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Center for Responsible Lending
Connecticut Fair Housing Center
Consumer Action
Consumer Federation of America
Empire Justice Center
FACE (Faith and Community Empowerment) LA
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Local Initiatives Support Corporation (LISC)
NAACP Legal Defense and Educational Fund, Inc. (LDF)
National CAPACD
National Community Stabilization Trust
National Consumer Law Center (on behalf of its low-income clients)
National Council of Asian Pacific Americans (NCAPA)
National Fair Housing Alliance
National Housing Resource Center
UnidosUS (formerly, NCLR)

Comments to the Consumer Financial Protection Bureau
Request for Information on the Equal Credit Opportunity Act and Regulation B
Docket No. CFPB-2020-0026

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I. Introduction

The above named groups, in partnership with the Americans for Financial Reform Education Fund (AFR) Language Access Task Force, respectfully submit these comments in response to the Consumer Financial Protection Bureau’s Request for Information (RFI) under the Equal Credit Opportunity Act (ECOA). These comments primarily address Question 2, how to address the challenges of serving limited English proficient (LEP) consumers. We also briefly address Question 3, regarding Special Purpose Credit Programs, with respect to LEP consumers.

The Bureau has a crucial role to play in boosting fair and transparent access to the consumer marketplace for LEP individuals. Although ECOA applies to credit transactions broadly, our comments will focus primarily on the mortgage market. Expanding access to sustainable homeownership and preserving existing homeownership among LEP consumers should be a top priority for the CFPB. Greater access to translation and interpretation is needed both at the mortgage origination and servicing phases, and neither one should be emphasized to the exclusion of the other.

The present moment demands urgent attention to the needs of LEP homeowners who are struggling to pay their mortgages. Due to the enormous number of people in forbearance, the large number of people who are delinquent and not in forbearance, and the complexities of helping a large number of borrowers navigate their foreclosure avoidance options during a mixed economic recovery, it is critical for the Bureau to provide guidance on mortgage servicing for LEP consumers.

If the CFPB is considering providing regulatory clarity regarding the obligations of lenders that provide language access to borrowers, any such guidance must be public and transparent. The Bureau should not act in this space through No Action Letters or regulatory sandboxes.¹ The Bureau's guidepost must be to "first do no harm," by making sure not to insulate conduct that is unfair, deceptive, abusive or discriminatory. These are complex issues. The obligations of a lender or servicer may vary depending on its size, the footprint of the communities it serves, and the available documents that have been translated by government agencies. The risk of unintended consequences is significant. It is crucial that the CFPB hear from all stakeholders with respect to any proposed action in this area, as opposed to acting on private requests or information submitted behind closed doors. Ad hoc responses through a sandbox-type approach also carry significant risks.

The Bureau has provided helpful guidance in the past in the form of Supervisory Highlights and other publications focused on serving LEP borrowers. In these documents, the Bureau has emphasized the need for effective Compliance Management Systems and ways for lenders and servicers to mitigate risk by having thoughtful, data-informed language access protocols.² The Bureau has commented that many lenders and servicers are serving LEP consumers in effective ways that do not create enforcement risk. The Bureau has also pointed to practices that can expose servicers to risk, including activities that steer LEP borrowers to only certain products.³ Lenders continue to push for regulatory clarity. However, the obligations of particular lenders and servicers likely will vary depending on their specific size, geographic footprint, and the resources reasonably available to them.

Our comments begin with a review (in Section II) of the number of consumers in the U.S. who are LEP and the importance of meeting the needs of this population. We then explain our key recommendations to the Bureau to encourage creditors to provide better access to LEP consumers:

- The Bureau should remind mortgage servicers of their obligation to provide reasonable language access to LEP borrowers in their portfolio, including by notifying LEP borrowers of available COVID-19 mortgage relief options (Section III);
- The Bureau should require lenders and servicers to implement language access plans in which they assess the language needs of LEP consumers within their footprint periodically and create a plan to provide reasonable language access (Section IV); and
- The Bureau should require lenders and servicers to ask about language preference, track and transfer language preference information in the loan file, utilize form documents that have been translated by a government agency, translate other top forms into any language spoken by 5% or more of their service area, and provide oral interpretation (Section V).

¹ See Americans for Financial Reform et al, Comments on Policy on No-Action Letters and Product Sandbox, Docket No. CFPB-2018-0042 (Feb. 11, 2019),

https://www.nclc.org/ima_ges/pdf/rulemaking/nclc-comments-nal-product-sandbox.pdf.

² Consumer Fin. Prot. Bureau, Spotlight on Serving Limited English Proficient Consumers (Nov. 2017),

https://files.consumerfinance.gov/f/documents/cfpb_spotlight-serving-lep-consumers_112017.pdf;

Consumer Fin. Prot. Bureau, Supervisory Highlights (Oct. 2016) at 20-25,

https://files.consumerfinance.gov/f/documents/Supervisory_Highlights_Issue_13_Final_10.31.16.pdf.

³ *Id.*

Finally, we explain that lenders' arguments about liability related to providing language access are overstated (Section VI), and discuss the potential role of special purposes credit programs (in Section VII).

II. The significant proportion of U.S. consumers who are LEP need better language access to promote their participation in the financial marketplace, especially the mortgage market.

As the demographics of the United States evolve, the number of U.S. residents for whom English is not a first language and who speak English with limited proficiency has increased dramatically. According to the 2017 American Community Survey, approximately 25.9 million individuals, roughly 9% of the U.S. population, were considered limited English proficient (LEP). LEP refers to anyone above the age of five who reported speaking English less than "very well," according to the U.S. Census Bureau. Approximately five-sixths (83.4%) of all LEP residents speak one of eight languages: Spanish, Chinese, Vietnamese, Korean, Tagalog, Russian, Arabic, and Haitian Creole. About 64% of the LEP population speaks Spanish, followed by Chinese, spoken by 7% of the LEP population.⁴ These individuals who are not proficient in English have much greater difficulty navigating the financial marketplace and resolving challenges when they arise. These difficulties may explain, in part, the lower rates of participation in the mortgage market among Latino and other immigrant groups.⁵

Access to the financial marketplace for LEP consumers has increasingly drawn the focus of policymakers, lenders, and consumer advocates. The Federal Housing Finance Agency has undertaken significant efforts to expand access to the mortgage market for LEP communities.⁶ The New Jersey legislature enacted a law requiring credit reporting agencies to provide a consumer file disclosure in Spanish or any language the state Division of Consumer Affairs identifies as the first language of a significant number of consumers in the state.⁷ New York City recently adopted rules requiring debt collectors to ask about language preference, track consumers' language preference, inform consumers of any available in-language services, and

⁴ Jeanne Batalova and Jie Zong, "Language Diversity and English Proficiency in the United States," Migration Policy Institute (Nov. 11, 2016), <http://www.migrationpolicy.org/article/language-diversity-and-english-proficiency-united-states>.

⁵ See National Community Reinvestment Coalition, Hispanic Mortgage Lending: 2019 HMDA Analysis (Nov. 2020), <https://ncrc.org/hispanic-mortgage-lending-2019-analysis/>.

⁶ See Federal Housing Finance Agency, Mortgage Translations Website, <https://www.fhfa.gov/MortgageTranslations>; FHFA Language Access Multi-Year Plan (May 2018), <https://www.fhfa.gov/PolicyProgramsResearch/Policy/Documents/LEP-Multi-Year-Plan.pdf>; Americans for Financial Reform's Language Access Task Force, Comments on the Federal Housing Finance Agency's Request for Input on Improving Language Access in Mortgage Origination and Servicing (July 31, 2017), https://www.ncl.org/images/pdf/foreclosure_mortgage/mortgage_servicing/comments-afr-task-force-fhfa-rfi-language-access.pdf and Supplemental Comments (Sept. 1, 2017), https://www.ncl.org/images/pdf/foreclosure_mortgage/mortgage_servicing/letter-fhfa-lep-2nd-submission.pdf; Americans for Financial Reform, Fair Treatment of Homeowners with Limited English Proficiency (May 26, 2016), <http://ourfinancialsecurity.org/2016/05/language-access-press-release/>.

