broker-dealers and investment advisors.