Answer: Yes. Handle a request for a modification or deferment as you would any other ‘application.’ That includes providing a timely adverse action notice if you deny a request for a modification or deferment.

…snip

The regulation defines “applicant” as any person who requests or who has received an extension of credit from a creditor and includes any person who is or may become contractually liable regarding an extension of credit. Under Regulation B, an “application” means an oral or written request for an extension of credit made in accordance with procedures used by a creditor for the type of credit requested. “Extension of credit” means “the granting of credit in any form (including, but not limited to, credit granted in addition to any existing credit [ ,] the refinancing or other renewal of credit...or the continuance of existing credit without any special effort to collect at or after maturity).” Because the ECOA and Regulation B prohibit discrimination in any aspect of a credit transaction, a creditor violates the statute and regulation when discriminating against borrowers on a prohibited basis in approving or denying loan modifications. Moreover, as the definition of credit includes the right granted by a creditor to an applicant to defer payment of a debt, a loan modification is itself an extension of credit and subject to ECOA and Regulation B. Examples of loan modifications that are extensions of credit include, but are not limited to, the right to defer payment of a debt by capitalizing accrued interest and certain escrow advances, reducing the interest rate, extending the loan term, and/or providing for principal forbearance.

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