⁷ N.J. Stat. Ann. § 56:11-34.

point consumers to a glossary of debt-related terms available on the city's website.⁸ And, to its credit, the Consumer Financial Protection Bureau has also taken steps to encourage financial institutions to better serve LEP communities.⁹

These efforts are sorely needed. LEP individuals need access to information in their preferred language before, during, and after a financial transaction. While marketing may occur in the person's preferred language, too often the financial transaction documents and any subsequent contact (oral or written) is English-only. A report by the Kleimann Communications Group produced for Fannie Mae and Freddie Mac found that where translated documents are not available, LEP borrowers must resort to relying on friends and family members – and sometimes children – to convey crucial financial information.¹⁰ Placing the burden of interpreting technical, legal, or financial information on individuals who lack financial expertise compromises the consumer's ability to make a well-informed decision. It also means that sensitive financial information will be revealed to the third party who is helping with the translation. The Kleimann study found that consumers feel vulnerable when they cannot review documents in their language.¹¹ Even those who speak some English would still prefer to have translated documents in order to double check their understanding.¹² The study found that providing translated documents would eliminate a significant barrier that prevents or delays LEP individuals from buying a home.¹³ Spanish, Korean, and Chinese-speaking focus group participants all expressed a preference to receive documents in their primary language.¹⁴

The Kleimann study showed that mortgage servicers generally lack a consistent approach to working with LEP borrowers. Interviews with servicers in Dallas reflected that only a few servicers have set up a system for recording language preference in the loan file.¹⁵ Servicers reported that there were no best practices or formalized processes across servicers. Spanish was the only consistent language spoken by servicer staff; calls in other languages were handled using a third party translation line, resulting in phone calls taking on average three times as long as a regular call.¹⁶ Most servicers believed that the language barrier, rather than financial literacy, was the primary obstacle to communicating with LEP borrowers, finding their financial

⁸ NYC Dep't of Consumer Affairs, Notice of Adoption (June 11, 2020), *available at* <https://rules.cityofnewyork.us/content/notice-adoption-debt-collectors>.

⁹ Consumer Fin. Prot. Bureau, Spotlight on Serving Limited English Proficient Consumers (Nov. 2017), https://files.consumerfinance.gov/f/documents/cfpb_spotlight-serving-lep-consumers_112017.pdf; Consumer Fin. Prot. Bureau, Supervisory Highlights (Oct. 2016) at 20-25, https://files.consumerfinance.gov/f/documents/Supervisory_Highlights_Issue_13_Final_10.31.16.pdf. It is important to note, however, that the Bureau's recent FDCEA rule announcement does not meaningfully serve the needs of LEP consumers, as discussed in our coalition's [recent letter](#).

¹⁰ Kleimann Communication Group, Language Access for Limited English Proficiency Borrowers: Final Report 14 (April 2017), *available at* <https://www.fhfa.gov/PolicyProgramsResearch/Policy/Documents/Borrower-Language-Access-FinalReport-June-2017.pdf>.

¹¹ *Id.* at 8.

¹² *Id.* at 8-9.

¹³ *Id.* at 10.

¹⁴ *Id.* at 14-15 (Spanish), 28 (Korean), 33 (Chinese).

¹⁵ *Id.* at 24.

¹⁶ *Id.* at 23-24.

literacy comparable to that of non-LEP borrowers.¹⁷ On average, 15% of the customer base of the Dallas servicers interviewed was comprised of LEP borrowers, and one servicer had 65% LEP customers.¹⁸

Interviews with industry participants in New York similarly reflected that there was no consistent method of collecting borrowers' language preference; information gathered was sometimes placed in the electronic record, sometimes kept in the paper file, and sometimes not retained; only one company had an official policy on serving LEP borrowers; no participant said they routinely provided closing or servicing documents in-language; and one servicer provided ad hoc correspondence in other languages.¹⁹ Industry participants in New York believed providing translated documents was important (rating it a 4 out of 5), and believed providing in-language documents resulted in a lower frustration level, higher comfort level, better understanding, and clearer communication with borrowers.²⁰

LEP consumers experience significant harms as a result of inability to access information in their preferred language. Spanish speaking borrowers from Long Island, New York who relied on a "friend" to translate between them and an English-speaking loan officer ended up in an interest-only, adjustable rate mortgage without any understanding of those terms of the loan.²¹ A New York homeowner struggling to seek loss mitigation received a four-page missing document notice in English that gave him a 30-day deadline to return the listed documents, or risk foreclosure of his home. The letter stated near the end, "This document is important, call us to translate." But when the borrower called the number provided, he was able to get only unhelpful, generic information in Spanish, and then was referred back to the English customer service number.²² Foreclosure rescue scammers and other financial predators tend to target LEP consumers precisely because the lack of in-language information from reputable sources leaves these consumers more vulnerable to fraudulent schemes.²³

In a 2020 survey of eighty consumer advocates from around the country, 49% of respondents had encountered LEP consumers that had difficulty when obtaining a mortgage loan because documents were provided entirely in English.²⁴ Similarly, 50% of respondents had worked with LEP homeowners who had difficulty communicating with their servicer about their mortgage in their preferred language. Forty out of eighty respondents stated that it was "very common" for

¹⁷ *Id.* at 24.

¹⁸ *Id.*

¹⁹ *Id.* at 39-40.

²⁰ *Id.*

²¹ Americans for Financial Reform, Barriers to Language Access in the Housing Market: Stories from the Field at 4 (May 2016), available at https://ourfinancialsecurity.org/wp-content/uploads/2016/05/AFR_LEP_Narratives_05.26.2016.pdf (hereafter "AFR 2016 Stories from the Field").

²² *Id.* at 5.

²³ See, e.g., "HUD files charge alleging California foreclosure rescue companies scammed Hispanic homeowners," HUD archives, HUD No. 16-002 (Jan. 12, 2016), <https://archives.hud.gov/news/2016/pr16-002.cfm>.

²⁴ Survey of Housing Counselors and Legal Services Advocates, National Consumer Law Center (Oct. 2020) (see Appendix A for detailed results).

LEP consumers to be receiving all loan correspondence in English.²⁵ Twenty nine respondents said it was very common for loss mitigation to be conducted entirely in English, 21 reported that it was very common for LEP callers requesting language interpretation to experience long hold times, 11 reported it was very common for bilingual servicing staff or interpreters to be unavailable, and 15 reported it was very common for bilingual servicing staff or interpreters to lack key information or training.²⁶

The following are selected examples provided by respondents to the 2020 survey of problems faced by LEP consumers in the loan origination process:

Housing Counselor, Camden, NJ

Lender's inability to provide bilingual staff and/or documents not only is frustrating to the consumer but also makes an already difficult process unbearable and sometimes more expensive if they have to pay someone to translate.

Legal Services Paralegal, Hudson Valley, NY

Communications issues where translated conversations were later denied, or Spanish personnel told different things than English personnel, then told misinterpreted.

Bilingual Program Support, Lane County, OR

I've heard a client mention they'd appreciate being able to understand all of the important documents and information in their first language. He stated this was a big deal and he felt out of the loop.

And the following are selected examples of problems described by respondents related to mortgage servicing:

Housing Counselor, Guilford, NC

An elderly Spanish preferred language client has had a Spanish speaking SPOC with Wells Fargo but the SPOC is not ever available. No one has been available to explain complex terms or expectations such as escrow deficiency or trial modification expectations to her in Spanish.

Housing Counselor, Worcester, MD

I've had two foreclosure clients whose situations were impeded due to their LEP status. One family spoke Korean, their servicer, CMG Mortgage, did not provide interpretation services at all, and was generally not cooperative. As the counseling agency, we secured an attorney and interpreter for the family. This was the only way for them to receive any kind of fair loss mitigation review. All of their documents were submitted in English, the barrier here was the lender could not communicate in Korean (and barely did in English, for that matter). It took over two years to obtain a resolution. This was particularly frustrating because they had an FHA mortgage and were eligible for assistance. Their hardship had been resolved and they could easily afford modified payments. I do believe the servicer was fully taking advantage of their LEP status here.

²⁵ *Id.*

²⁶ *Id.*

Legal Services Attorney, Orange County, NY

I have a client that was recently extended a forbearance on her loan. On the telephone, she was told this forbearance will be the final one and that the servicer would send her confirmation documents that explain her options thereafter. However, the mailed documents are in English only and the client was unable to determine what was contained therein.²⁷

Despite many reports of a lack of language access, the survey results also showed that some lenders and servicers *are* extending language access opportunities – making it clear that this can be done. Respondents listed seven lenders that are providing translated documents at mortgage origination, and many more that are providing bilingual loan officers or oral interpretation during the loan application process.²⁸ Fifteen percent of respondents had encountered LEP consumers who were given at least some translated documents when the loan was made. In the servicing context, ten servicers were identified by respondents as providing at least some translated servicing documents (and many more providing oral interpretation), and 24% of respondents had encountered LEP consumers who were receiving servicing documents in their preferred language.²⁹

LEP consumers continue to be denied sufficient access to language services in mortgage origination and servicing. This lack of access is a significant barrier to homeownership³⁰ and creates an elevated risk of foreclosure among immigrant homeowners. The Bureau should use its authority under ECOA to ensure that lenders and servicers enact appropriate language access plans in order to serve LEP consumers, consistent with their fair lending obligations. In the sections that follow, we explain the most important steps the Bureau should take to ensure fair and transparent access to the market for all consumers.

III. The CFPB should act swiftly to move mortgage servicers toward communicating with LEP borrowers in their preferred language, especially during the period of heightened COVID-related hardships.

