

Housing Opportunities Made Equal of Virginia (HOME of VA) and the Legal Aid Justice Center (LAJC) submit the following comments in response to the Request for Public Comment, Docket No. CFPB-2025-0039, regarding the Equal Credit Opportunity Act (ECOA) and Regulation B issued by the Consumer Financial Protection Bureau.

Housing Opportunities Made Equal of Virginia, Inc. (HOME) is a 501(c)3 non-profit corporation organized under the laws of the Commonwealth of Virginia and a HUD-approved housing counseling agency. HOME was born out of the necessity to enforce the Fair Housing Act. As long as discriminatory practices prevent access to housing, we will be here to protect the rights of all Virginians. We tackle systemically divisive housing practices through fair housing enforcement, research, advocacy, and statewide policy work. We also aid first-time homebuyers and those under the threat of foreclosure. When unequal access to housing and credit contributes most to our growing wealth gap, our multi-faceted approach is a powerful catalyst toward furthering fair housing. Our purpose is to address housing-related systemic inequities that perpetuate segregation, concentrations of poverty, and wealth inequality.

The Legal Aid Justice Center (“LAJC”) is a Virginia nonprofit legal aid organization that partners with communities and clients to fight for racial, social, and economic justice by dismantling systems that create and perpetuate poverty. We provide legal advice and direct legal representation each year to thousands of low-income individuals who cannot afford private counsel in civil practice areas such as consumer protection, landlord-tenant, employment, immigration, and civil rights. LAJC’s interest in this proposed rule flows from its decades-long history of work on low-income housing and consumer issues, including credit discrimination. In addition to working on behalf of individual clients, LAJC engages in legislative advocacy on the state, local, and federal level, and files impact litigation, including lawsuits that allege disparate impact theories. LAJC and HOME have worked closely together for many years and are submitting this Comment jointly.

We are writing because equal credit opportunity is of importance to the communities and clients we serve to attain our mission of ensuring equal access to housing and credit for all people. Laws such as ECOA and their accompanying regulations are essential to ensuring the mortgage market is fair and accessible to all, curbing predatory and discriminatory practices in the foreclosure space, and halting historic and ongoing efforts to unfairly restrict access to credit, as well as the pernicious practice of targeting immigrant communities for unfair car deals.

Most notably, HOME has a Housing Counseling program that provides downpayment assistance to low-income aspiring homeowners. In the process of applying for loans to buy a home, individuals must seek credit from a financial institution to purchase the home and

get a mortgage. LAJC regularly serves clients who face credit discrimination in their applications for auto financing.

One of HOME's central concerns regarding the proposed rule is the discriminatory lending and financial products that will impact both our Housing Counseling and Foreclosure Prevention clients.

If the proposed rule is finalized, HOME's housing counseling clients, many of whom are in protected classes based on their race, age, and marital status, may encounter discrimination that prevents them from accessing mortgage loans they need to purchase their first home. If there are discriminatory barriers to our clients accessing credit to purchase a home, that makes it especially difficult to provide critical homeownership counseling and downpayment assistance services. In turn, this impedes our mission of ensuring equal access to housing for first-time homebuyers through housing counseling and downpayment assistance. Many of our clients come from family backgrounds where they may not have previously been able to build wealth through real estate, due to discrimination in the mortgage market. Laws such as ECOA and their accompanying regulations are essential to ensuring the mortgage market is fair and accessible to all.

For HOME's Foreclosure Prevention clients, HOME has found that predatory and discriminatory products have been disproportionately offered to our clients and are more likely to result in foreclosure. Those products have been marketed disproportionately to those in protected classes under ECOA. These types of practices impede our ability to realize our mission of ensuring equal access to housing for all, and to assist with the building and maintenance of familial wealth and stability.

HOME's Housing Counseling program serves the greater Richmond region and seeks to repair and redress the deep regional history of inequality and redlining based on race. Due to this history, HOME is specifically concerned about banks and other financial institutions failing to market loans or providing inferior service or loan products in certain neighborhoods that were historically redlined based on race and ethnicity. The historical effects of unfair restriction of access to credit continue to have effects in those neighborhoods today, and ECOA is a critical tool for ensuring that discriminatory practices do not continue in the future.

LAJC's recent work on credit discrimination has involved monolingual Spanish-speaking immigrant clients who face discrimination when they attempt to finance their car purchases. LAJC has encountered a conglomeration of car dealerships in Virginia that preys on this community by putting out Spanish language advertisements that contain blatant lies about the financing terms that customers can expect—including that everyone

will qualify for financing, whether they have a credit history or not. These advertisements attract Spanish-speaking customers who are then convinced to pay the dealerships thousands of dollars as down payments. When the customer inevitably fails to qualify for financing (often because of lack of credit history, which is common in immigrant communities), the dealership refuses to give the down payment back. ECOA provides LAJC with an avenue of redress for immigrant clients in this situation.

HOME of VA's commitment to equal credit protection and fair housing has included many efforts over the years to ensure that financial institutions are treating similarly situated borrowers equally and without regard to race or other protected characteristics. For example, in 2017 HOME alerted Wells Fargo and government regulators about under-service in minority communities in the Greater Richmond area. HOME of VA reached out to Wells Fargo, one of the largest home loan providers in the region, to collaborate on ways to mitigate some of those concerns through a partnership. In that partnership, Wells Fargo contributed 4 million dollars in program support for HOME's downpayment assistance program. This is a recent example of how disparities caused by the history of discrimination and exclusion are still so pervasive, though not always intentional, and have a long-lasting impact on communities who are members of protected classes. ECOA's protections against discrimination based on race are a critical tool in analyzing, addressing, and remedying these disparities in access to mortgage credit.

Because discrimination in the credit market is ongoing and continues to perpetuate racial divides in access to credit markets, LAJC and HOME of VA urge the CFPB not to pass its proposed changes to Regulation B.