

# DISCRIMINATION IN MORTGAGE LENDING



## WHAT IS A MORTGAGE?

A mortgage is a type of loan used to purchase or to maintain a home, plot of land, or other type of real estate. The borrower agrees to pay the lender over a set period of time (term). The property then serves as collateral to secure the loan.

Fair and equal access to credit and mortgage loans is an important way for people to build wealth and become home owners. There are two federal laws that protect you from discrimination when you apply for a mortgage. The Equal Credit Opportunity Act and the Fair Housing Act.

**The Equal Credit Opportunity Act** makes it illegal for creditors, including mortgage lenders, to discriminate against credit applicants because of their race, color, religion, national origin, sex (including gender identity and sexual orientation), marital status, age, because an applicant receives income from a public assistance program, or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act.

**The Fair Housing Act** makes it illegal for anyone providing housing or housing-related services, including mortgage lenders, to discriminate against housing or housing-related service consumers, including borrowers, because of their race, color, religion, sex (including gender identity and sexual orientation), familial status, national origin or disability. This applies to every stage of the mortgage process, including:

- Advertising
- Mortgage Broker Services
- Property Appraisals
- Home Equity Loans
- Home Improvement Loans
- Homeowners Insurance

## WE ARE HERE TO HELP

Call the Fair Housing Center for Rights & Research for information, direct advocacy, possible investigation, and assistance preparing and filing your complaint.

## Examples of Lending Discrimination:

- Denying a mortgage to applicants because the property they wish to purchase is located in a majority-minority neighborhood.
- Imposing different terms or conditions on a mortgage loan, such as different interest rates, points, or fees to an applicant because of their religious beliefs.
- Providing a different or less favorable customer service experience to mortgage applicants because of their sexual orientation.
- Refusing to consider a mortgage applicant's disability-related income such as SSI or SSDI.
- Steering a borrower to a loan with less favorable terms because of their national origin.
- Lenders targeting a minority community for fraudulent home loan modification assistance.
- Refusing to provide mortgages to a person because they are pregnant or on parental leave.

These are just a few examples of ways that discrimination may occur when it comes to mortgage lending. Any lender, real estate and mortgage broker, appraiser, loan servicer, or title company may violate the law if they engage in lending discrimination in any phase of the mortgage loan process. If you think you have been discriminated against it is your right to file a complaint with HUD, the Ohio Civil Rights Commission or a local fair housing agency.