No communities have been harder hit, in terms of both the health and economic consequences of COVID-19, than immigrant communities and communities of color. The same communities which have been disproportionately excluded from homeownership and wealth-building opportunities are seeing their housing and economic stability disproportionately threatened by the COVID-19 pandemic today. The Bureau must act under its ECOA authority to ensure that servicers' policies do not have harmful and discriminatory effects on LEP consumers, and to support stable homeownership in LEP communities.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ Edward Golding, Laurie Goodman, and Sarah Stochak, "Is Limited English Proficiency a Barrier to Homeownership?" Urban Institute (Mar. 2018), <https://www.urban.org/research/publication/limited-english-proficiency-barrier-homeownership>.

The COVID-19 pandemic has caused millions of homeowners to struggle to pay their mortgages. Many of those homeowners have sought, and obtained, a forbearance to provide temporary relief from mortgage payments while they seek a return to full employment. Yet a significant number of homeowners have defaulted on mortgage payments without obtaining a forbearance – putting them at elevated risk of foreclosure, particularly as foreclosure moratoria begin to expire. Early data from the U.S. Census Bureau’s Pulse Survey shows that people of color are both more likely to have missed a mortgage payment in recent months and more likely to have missed a payment without being placed in a forbearance. The vast majority of the LEP population comes from communities of color. As of 2015, 62% of the LEP population in the United States was Hispanic or Latino, 22% Asian, and 4% Black.³¹ The Pulse survey results released June 30, 2020 show that about 17% of Black homeowners and 8% of Hispanic or Latino homeowners had missed a mortgage payment in May, compared with 4% of White homeowners.³² Moreover, most Black homeowners who had missed payments had not obtained a forbearance: among Black homeowners who had missed a payment, four times as many had not obtained a forbearance as had obtained a forbearance. For Hispanic or Latino borrowers, the ratio was 2.2 to one, and for White homeowners it was 1.4 to one.³³ CFPB’s early report regarding impacts of the pandemic on consumer credit found that the rate of forbearances was higher in majority Black and Latinx communities than in White communities, but could not determine whether residents of these majority-minority Census tracts were receiving assistance in proportion to their need for assistance.³⁴ Fannie Mae data suggests that non-white borrowers have taken up forbearances at a slightly higher rate than delinquent White borrowers; but we do not have comparable data for FHA borrowers, which constitute a significant proportion of borrowers of color.³⁵

There is good reason to believe that disparate access to forbearance plans may be caused in part by disparate access to information. In a recent survey of housing counselors from around the country, over half of respondents had heard from homeowners stating that they did not know they could request a forbearance. Seventy percent of counselors responding had interacted with homeowners who did not enter into a forbearance due to a fear of a lump sum payment that would be due at the end of the forbearance period.³⁶ Since almost all federally-backed mortgage borrowers will qualify for a permanent mortgage relief option, without the need for a lump sum payment, this fear reflects an information gap. The incomplete, inconsistent, dated, and/or

³¹ Migration Policy Institute, Language Diversity and English Proficiency in the United States (Nov 11, 2016), <https://www.migrationpolicy.org/article/language-diversity-and-english-proficiency-united-states-2015>.

³² National Consumer Law Center, A Looming Crisis: Black Communities at Greatest Risk of COVID-19 Foreclosure (July 2020), https://www.nclc.org/images/pdf/special_projects/covid-19/IB_Covid_Black_Forbearance_Foreclosure.pdf.

³³ *Id.*

³⁴ Consumer Financial Protection Bureau, The Early Effects of the COVID-19 Pandemic on Consumer Credit at 16-17 (Aug. 2020), https://files.consumerfinance.gov/f/documents/cfpb_early-effects-covid-19-consumer-credit-issue-brief.pdf.

³⁵ See Malloy Evans and Steve Holden, Getting Help to Where It’s Needed Most, Fannie Mae Perspectives Blog (Oct. 16, 2020), <https://www.fanniemae.com/research-and-insights/perspectives/getting-help-where-its-needed-most>.

³⁶ National Housing Resource Center, Forbearance and Delinquency Summary of Housing Counselor Survey (July 20, 2020), <https://www.hsgcenter.org/wp-content/uploads/2020/08/Survey-results-Forbearance-and-Delinquency2.pdf>.

unclear information about forbearance options on the websites of servicers of FHA and GSE loans makes this information gap almost inevitable.³⁷

No population faces greater challenges in obtaining information about available mortgage relief than LEP borrowers. LEP borrowers are more likely to face long hold times if they are attempting to speak with their servicer by phone with oral interpretation.³⁸ Many bilingual representatives lack sufficient information or training.³⁹ Phone calls through language translation lines take, on average, three times as long as other calls.⁴⁰

We appreciate the Bureau's decision to collaborate with other federal agencies to host a joint agency website that has now been translated into the top eight LEP languages. We also commend the CFPB for taking steps recently to translate additional information about mortgage relief and putting out several excellent videos in Spanish regarding forbearance and post-forbearance options. Despite these laudable efforts, we are concerned that very few LEP consumers will find the information that has been translated by the Bureau. Struggling borrowers are unlikely to find the Bureau's web materials unless they know to look for them. Most borrowers looking for help online will visit only their own servicer's website. A review of the websites of the top fifty mortgage servicers shows that very few contained any information about COVID-19 mortgage relief in languages other than English, and none of them linked to the joint agency Coronavirus mortgage relief web pages in any of the available languages or any of the translated consumer-facing COVID resources made available by Fannie Mae or Freddie Mac.⁴¹

The alarming numbers of borrowers, including borrowers of color and LEP borrowers, who are not taking advantage of the forbearance options available to them calls for more aggressive outreach by the Bureau and other federal government housing agencies. Failure to obtain a forbearance puts borrowers on a path to foreclosure, which has enormous consequences for family stability, economic security and – in the middle of the current pandemic – the health and safety of individuals, families and the larger community. Given the racial and ethnic make-up of the delinquent borrowers who are not seeking forbearance, these foreclosures would also exacerbate our country's enormous racial gaps in homeownership and wealth. For all these reasons, we urge the Bureau to launch an aggressive outreach campaign, including ads in the top LEP languages, to get the word out about the options available for mortgage borrowers and how borrowers can obtain them. This campaign, which should coordinate with housing counseling, legal services and other community-based organizations that are trusted resources in local communities, should be multilingual and utilize multiple media channels. These include, among

³⁷ Office of Inspector General, Dep't of Housing and Urban Dev't, *Some Mortgage Loan Servicers' Websites Offer Information about CARES Act Loan Forbearance that is Incomplete, Inconsistent, Dated, and Unclear* (April 27, 2020), <https://www.hudoig.gov/reports-publications/topic-brief/some-mortgage-loan-servicers-websites-offer-information-about>. Office of Inspector General, Federal Housing Finance Agency, "Oversight by Fannie Mae and Freddie Mac of Compliance with Forbearance Requirements Under the CARES Act and Implementing Guidance by Mortgage Servicers," (July 27, 2020), <https://www.fhfaig.gov/sites/default/files/OIG-2020-004.pdf>

³⁸ See 2020 National Survey, Appendix A.

³⁹ *Id.*

⁴⁰ See Kleimann study at 23-24.

⁴¹ See Appendix B, Summary of Language Accessibility of Servicer Websites, National Consumer Law Center (Nov. 2020).

others, social media, targeted print media, radio and TV. It should start immediately, adapt messages as needs change, and run until this crisis has ended. Our organizations stand ready to lend our assistance with crafting the messages and amplifying the campaign.

In addition to conducting its own outreach campaign using paid traditional media, earned media, and social media, the Bureau should translate key servicing documents into the top LEP languages and make them available as templates for servicers. These should include the Early Intervention notice, which should reference Coronavirus relief options and be compliant with 12 C.F.R. § 1024.39, a forbearance (short term loss mitigation) letter compliant with 12 C.F.R. § 1024.41(c)(2)(iii), a notice of loss mitigation application receipt under 12 C.F.R. § 1024.41(b)(2), and a notice of complete application under 12 C.F.R. § 1024.41(c)(1).

Finally, the CFPB must remind mortgage servicers of their obligation under RESPA's early intervention rule to notify borrowers of the availability of forbearance and other mortgage relief, as well as their obligation under ECOA to ensure that their servicing practices do not cause an unjustified disparate impact on immigrant borrowers. These dual obligations should lead servicers to send direct mailings, blast emails, and post information on their websites (or links to the CFPB, Fannie Mae, and Freddie Mac translated materials) about COVID mortgage relief in the top five LEP languages. For the Bureau to simply make model translations available to servicers is not enough. Fannie Mae and Freddie Mac have posted many helpful translated documents in the top five LEP languages in the Clearinghouse, and it does not appear that servicers are using any of them. The Bureau must remind servicers that making forbearance information available only in English (especially where translations are available at no cost from the CFPB and the GSEs) will have an unjustified disparate impact on LEP consumers, in violation of ECOA.

