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Status of the DOJ's Combatting Redlining Initiative

The Consumer Finance Podcast

SPEAKERS

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In this episode of *The Consumer Finance Podcast*, host Chris Willis and guest Lori Sommerfield discuss the status of the Department of Justice's (DOJ) Combatting Redlining Initiative. The initiative, which has been underway for over two years, involves all federal financial institution regulators, including the OCC, FDIC, Federal Reserve Board, CFPB and HUD, and has resulted in a significant number of redlining cases brought by the DOJ. The total monetary relief in connection with these settlements has reached \$107 million, with the largest single redlining settlement at \$31 million. The DOJ has brought 10 redlining enforcement actions, either on its own or in conjunction with other federal agencies, and there are currently about two dozen investigations pending.

Lori and Chris discuss common trends in redlining enforcement actions, including lenders' awareness of redlining risks without corrective action and evidence of discrimination in employee emails. They also discuss the guidance provided by Assistant Attorney General Kristen Clarke to mortgage lenders on how to avoid and address redlining risk. Looking ahead, Lori predicts that the DOJ and other federal agencies will continue to pursue the Combatting Redlining Initiative aggressively, with several more redlining enforcement actions expected in 2024.

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