



# Oregon

Kate Brown, Governor

**Department of Consumer and Business Services**

Division of Financial Regulation

350 Winter St. NE, Room 410

P.O. Box 14480

Salem, OR 97309-0405

October 4, 2018

Members of the Task Force on Addressing Racial Disparities on Home Ownership  
Oregon Legislative Assembly  
Salem, Oregon

**Re: Follow-Up Responses to September 27<sup>th</sup> Meeting**

Dear Task Force Members:

This letter is provided in response to the Task Force's questions that arose during the September 27, 2018 meeting on Racial Disparities in Home Ownership. Specifically, DCBS committed to providing follow-up information on:

- Whether DCBS received discrimination complaints involving violations of the Equal Credit Opportunity Act (ECOA), the Truth in Lending Act (TILA), or the Real Estate Settlement Procedures Act (RESPA);
- What data are available indicating which groups are most impacted by racial disparities in mortgage lending?
- In what instances does the denial of credit constitute unlawful discrimination, and what recourse is available to applicants;

**Has DCBS received any complaints on ECOA, TILA or RESPA?**

The system that DCBS uses to track complaints does not allow a topic search for discrimination complaints; however, we reviewed a 10-year period (2008 to 2018) of complaints filed against licensees to see if they involved alleged fair lending violations. It does not appear from the review that the complaints as entered into the system involved prohibited fair lending or credit practices, including alleged violations of ECOA, TILA or RESPA.

**How do consumers file mortgage lending complaints with DCBS?**

Consumers may file a complaint:

- Online at <https://www4.cbs.state.or.us/exs/dfcs/complaint/index.cfm?fuseaction=home.english>
- Over the phone (866) 814-9710; or
- Via email [DFR.Mail@oregon.gov](mailto:DFR.Mail@oregon.gov).

### **Is data available on which groups are most impacted by racial disparities in mortgage lending?**

The federal Home Mortgage Disclosure Act (HMDA) requires many financial institutions to maintain, report, and publicly disclose loan-level information about mortgages.

The Federal Financial Institutions Examination Council (FFIEC) aggregates and analyzes HMDA data and provides summaries of lending activity in each Metropolitan Statistical Area. Included in these data are breakdowns of the number of loan applications and outcomes for male and female applicants of each racial group. The reports are available on the FFIEC website:

<https://ffiec.cfbp.gov/data-publication/aggregate-reports/2017/OR/38900>

Although DCBS does not conduct an independent analysis of HMDA data for lending disparities, every five years Oregon Housing and Community Services (OHCS) conducts a study on the impediments to fair housing choice and analyzes HMDA data from Oregon. The most recent study provides statistics on homeownership rates of Oregonians in different racial and ethnic groups. It also compares loan application outcomes between groups. The most recent study can be found at:

<https://www.oregon.gov/ohcs/DO/docs/2016-2020-Oregon-Analysis-of-Impediments-Fair-Housing-Choice-Report.pdf>

### **What is Constitutes Denial of Credit under Federal Law (ECOA Enforcement)**

#### Overview

When a person applies for credit, lenders and others in the business of loaning money are not allowed to discourage the person from applying for credit or reject the person's application because of race, color, religion, national origin, sex, marital status, age, or because the person receives public assistance.<sup>1</sup> Additionally, creditors are prohibited from imposing different terms or conditions, like a higher interest rate or higher fees, on a loan based on race, color, religion, national origin, sex, marital status, age, or because the person receives public assistance.<sup>2</sup>

It is important to note that not everyone who applies for credit gets it or gets the same terms. Factors like income, expenses, debts, and credit history are among the considerations lenders use to determine your creditworthiness. Everyone who participates in the decision to grant credit or in setting the terms of that credit, including real estate brokers who arrange financing,

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<sup>1</sup> See 12 C.F.R. § 1002.4

<sup>2</sup> *Id.*

must comply with the ECOA.<sup>3</sup>

I hope this information is useful to the task force. If we can provide any additional information, please do not hesitate to contact me at (503) 947-7056 or [Richard.Y.Blackwell@oregon.gov](mailto:Richard.Y.Blackwell@oregon.gov).

Sincerely,



Richard Y. Blackwell  
Policy Manager  
Division of Financial Regulation

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<sup>3</sup> 12 C.F.R. § 1002.2 (l)