

## **Fair Treatment of Homeowners with Limited English Proficiency**

FOR IMMEDIATE RELEASE

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In a newly released [paper](#), Americans for Financial Reform and its coalition partners urge regulators to make it easier for people with limited English proficiency (LEP) to understand and navigate the financial system, especially the mortgage loan market.

In 2014, there were 25.3 million U.S. residents, 9 percent of the population, with limited proficiency in English. LEP borrowers are unusually vulnerable to fraud and predatory practices. “Many industry players conduct market research to tailor their sales pitches to members of the LEP community, including advertising financial products to LEP consumers in their own languages,” the paper points out. But once a product has been sold, consumers typically receive follow-up communications – including complicated mortgage options and terms – exclusively in English.

A [companion paper](#) tells the stories of several LEP homeowners who belatedly discovered unfavorable mortgage terms and had great difficulty securing loan modifications. One Spanish-speaking couple, after ten years of steady payments on what they had understood to be a fixed-rate fully-amortizing mortgage, found that they had not put a dent in the principal because it had actually been an interest-only loan. To make matters worse, their monthly payments were about to increase from \$1,983 to \$3,350. A friend of the couple had served as their interpreter after referring them to the lender; in hindsight, they realized that this person may have had financial ties *to the loan officer, the title company, and the closing attorney.*

Federal regulators have the power to ameliorate these problems. The paper urges the Consumer Financial Protection Bureau and other regulators to take a number of specific steps, including requiring that key documents be made available upon request in at least eight languages (Spanish, Chinese, Vietnamese, Korean, Tagalog, Russian, Arabic, and Haitian Creole); improving language access to federal complaint and counseling services; providing guidance to financial institutions on language-access standards; and improving tracking of the preferred languages of mortgage applicants across the country.

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The organizations that collaborated on the papers include: National Consumer Law Center, National CAPACD, National Council of La Raza, Empire Justice Center, National Housing Resource Center, Consumer Action, National Fair Housing Alliance, and MFY Legal Services, Inc.

Americans for Financial Reform is a nonpartisan and nonprofit coalition of more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups. Formed in the wake of the 2008 crisis, AFR is working to lay the foundation for a strong, stable, and ethical financial system – one that serves the economy and the nation as a whole.

Thanks to the work of Consumer Action, National CAPACD, National Fair Housing Alliance, and an Americans for Financial Reform volunteer, this press release is available in eight other languages: [Spanish](#), [Chinese](#), [Vietnamese](#), [Korean](#), [Tagalog](#), [Russian](#), [Arabic](#), and [Haitian Creole](#).

A [summary](#) of the two papers is available in English.