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## **CBAI SUPPORTS HUD'S REVISIONS TO DISPARATE IMPACT STANDARD**

In a comment letter dated October 18, 2019, CBAI supported HUD's proposed revisions to the Fair Housing's Disparate Impact Standard to better reflect the Supreme Court's 2015 ruling in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.* These comments on the proposed rule were preceded by CBAI's response to an advance notice of proposed rulemaking urging HUD to amend the disparate impact standard to eliminate the inconsistencies between it and the Court ruling so that community banks are better able to provide needed loans to their customers.

In its decision, the Supreme Court discussed the standards for, and constitutional questions and necessary limitations regarding, disparate impact. The guideposts for the proposed revisions included the Court's statement that "disparate impact liability must be limited so that employees and other regulated entities are able to make practical business choices and profit-related decisions that sustain a dynamic and vibrant free-enterprise system." The proposed rule would create a beneficial new burden shifting framework and also contain defenses to algorithmic models that can show they can achieve a "legitimate objective".

[Read CBAI Comment Letter »](#)