If servicers and the Bureau do not take the necessary steps to push information out to LEP borrowers in their preferred languages, there is no question that opportunistic companies peddling "guaranteed loan modifications" and "foreclosure rescue" will do so. These scammers are already purchasing ads on Spanish language radio and other ethnic media, exploiting the information void that has been created by the absence of in-language outreach from legitimate sources.

The urgency of the pandemic and the severe lack of information currently available to LEP consumers regarding the servicing of their mortgage loans and available relief create a need for swift action. In this context, an expedited form of guidance would be appropriate and helpful. The Bureau could issue such guidance in the form of a Supervisory Highlights, Joint Agency Memorandum, or another expedited process.

IV. The Bureau should require mortgage lenders and servicers to create language access plans.

A. Mortgage lenders and servicers have an affirmative duty to conduct a language needs analysis and provide reasonable services to LEP borrowers.

1. Mortgage lenders and servicers have obligations under ECOA to provide reasonable language access based on the language needs of their borrowers.

Mortgage lenders and servicers face potential liability under ECOA for conduct that results in a discriminatory effect on persons based on their national origin – namely, the practice of failing to consistently provide a reasonable level of customer service in languages other than English. Mortgage servicers, like mortgage lenders, need to provide reasonable language access in order to comply with fair housing and fair lending laws.

Mortgage lenders and servicers are obligated to avoid discriminating on the basis of race or national origin under the Fair Housing Act, the Equal Credit Opportunity Act, and state anti-discrimination laws.⁴² As the Supreme Court has observed, language is closely tied to national origin, and practices that disfavor LEP individuals can have a disparate impact based on national origin.⁴³ In the United States, 61% of persons born in Latin America and 46% of persons born in Asia are LEP, as compared with 2% of persons born in the United States.⁴⁴

HUD has explained the close relationship between LEP status and national origin in a memorandum regarding compliance with the Fair Housing Act. HUD stated, in no uncertain terms, that entities covered by the Fair Housing Act would violate the statute by implementing a policy or practice that has an unjustified discriminatory effect on LEP consumers, because LEP status is closely tied to national origin.⁴⁵ Liability would follow if the conduct at issue either is not “necessary to achieve a substantial, legitimate, nondiscriminatory interest” of the lender, or if it is necessary to such an interest but a less discriminatory alternative exists.⁴⁶ HUD opined that it will be difficult for mortgage lenders and housing providers to identify interests that are considered substantial, legitimate, and nondiscriminatory, as many of the typical arguments raised in the employment context (such as a need to speak English in order to perform job requirements) will not apply in the housing context.⁴⁷ In reasoning through possible justifications for various practices, HUD explained that refusing to provide an LEP borrower with translated documents that are readily available to the lender would not likely be justified.⁴⁸

⁴² See 42 U.S.C. §§ 3601-19; 15 U.S.C. § 1691, *et seq.*; and, *e.g.*, O.C.G.A. § 8-3-200 *et seq.*

⁴³ *Lau v. Nichols*, 414 U.S. 563 (1974) (overruled on other grounds); *accord, e.g.*, Dep’t Housing and Urban Development, “Office of General Counsel Guidance on Fair Housing Act Protections for Persons with Limited English Proficiency” (Sept. 15, 2016) (hereafter, “HUD LEP Guidance”), available at <https://www.hud.gov/sites/documents/LEPMEMO091516.PDF>; Executive Order 13166: Improving Access to Services for Persons with Limited English Proficiency, 65 Fed. Reg. 50123 (Aug. 16, 2000).

⁴⁴ HUD LEP Guidance (citing U.S. census data).

⁴⁵ HUD LEP Guidance.

⁴⁶ *Id.*

⁴⁷ HUD LEP Guidance.

⁴⁸ HUD LEP Guidance.

HUD also stated that avoiding compliance with state consumer protection laws, such as translation requirements, also would not be considered a justifiable basis for refusing to take certain reasonable steps.⁴⁹ If a lender can show a substantial justification for a certain practice creating a disparate impact, it would still be liable for violating the Act if a plaintiff shows that the interest could be served by another practice that has a less discriminatory effect. Examples of less discriminatory alternatives cited by HUD in its LEP Guidance include obtaining written or oral translation services or making use of bilingual staff members.⁵⁰ Based on HUD's assessment of the Fair Housing Act's application in this area, mortgage lenders face significant risk by not providing translated documents and in-language oral communication where reasonably available.

Based on the same reasoning outlined in the HUD Guidance, lenders that adopt an unjustified refusal to serve LEP borrowers in-language face liability under ECOA. Just like the Fair Housing Act, ECOA imposes liability on creditors that employ practices that have an unjustified discriminatory effect on groups based on national origin.⁵¹ For this reason, the CFPB in its Compliance Manual asks questions geared at assessing language access policies in origination and servicing, including:

- Does the entity target its products to particular populations?
- Consider whether any particular populations are missing or excluded from the entity's advertising.
- Does the entity offer and/or require fair lending training to employees and service providers that market its products to consumers?
- Does the entity provide any fair lending-related monitoring of its servicing?
- Does the entity offer servicing options for borrowers with limited English proficiency (LEP)? Are such options offered through live customer service? Through translated documents?
- Does the entity capture and track borrowers' indicated preference to receive services in languages other than English?
- Does the entity contract with service providers to provide any LEP services on behalf of the entity?⁵²

The CFPB has provided lenders and servicers with helpful information about language access policies that should not lead to fair lending liability and other policies that likely would. In its Fall 2016 Supervisory Highlights, the CFPB emphasized that its examiners have observed one or more financial institutions providing services in languages other than English in manners that did *not* result in adverse supervisory or enforcement action.⁵³ These practices identified by the CFPB as **not problematic** from a fair lending enforcement standpoint included:

- Marketing and servicing of loans in languages other than English;

⁴⁹ HUD LEP Guidance.

⁵⁰ HUD LEP Guidance.

⁵¹ 15 U.S.C. § 1691, *et seq.*

⁵² CFPB Examination Procedures, ECOA Baseline Review Module 13, 20-21 (Oct. 2015), available at files.consumerfinance.gov/f/201510_cfpb_ecoa-baseline-review-modules.pdf.

⁵³ CFPB, Supervisory Highlights (Fall 2016) at 21.

- Collection of customer language information to facilitate communication with LEP consumers in a language other than English;
- Translation of certain financial institution documents sent to borrowers, including monthly statements and payment assistance forms, into languages other than English;
- Use of bilingual and multilingual customer service agents, including single points of contact;
- Quality assurance testing and monitoring of customer assistance provided in languages other than English.⁵⁴

Conduct the CFPB observed that **was** problematic or did expose lenders to potential enforcement actions included marketing only some of their available products to Spanish-speaking consumers, without documentation describing how the institution decided to limit the products offered in Spanish-language marketing; excluding consumers who preferred to communicate in Spanish from certain debt-relief offers; and telemarketing credit card add-on products to Spanish-speaking customers without providing complete information in Spanish regarding the steps necessary to receive program benefits.⁵⁵

The CFPB recommends in these highlights that lenders mitigate their fair lending and other risks by implementing a compliance management system to review treatment of LEP and non-English-speaking customers. Such a system would include having an up-to-date fair lending policy statement, regular fair lending trainings, review of lending policies for fair lending risk, controls on originator discretion, statistical analysis of loan-level data for potential disparities, and review of marketing practices for potential steering or exclusion of LEP consumers.⁵⁶ Mortgage lenders and servicers can avoid fair lending and fair housing liability by making language services available in a logical manner, maintaining quality controls and oversight, and ensuring that individuals who are identified as LEP are not categorically excluded from certain products or steered into others.

In considering what is a reasonable and justifiable business practice regarding language access, questions of cost, the relative size of the lender's book of business, and the percent of LEP individuals in its geographic footprint will certainly be relevant.⁵⁷ Taking actions that are relatively low-cost, like making available forms that have already been translated into a given language, would be necessary for most lenders and servicers to show that they are acting reasonably.⁵⁸ Similarly, translating the most frequently used and most important form documents into the common LEP languages within a lender or servicer's portfolio is a reasonable, low-cost measure for most entities with significant volume.

The Bureau should further clarify that such a compliance management system must involve asking about language preference, tracking that information in the loan file, and periodically

⁵⁴ *Id.*

⁵⁵ The CFPB noted that one or more lender mitigated the risk stemming from this practice by informing consumers in Spanish of the availability of other credit card products and making clear and timely disclosures of the extent and limits of language services. Fall 2016 Supervisory Highlights at 22.

⁵⁶ Fall 2016 Supervisory Highlights at 24.

⁵⁷ *Id.* at 24-25.

⁵⁸ HUD LEP Guidance.

reviewing the data regarding the language needs of its customers and geographic footprint. Asking about language preference and tracking and transferring that information in the loan file costs almost nothing. Tracking language preference information serves an important purpose in ensuring that LEP consumers can receive whatever language services are available from the lender or servicer. Moreover, if a lender does not know the language needs of its market population, or of the consumers contacting it for potential services, it would be unable to assess whether additional resources should be devoted to translating documents into a given language or hiring and training bilingual staff fluent in that language.

