Cross River Bank enters consent order with FDIC over fair lending compliance practices

May 31, 2023 Reading Time: 2 mins read

Fair Lending Compliance
In re: Cross River Bank
Date: May 18, 2023

Issue: Cross River Bank's consent order with the FDIC over unsafe fair lending compliance allegations.

Case Summary: Cross River Bank entered a consent order with the FDIC to resolve claims the with banks such as CRB to make loans. The bank also enables money movement for payment processors and collects funds for lending programs.

CRB allegedly failed to establish and maintain internal controls, information systems and prudent credit underwriting practices. CRB is required to promptly “self-correct” any violations of fair lending laws, and “appropriately address” the alleged deficiencies and weaknesses identified in its lending activities. CRB neither admits nor denies it engaged in these practices.

The consent order requires CRB to make three immediate changes. First, CRB must strengthen lending and third-party compliance controls. The bank must increase supervision and oversight of internal controls, information systems, credit underwriting practices and internal audit systems relating to its marketplace lending. Under the consent order, CRB’s fair lending compliance obligations will also include marketing practices associated with its credit products. This includes: considering the terms describing a credit product in its marketing materials; contractually requiring the recordkeeping of marketing materials in its agreements with new third parties; and overseeing the terms and conditions in marketing materials about a credit product distributed by a third party.

Second, CRB must comply with credit product and third-party disclosure and non-objection processes. CRB must identify all its credit products and all third parties offering its credit products, and then seek FDIC’s written non-objection before offering new credit products or partnering with new third parties. These non-objection requirements imposed extensive due diligence obligations on CRB when offering new credit products or permitting new third parties to offer its products.

Lastly, CRB must prepare assessments and reports on information systems and fair lending. CRB must engage independent third parties acceptable to FDIC to prepare certain assessments and reports on CRB’s information systems and fair lending compliance. These assessments will evaluate whether each third party offering one or more CRB credit products for a six or months complied with applicable fair lending laws and regulations. In addition, CRB must prepare a written report reflecting the findings of the fair lending compliance assessment.

Bottom Line: The consent order suggests heightened FDIC scrutiny of bank-fintech partnerships.

Related Posts

Recent news from Treasury's Office of Foreign Assets Control and the Department of State: Sept. 14

UNCATEGORIZED SEPTEMBER 14, 2026

News items that are the most recent sanctions-related actions from the Office of Foreign Assets Control.

Seventh Circuit upholds FDIC's in-house enforcement process

UNCATEGORIZED SEPTEMBER 1, 2026

In a unanimous decision, a Seventh Circuit panel ruled that the FDIC did not violate the Seventh Amendment by adjudicating an enforcement action seeking a prohibition order and civil money penalty.

Tenth Circuit affirms dismissal of APA challenge to SEC enforcement action

UNCATEGORIZED SEPTEMBER 1, 2026

A unanimous Tenth Circuit panel affirmed the dismissal of a lawsuit challenging the SEC's enforcement of federal anti-money laundering reporting requirements against an affiliate.

Second Circuit rules AP7 has prudential standing to pursue Signature Bank securities claims

Nine states sue OCC over escrow powers and preemption rules

UNCATEGORIZED SEPTEMBER 1, 2026

Nine states sued the OCC, alleging it exceeded its authority and violated the APA by issuing its Escrow Powers and Preemption Rules.

Eastern District of Michigan dismisses $2 million wire fraud suit against Fifth Third Bank

UNCATEGORIZED SEPTEMBER 1, 2026

The court refused to hold Fifth Third Bank liable for the wire fraud because Hegira could not identify any agreed-upon security procedure that the bank handled in a commercially unreasonable manner or failed to follow in good faith.

NEWSBYTES

- **New tool released to help state bank examiners assess AI risks**
  SEPTEMBER 17, 2026
- **FDIC proposes 'parity' rule for state-chartered banks in other states**
  SEPTEMBER 17, 2026
- **NAHB: Homebuilder confidence slips in September**
  SEPTEMBER 17, 2026

SPONSORED CONTENT

SEPTEMBER 8, 2026

Taming AI Agent Sprawl: A Playbook for Consumer Lending

SEPTEMBER 1, 2026

Grow Public Deposits Without the Operational Burden End Fragment

SEPTEMBER 1, 2026

PODCASTS

- **Podcast: Making the jump from a high performer to a high-performing leader**
  SEPTEMBER 16, 2026
- **Podcast: Remembering 9/11, a quarter century later**
  SEPTEMBER 10, 2026
- **Podcast: Banking the brave new world of college athletics**
  AUGUST 4, 2026

American Bankers Association
1333 New Hampshire Ave NW