Collecting data about language preference is therefore essential in order for servicers to determine whether they should be doing more to serve LEP consumers of any particular language profile, and can be done in a way that complies with ECOA.⁵⁹ Lenders need only ensure that an indication of LEP status on a consumer's file does not result in products or services being limited.

Lenders and servicers may wish *not* to collect language preference information because they fear shedding light on evidence of the discriminatory impact of certain practices, but this is not a reasonable justification. Similar arguments about potential for legal risk or misinterpretation of data were made when the Home Mortgage Disclosure Act was being first implemented; lenders argued that tracking information might make it easier for people to sue.⁶⁰ Then as now, the existence of accurate data did not create the legal violation; it merely allowed regulators and consumers to identify violations that were in fact happening. The Bureau should reject these arguments for not asking borrowers about language preference or refusing to track and transfer this information in the loan servicing file.

2. The Dodd-Frank Act charged the Bureau with ensuring that all consumers have access to markets that are fair, transparent, and competitive.

The CFPB has the authority to take substantial steps toward providing meaningful language access for consumers. Title X of the Dodd–Frank Wall Street Reform and Consumer Protection Act⁶¹ established the CFPB to “regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws.”⁶² The CFPB is entrusted with implementing and enforcing the federal consumer financial laws “for the purpose of ensuring that *all consumers have access* to markets for consumer financial products and services and that

⁵⁹ The CFPB approved the language preference question on the Uniform Residential Loan Application, although that question was later withdrawn. See Consumer Financial Protection Bureau, Final Redesigned Uniform Residential Loan Application Status Under Regulation B, 82 Fed. Reg. 55810 (Nov. 20, 2017) (including the proposed language preference question).

⁶⁰ Charles A. Lamb et al., “HMDA, Housing Segregation, and Racial Disparities in Mortgage Lending,” 12 *Stanford Journal of Civil Rights and Civil Liberties* 249 (June 2016).

⁶¹ 12 U.S.C. §§ 5481 *et seq.*

⁶² 12 U.S.C. § 5491(a). See also *Morgan Drexen, Inc. v. Consumer Fin. Prot. Bureau*, 785 F.3d 684, 686–87 (D.C. Cir. 2015) (summarizing the CFPB’s authority in implementing and enforcing the federal financial consumer laws).

markets for consumer financial products and services are *fair, transparent, and competitive*.”⁶³ Moreover, § 1032(a) of the Dodd-Frank Act authorizes the Bureau to prescribe rules to ensure that the features of consumer financial products are disclosed fairly, accurately, and effectively. In its 2016 mortgage servicing rule amendment, the Bureau noted that it had heard significant concerns from the field regarding servicers’ failure to communicate effectively with LEP homeowners. The Bureau had not had the opportunity to test certain disclosures in non-English languages, nor to fully explore the issues, and it therefore declined to impose mandatory language translation requirements on servicers “at this time.”⁶⁴ The Bureau should require translations of key mortgage origination and servicing notices in order to more fully meet the goal of ensuring that the features of consumer financial products are fully, accurately, and effectively disclosed.

In further support of the goal of fair and transparent access to the market, the Bureau should require credit reporting agencies to provide translated credit reports in the top LEP languages upon request and require debt collectors to translate the key notices required by the Fair Debt Collection Practices Act.⁶⁵

3. The Bureau has an affirmative duty under the Fair Housing Act to ensure that lenders do more to affirmatively serve LEP borrowers.

In addition to the Bureau’s duty under Dodd-Frank, its duty under the Fair Housing Act⁶⁶ to affirmatively further fair housing also requires the Bureau to ensure that LEP consumers are treated fairly by lenders and servicers, particularly with regard to mortgage-related transactions. Executive Order 12892, issued January 17, 1974,⁶⁷ reaffirms that duty and articulates it in more detail.

Sec. 3608 (d) of the Fair Housing Act articulates an explicit obligation for federal agencies to administer their programs and activities related to housing and urban development, “**including any Federal agency having regulatory or supervisory authority over financial institutions**, in a manner affirmatively to further the purposes of this subchapter.” (Emphasis added).

⁶³ 12 U.S.C. § 5511(a) (emphasis added). The CFPB’s framework is analogous to Title III of the Americans with Disabilities Act (“ADA”), 42 U.S.C. § 12182, which prohibits discrimination by public accommodations and services operated by private entities. The ADA provides a national mandate to ensure meaningful access for persons with disabilities, 42 U.S.C. § 12101, similar to the CFPB’s mandate to ensure all consumers have access to the markets for consumer financial products and services.

⁶⁴ Amendments to the 2013 Mortgage Rules Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z), 81 Fed. Reg. 72160, at 72163 (Oct. 19, 2016).

⁶⁵ Coalition Letter to Credit Reporting Agencies (Oct. 19, 2020),

https://www.ncl.org/images/pdf/special_projects/covid-19/Translated_Credit_Reports_COVID-19_Letter.pdf; Coalition (234 national, state, and local groups) Comments to the CFPB re: Proposed Debt Collection Rule, Sept. 18 2019, https://www.ncl.org/images/pdf/debt_collection/coalition-comments-debt-collection-sept2019.pdf.

⁶⁶ 42 U.S.C. 3601

⁶⁷ See <https://www.govinfo.gov/content/pkg/WCPD-1994-01-24/pdf/WCPD-1994-01-24-Pg110.pdf>.

As a federal agency with regulatory and supervisory authority over financial institutions, the Bureau is obligated to carry out its activities related to housing, include its supervision of mortgage lending and servicing, in a manner that affirmatively furthers fair housing; that is, in a manner that ends discrimination and ensures fair treatment of members of protected classes, promotes equity and opportunity, and helps to dismantle segregation.

Executive Order 12892 elaborates on this mandate. It states, “As used in this order, the phrase “programs and activities” shall include programs and activities operated, administered, or undertaken by the Federal Government; grants; loans; contract; insurance; guarantees; and **Federal supervision or exercise of regulatory responsibility, including regulatory or supervisory authority over financial institutions.**”⁶⁸

The Fair Housing Act and E.O. 12892 are instructive here because both prohibit discrimination based on national origin, among other characteristics, as does ECOA. As described above, the link between the language a person speaks and that person’s national origin is widely recognized in civil rights laws and regulations, and discrimination based on language spoken is understood to be a form of national origin discrimination.

4. The Bureau has an obligation under Title VI to ensure that its publicly funded regulatory efforts are equally accessible to LEP consumers.

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of “race, color, or national origin... under any program or activity receiving Federal financial assistance.”⁶⁹ The purpose of Title VI is to ensure that public funds are not spent in a manner which “encourages, entrenches, subsidizes or results in” discrimination on the basis of race or national origin.⁷⁰ Executive Order 13166 provides guidance regarding the requirements of Title VI with respect to persons with limited English proficiency.⁷¹ All entities receiving federal financial assistance, including federal agencies, must develop a plan to serve LEP individuals to ensure that they have meaningful access to all portions of their programs or activities.⁷²

The Consumer Financial Protection Bureau’s language access plan recognizes that, without efforts to include LEP persons, the Bureau’s engagement with consumers would be incomplete.⁷³ The Bureau’s plan provides LEP persons with access to information, services, activities and programs by translating consumer-facing documents into select foreign languages and handling complaints from consumers in more than 180 languages.⁷⁴ The Bureau also mentioned in the

⁶⁸ E.O. 12892, § 1-101 (emphasis added).

⁶⁹ 42 U.S.C. § 2000d.

⁷⁰ Dep’t of Justice, “Title VI of the Civil Rights Act of 1964,” available at <https://www.justice.gov/crt/fcs/TitleVI> (quoting President Kennedy regarding the purpose of Title VI).

⁷¹ Executive Order 13166: Improving Access to Services for Persons with Limited English Proficiency, 65 Fed. Reg. 13166 (Aug. 16, 2000); *see also* Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibitions Against National Origin Discrimination Affecting Limited English Proficient Persons, Federal Register 67 FR 41455 (June 18, 2002) (“DOJ Guidance on LEP Persons”).

⁷² *Id.*

⁷³ Consumer Financial Protection Bureau, Final Language Access Plan, 82 Fed. Reg. 53482 (2017).

⁷⁴ *Id.*

issuance of its final language access plan the fact that certain of the major rules that fall under the Bureau's authority allow for required disclosures to be provided in another language if also made available in English.⁷⁵ The Bureau should update its language access plan to ensure that LEP consumers have equal access to the protections of the regulations it administers, by *requiring* key notices of consumer rights to be provided in translation to LEP consumers. The Bureau's obligations under Title VI require it to actively ensure that LEP consumers have equal access to consumer protections and key information.

B. The Bureau should require lenders and servicers to create language access plans (LAPs) based on an analysis similar to that required under Title VI.

As discussed above, lenders and servicers have a duty not to discriminate against individuals based on national origin, which is closely tied to LEP status. Facially neutral policies may have an unjustified discriminatory effect when LEP individuals do not have an equal opportunity to enjoy the benefits of homeownership because they cannot access services in their language. The Department of Justice has adopted a helpful four-factor process to be used in creating language access plans under Title VI.⁷⁶ Because the requirement for lenders and servicers to avoid practices that cause an unjustified disparate impact on consumers based on national origin is comparable under ECOA to that under Title VI, the Bureau should require lenders and servicers to consider the same four factors. These factors are: (1) the number or proportion of LEP persons served or encountered in the eligible service population, (2) the frequency with which LEP persons come into contact with the program (3) the nature and importance of the program, activity, or service provided by the program, and (4) resources available and costs to the recipient.⁷⁷

The CFPB should import this same four factor analysis (or adapt it to this setting), requiring lenders and servicers to create a language access plan analyzing these factors and update it annually. It is in the best interest of lenders to ensure that their policies do not have a discriminatory effect. The four factor test will illuminate steps lenders need to take in order to comply, and the lender or servicer's written language access plan could serve as strong evidence of compliance with the Fair Housing Act and ECOA. LAPs will allow lenders and servicers to start somewhere, understanding that they cannot provide complete end-to-end services in every language on day one. The LAP structure will allow lenders and servicers to begin to provide language services, in a way that is informed by data analysis, and with a goal of monitoring community needs and expanding available services over time.

1. The number or proportion of LEP persons served or encountered in the eligible service population

In this prong of the analysis, lenders should assess the LEP population in their city or metropolitan area, as well as the LEP customers they are aware of within their current portfolio

⁷⁵ *Id.*

⁷⁶ See DOJ Guidance on LEP Persons.

⁷⁷ Executive Order 13166; DOJ Guidance on LEP Persons.

of customers. This is important because lenders' historical practices may have artificially depressed the number of LEP individuals who have obtained loans to date. They also may not even know which borrowers are LEP. Therefore, lenders should analyze the surrounding geographic area in order to determine how many LEP persons they could be serving. This assessment should be conducted at the branch level or, if that is impracticable, the municipal level. Zooming out to the state level is likely too broad a lens, unless a lender is operating statewide without any brick-and-mortar presence in particular communities.

In addition to assessing the LEP population of their service area, this step of the language access plan requires lenders and servicers to review the number or percent of their customers who are LEP and speak any given language. In order to do this, lenders must begin asking about and tracking borrowers' and applicants' language preference. Lenders can use already-existing resources to identify language preferences of consumers, for example, an "I speak" card⁷⁸ or the language preference question created by FHFA for the Uniform Residential Loan Application.⁷⁹ Although FHFA later took this question off the redesigned URLA, the wording of the question was developed by FHFA and reviewed by CFPB for ECOA compliance, and is being put into a voluntary consumer information form that will be published by FHFA. It therefore would be an appropriate resource for lenders to utilize. Although FHFA is not requiring it, the Bureau could require lenders to use this question, or comparable wording, to collect language preference information. Servicers should similarly be assessing the number or proportion of LEP consumers within their servicing portfolio, by asking about and tracking language preference in the servicing file.

2. The frequency with which LEP persons come into contact with the program

Under this factor, lenders and servicers should be looking at both their current customer base and the LEP community within their geographic service area, and considering how often LEP individuals of any given language are likely to come in contact with the company. This factor requires ongoing assessment. Originating lenders are likely to have extended interactions with LEP consumers who are potentially-eligible borrowers within their service area. Mortgage servicers will communicate frequently with LEP borrowers on the mortgages in their portfolio.

3. The nature and importance of the program, activity, or service provided by the program

Both banking and lending are extremely important activities to which LEP persons should have meaningful access. Banks provide a critical access point because loans of all sorts are more readily available for individuals with bank accounts.

Obtaining a mortgage loan, for an individual who has the financial ability to do so, is one of the most important steps to building wealth and maintaining affordable, stable housing. Therefore, mortgage lenders should acknowledge the strong importance of the activity or service they

⁷⁸ See <https://www.lep.gov/i-speak-card>.

⁷⁹ See Consumer Financial Protection Bureau, Final Redesigned Uniform Residential Loan Application Status Under Regulation B, 82 Fed. Reg. 55810 (Nov. 20, 2017) (including the proposed language preference question).

provide. This factor of the language access plan should weigh heavily in favor of making in-language resources available.

It is crucially important, especially during the COVID-19 crisis and other periods of financial hardship, for homeowners to be able to communicate with and receive key information from the mortgage servicer in their language.⁸⁰ Loss mitigation, as relief that enables a homeowner to avoid the risk of foreclosure, is of paramount importance. The harm of being unable to access loss mitigation in one's preferred language is extremely significant, and mortgage servicing should be recognized as high priority in the development of a language access plan.

4. The resources available and costs to the recipient

Under this step in the analysis, lenders and servicers should consider their financial capacity as well as the resources that have been made available to them by federal agencies and other sources. In this regard, the bank of mortgage documents translated into the top five LEP languages by the GSEs and FHFA is a significant available resource that lenders should adopt and use. Similarly, the CFPB should translate certain important documents that have not been translated by FHFA, including key servicing notices under RESPA and the Loan Estimate and Closing Disclosure.⁸¹

There is an initial investment of time, software, and training when a lender or servicer begins to provide translated documents in one non-English language, but once a basic system is in place, adding additional languages into the system is not nearly as hard. The resources that have been made available in the top LEP languages should remove a significant hurdle to best serving LEP individuals. Moreover, the cost to a servicer of providing a link on its website to translated materials posted on websites of the CFPB, Fannie Mae, or Freddie Mac, is practically nothing.

5. Language access plan components

Language access plans must include a process for institutionalizing the resources available for LEP individuals. In order to afford meaningful access to LEP individuals, lenders and servicers must incorporate the LAP into daily operations. It is not enough to hire a bilingual staff member who can individually provide assistance whenever he or she happens to be available at a given branch. Instead, an example of an institutionalized action would be an open language access line for all customers to do business with bank personnel during regular business hours.

⁸⁰ Many loan servicers are not providing any information in any LEP languages on their websites, even on their COVID-19 response pages. This makes it very difficult or impossible for LEP borrowers to access important information regarding relief options that may be available to help save their home.

⁸¹ The California Department of Banking and Finance has made the Loan Estimate and Closing Disclosure available in a number of top LEP languages. See <https://dfpi.ca.gov/translated-residential-mortgage-loan-forms-and-pre-foreclosure-notices/>. Nonetheless, since the LE and CD are CFPB forms, it would help to have published translations that have been reviewed and approved by the Bureau. Lenders could then be instructed that they may provide the translated form alongside the English version. In many ways, these two forms are the most important documents that consumers receive in the loan origination process (in addition to the notice of right of rescission for non-purchase money mortgages).

Lenders and servicers must maintain written records used in formulating the LAP, and the entity must include a plan for periodic monitoring and updating to ensure compliance. The CFPB should require lenders and servicers to mirror HUD's recommended process for monitoring and updating plans. The process includes: (1) "determining whether new documents, changes in programs, services and activities need to be made accessible to LEP persons;" (2) "[d]etermining whether changes in demographics, services or needs require annual reevaluation of LAP; and (3) [s]eeking feedback from the community the plan serves (advocacy groups serve a vital role)."⁸² This analysis is important to ensure that language access plans are based on accurate data about the community as well as the current services of the bank. Plans should be re-evaluated and updated annually.

All vital documents must be available to LEP consumers in-language. A document is considered vital if it contains information that is critical for obtaining and servicing the loan.⁸³ Vital documents should include notices required by federal law (such as the Loan Estimate, Closing Disclosure, and Notice of Right of Rescission), notices of servicing and loan ownership transfers, and early intervention and loss mitigation notices required by 12 C.F.R. §§ 1024.39 and 1024.41.

The websites of many banks and servicers are only in English. Borrowers will often seek information about their loans directly from their bank, so it is crucially important for the banks to provide information in-language on their websites. Particularly now, during the COVID-19 pandemic, information about COVID mortgage relief options is extremely important to borrowers. LEP persons should have the same access to that information as English-proficient borrowers. As discussed above in Section III, the Bureau should require servicers to immediately provide information about COVID mortgage relief options in the top five LEP languages on their websites and in electronic communications, or at least include prominent links to the translated materials published by the CFPB, FHFA, and the GSEs. In the future, banks and servicers should use their language access plans to determine what languages should be included on their websites.

LAPs are the right tool to allow lenders and servicers to start providing language services, understanding that they cannot provide complete end-to-end service in every language on day one. Informed by data and the willingness to adapt to meet evolving community needs, lenders and servicers will be able to use an LAP to expand the language access that is so sorely needed in the mortgage market.

V. The Bureau should require lenders and servicers to provide a basic floor of language accessibility.

⁸² See Dep't of Housing and Urban Dev't, "Limited English Proficiency: Policy, Plan, Practice," at https://www.hud.gov/sites/documents/OHC_LEP062515.PDF

⁸³ Dep't of Justice, "Commonly asked questions and answers regarding Exec. Order 13166," available at <https://www.justice.gov/crt/eo-13166#:~:text=A%20document%20will%20be%20considered,or%20is%20required%20by%20law.&text=Title%20VI%20does%20not%20require,require%20it%20of%20federal%20agencies.>

As discussed above, LEP consumers are a growing segment of the U.S. population, and inadequate language access is currently holding LEP consumers back and leaving them at greater risk of harm. Expanded and improved language access is critical to protecting LEP consumers from predatory and abusive practices and enabling their full participation in the financial marketplace. Insufficient language access is particularly concerning during the COVID-19 pandemic, and these problems are indicative of the gaping holes that need to be addressed to properly serve LEP consumers. As described above in Section IV (A), lenders and servicers are obligated under ECOA to avoid implementing practices that have an unjustified disparate impact on largely immigrant LEP consumers.

While lenders and servicers will need time to implement changes and expand their in-language services, there are certain steps that should be prioritized and implemented as soon as possible to address some of these immediate concerns. The Bureau should designate the following fundamental language access measures as the basic floor of language accessibility and require lenders and servicers to incorporate them in their policies and procedures.

A. Lenders and servicers should be required to ask borrowers about language preference and track and transfer this information as part of their loan file for the life of the loan.

The first step to serving LEP consumers in a meaningful way is learning their preferred language for communications about their loan. The CFPB should require lenders to ask borrowers about their preferred language at their first interaction with the customer. For lenders, this point may be the borrower's loan application. In 2017, FHFA finalized a language preference question (originally planned to be part of the Uniform Residential Loan Application (URLA)⁸⁴ but later moved to an optional form) that was developed after significant research and consumer testing. The CFPB should require lenders to use FHFA's language preference question (or a similarly worded question that does not violate ECOA) as the mechanism to ascertain preferred language information from new borrowers. Servicers should also be required to ask consumers for their preferred language in their initial communications with the borrower.

Once they obtain the borrower's language preference, lenders and servicers should be required to transfer the borrower's preferred language into the borrower's loan file. This information should travel with the borrower's file for the life of the loan. If the borrower's language preference is not tracked and transferred, the LEP borrower is forced to start over with every servicing change, which has the potential to cause confusion, delay, or unintended harm because crucial information, such as an early intervention notice or a loss mitigation evaluation notice, is not communicated in their preferred language. This process is also inefficient for every subsequent servicer because they have to expend resources to assess the borrower's preferred language. Tracking and transferring language preference information throughout the life of the loan will streamline servicing for both the LEP consumer and all companies servicing the loan. As the CFPB develops this requirement, it should consult with FHFA's Uniform Mortgage Data Program to standardize the format of language preference data, which will ease implementation of this requirement for industry.

⁸⁴ https://www.fhfa.gov/PolicyProgramsResearch/Policy/Documents/Preferred_Language_Question.pdf

B. Lenders and servicers should be required to provide in-language documents that have been translated and approved by the CFPB, FHFA, or another governmental agency.

Lenders and servicers should be required to provide the translated mortgage documents that have been translated and made available by government agencies at the federal, state or local level. The FHFA has translated many mortgage documents into the top five languages spoken by LEP consumers in the United States, and are all available and easily accessible on their Mortgage Translations Clearinghouse website.⁸⁵ A wide swath of origination and modification documents, including the URLA, note and security instrument, Form 710 and modification agreements, have translations that have already been vetted and approved by a government agency. There is minimal burden for lenders and servicers to incorporate the use of these existing documents, and using them will greatly improve LEP consumers' comprehension of their loan terms. Whenever possible, lenders and servicers should populate the translated forms with specific information about the borrower's loan, including the loan amount, interest rate, and lender, but at minimum, the blank translated form documents should be provided to the LEP borrower to be read along with the English version to enable the borrower to understand the terms of the transaction as it is happening. Both the English and translated documents should be provided to LEP borrowers so they can refer to them later as well.

The CFPB should prioritize the translation of essential documents under its authority, including the Loan Estimate, Closing Disclosure, and Notice of the Right to Rescind, as well as key RESPA loss mitigation notices, including the early intervention notice, five-day notice after a loss mitigation application is received, and the evaluation notice. Many documents within the CFPB's purview contain critical information that should be made available in the top eight languages as soon as possible. Servicers should be required to use translated documents as they become available in other languages from the Bureau, FHFA, HUD or other governmental agencies. The Bureau should also require supervised entities to use the translated resources it has available, including brochures and informational materials, by linking the information to their websites and making copies available to their customers, so that LEP consumers have access to the information available about their transaction in their preferred language.

C. If the lender or servicer's footprint includes over 5% LEP population who speak a given language, lenders and servicers should be required to provide translated documents in that language.

Even if translated documents are not available from governmental sources, lenders and servicers should be required to provide translated documents if over 5% of the population within their service area speak a certain preferred language.⁸⁶ For example, if over 5% of the population

⁸⁵ See <https://www.fhfa.gov/MortgageTranslations>.

⁸⁶ The data regarding languages spoken by LEP individuals is mapped here: <https://www.lep.gov/maps>.

within a lender's geographic footprint are LEP Arabic speakers, the lender should have an obligation to make vital documents available in Arabic to serve those consumers. Lenders and servicers should be required to be responsive to the markets where they do business, and to reevaluate their footprint periodically to make sure that they are accounting for changes in the population they serve. This obligation should apply even where a government agency has not provided an approved translation. The Bureau should provide guidelines and standards for companies in this situation. The glossaries published by FHFA in the top five LEP languages are a helpful resource.

D. Lenders and servicers should be required to develop and adopt their own disclosure language about the availability of language services for their customers.

Each lender and servicer's capacity and ability to incorporate language access measures will vary based on their size, footprint, and resources, and will also adapt over time and changing circumstances. Given that expanding language access will be an ongoing and adaptive process, the CFPB should require lenders and servicers to develop their own disclosure language about the level of language access it is able to provide and their current limitations. This disclosure should be monitored by the Bureau and provided to each LEP consumer who expresses a preference for a language other than English for their communications with the company. It is critical that the lender or servicer be up-front with the consumer about the level of language access they are able to provide, whether through translated documents, a language line, or bilingual employees. The CFPB should consider creating form disclosures after doing consumer testing on them to help guide supervised institutions in this process. Disclosures should be periodically reviewed and adapted as necessary to properly reflect the availability and scope of language accessibility.

E. Lenders and servicers should be required to make oral interpretation available upon a LEP consumer's request.

Lenders and servicers should be required to provide free, contemporaneous oral interpretation services for LEP consumers who request it. Oral interpretation should be provided by individuals who both speak the relevant language and are adequately trained in terminology related to the transaction. Lenders and servicers should be required to make oral interpretation available either through an in-house employee or through a partnership or referral to a HUD-approved housing counseling agency, community organization, or private company with appropriate language capacity and familiarity with mortgage terminology. If neither of these options are feasible, lenders and servicers should at least provide access to a language line service to enable a LEP consumer to communicate with them about their immediate questions or concerns. The CFPB and HUD can work together to ensure information on available interpretation services are available to companies nationwide.

VI. Potential liability related to providing language access is limited and should not pose a barrier.

The members of the AFR Language Access Task Force have been working on language access issues for a number of years and have been engaged in discussions with federal agencies around increasing access to the mortgage market for LEP consumers since at least 2016. We have gathered examples of consumers who have been harmed by a lack of information in their language. We have commented on the efforts of FHFA to increase the use of translated mortgage documents, both in writing and as participants in FHFA's Language Access Task Force. Throughout these ongoing discussions, lenders and servicers have continually expressed concerns regarding their potential exposure to liability if they provide translated documents in some but not all languages, or if they provide translations of some but not all documents. Many of the legal risks lenders and servicers continually raise are overstated.

A. Life of loan obligations and the use of disclosures

When lenders seek assurances that they may provide translated versions of certain documents but not others, or when they pursue the ability to provide translations at origination followed by ongoing servicing that will be conducted entirely in English, this raises significant questions regarding the expectations created for borrowers and whether such conduct should be considered unfair or deceptive. Borrowers may be more likely to arrange help interpreting English documents during the home-buying process (perhaps from a bilingual real estate agent or trusted advisor), and are therefore even more likely to need documents in their preferred language as the loan is serviced over time—especially if they experience a hardship and need to apply for loss mitigation. Lenders and servicers can certainly provide disclosures regarding the limits of currently available translation services. However, they should also be attempting to expand on their available language resources, continuously, through an informed assessment of the needs of their customer base. To do this, lenders and servicers must be required to ask about language preference and track and transfer that information with the loan file. The obligations of subsequent servicers will depend on their own resources, capacity, geographic footprint, and the language needs of their customers. Servicers should not be able to evade their obligation to provide reasonable language access through willful ignorance of the language needs of their borrowers.

B. Quality and clarity of translated documents

Lenders and servicers sometimes claim they are not providing documents in language due to fear of legal risk. However, there is likely more legal risk for servicers that do not provide translated documents, due to the close link between language and national origin as well as the risk of UDAP claims if sales talk occurs in the preferred language but documents are provided entirely in English.

Although it is important for lenders and servicers to take reasonable steps to ensure accurate translations and high-quality oral interpretation, good faith translation errors are unlikely to lead to UDAP claims. The body of case law shows that UDAP claims typically follow from

intentional misrepresentations of material loan terms coupled with taking advantage of the borrower's LEP status by providing the contractual documents only in English.

Most cases where courts have found lenders to have acted in an unfair or deceptive way, and hence imposed UDAP liability, involved situations where a loan officer or broker conducted negotiations in the consumer's preferred language and made representations that were materially different from the terms spelled out in the loan documents, which were provided only in English. In most of these cases, the unfairness or deception arose from the fact that the lender or broker actively and intentionally misrepresented the terms of the transaction. The fact that the consumer could not read or speak English was not the key fact, but was a reason why the consumer could not adequately protect him or herself from the unfair or deceptive conduct. In most cases, the deception regarding contract terms was also accompanied by unfair or abusive loan terms and, in at least one case, misrepresentation of the borrower's income to make it appear that a loan was affordable.⁸⁷ Lenders already have to police their originators for fraudulent practices and employ quality controls to remove such bad actors when they are found. Bilingual staff, just like monolingual staff, may employ unlawful practices at times, and lenders have to guard against this with careful monitoring.

Courts have at times refused to enforce an arbitration clause where one was included in the English contract but completely omitted from the in-language translation provided to the borrower.⁸⁸ Such courts have found a lack of assent to the arbitration clause. Lenders can avoid this problem by using vetted translated documents that include all material terms in the contract. FHFA and the GSEs have made this easier by translating the uniform note and security instruments into the top LEP languages.

After a diligent search, we have not found any reported decisions where a lender was found liable for a UDAP claim or was unable to enforce a contract based on a good faith translation error.

C. Lenders are more likely to face UDAP claims based on not providing translations.

Rather than incurring more liability by providing language access, lenders that provide translated copies of the contract and other key documents, such as the Loan Estimate and Closing disclosure, are likely to reduce their legal risk. Providing these documents in-language should prevent consumers from being misled by oral communications that may be conflicting or confusing. Some states make it an unfair or deceptive practice to fail to communicate the

⁸⁷ See, e.g., *Thelemaque v. Fremont Inv. & Loan*, No. 2011 WL 2734490 at *1 (Mass. Dist. Ct. Mar. 23, 2011) (loan officer and closing attorney misrepresented to borrower in his native Haitian Creole that they would be able to refinance in six months; lender also misstated the borrowers' income despite borrowers providing proof of accurate income); *Gonzalez v. Ameriquest Mortg. Co.*, 2004 WL 2472249 (N.D. Cal. Mar. 1, 2004) (brokers made oral and written misrepresentations in Spanish that monthly payments would be no more than a certain amount and closing costs would be minimal; English contract required a much higher payment and significant closing costs).

⁸⁸ See, e.g., *Ramos v. Westlake Serv.*, 195 Cal.Rptr.3d 34, 36 (Cal. Ct. App. 2015).

material terms in a language the borrower can understand.⁸⁹ Providing translated documents also mitigates any risk of liability under various state translation laws.⁹⁰

Mortgage lenders are already attempting to reach consumers who prefer doing business in a language other than English. They are engaging this segment of the market by advertising in non-English languages, publishing marketing materials in these languages, and hiring loan officers who can speak to potential customers in these other languages. When lenders advertise, solicit business, and converse with borrowers in other languages, but present the key documents for the transaction (including the loan contract and all required disclosures) entirely in English, there is an elevated risk that a consumer will not understand the terms of the transaction, or that the terms explained to them orally in their native language will not match the terms spelled out in the documents. Lenders can mitigate this risk by providing translated disclosures. Translated documents allow consumers to review the terms of the transaction without time pressure, and to seek the help of a trusted advisor to review those terms. The legal risk that arises out of providing translated documents is low, so long as lenders take reasonable steps to ensure adequate quality of translations, as discussed above. This risk is further minimized by the use of high-quality, vetted translations of the loan contracts and other documents in additional languages made available by the Enterprises, FHFA, and the CFPB.

VII. Special Purpose Credit Programs are an important tool available to lenders, and may be useful in extending credit to economically disadvantaged LEP consumers.

In a separate question, the Bureau asks about the usefulness of Special Purpose Credit Programs (SPCPs), authorized under Regulation B,⁹¹ as a vehicle for meeting the needs of “economically disadvantaged groups,” and whether it should address any regulatory uncertainty that may surround these programs and/or clarify any of the applicable provisions of Regulation B. Although the Bureau does not specifically ask what role SPCPs might play in meeting the needs of LEP borrowers, we believe there are some points worth considering in that regard.

LEP status, which is associated with national origin, could be one factor that a lender might look to in establishing a Special Purpose Credit Program. The regulation enumerates national origin as one factor upon which SPCPs may be based. 12 C.F.R. § 1002.8(b)(2) states, in part, “...all

⁸⁹ See 940 Code Mass. Regs. § 8.05(3) (making it an unfair or deceptive practice in Massachusetts for a mortgage lender or broker to fail to take “reasonable steps” to communicate the “material facts” of the transaction in a language the borrower understands); D.C. Code § 28-3904(r)(5) (barring unfair transactions where, among other factors, a person has “knowingly taken advantage of the inability of the consumer reasonably to protect his interests by reasons of... ignorance, illiteracy, or inability to understand the language of the agreement.”) Although the D.C. code uses the terms “in sales or leases,” this includes the sale of consumer credit mortgage lending. See *DeBerry v. First Government Mortg. and Investors Corp.*, 743 A.3d 699, 701 (D.C. Ct. App. 1999); *Cooper v. First Gov’t Mortgage and Investors Corp.*, 206 F.Supp.2d 33 (D.D.C. 2002).

⁹⁰ Eg, Cal. Civ. Code § 1632.5; Or. Rev. Stat. Ann. § 86A.198(1)-(2); 940 Mass. Code Regs. ADC 8.05(3).

⁹¹ 12 C.F.R. § 1002.8, Special Purpose Credit Programs.

program participants may be required to share one or more common characteristics (for example, race, **national origin**, or sex) so long as the program was not established and is not administered with the purpose of evading the requirements of the Act or this part.” (emphasis added).

LEP status, in and of itself, may not be definitive for determining whether a borrower falls into an economically disadvantaged group and would be unable to qualify for credit or would qualify on less favorable terms. LEP borrowers fall into many different income levels and possess varying amounts of wealth, two factors that would impact the determination of economic disadvantage. Some LEP borrowers may be economically disadvantaged, others might not. However, in cases in which a lender has undertaken the necessary analysis and determines that LEP borrowers within its market would otherwise be “denied credit or receive it on less favorable terms,” an SPCP may be an appropriate vehicle for closing that gap and expanding access to credit.

Even for an SPCP that is not explicitly targeted at LEP borrowers, lenders seeking to serve economically disadvantaged borrowers in their communities would do well to determine the extent to which those borrowers may have limited English proficiency. In order for an SPCP to be effective in reaching and serving LEP borrowers, a lender will have to incorporate into the program design measures to overcome language barriers in marketing, loan origination and loan servicing.

Many LEP consumers are immigrants, and some may have had very different experiences in dealing with lenders and accessing credit in their countries of origin than consumers who are used to navigating the credit system in the U.S. If prior experiences cause these LEP consumers to avoid borrowing from mainstream lenders in the U.S., or engaging with the financial system to any significant degree at all, they may have minimal credit records and thin credit files, making it difficult for them to qualify under traditional credit standards. Lenders seeking to serve such borrowers may find an SPCP to be a good way to do so.

Lenders may have some questions about whether an SPCP that is authorized under Regulation B conflicts with state laws that may prohibit discrimination in credit based on national origin. The text of Regulation B states that it preempts state laws that prohibit “inquiries necessary to establish or administer a special purpose credit program.” While it seems clear that this limited preemption would also apply to the actual extension of credit, some lenders may find the text ambiguous. The Bureau has addressed this question in the specific case of New York’s prohibition on credit discrimination on the basis of national origin and other characteristics, as described in the Official Interpretation of 12 C.F.R. §1002.11(a), which states that Regulation B preempts New York’s law to the extent that it prohibits a lender from considering a prohibited basis when establishing eligibility for certain special purpose credit programs.⁹² Because this Official Interpretation may not allay the concerns of lenders operating in states other than New York, the Bureau should clarify that this determination also applies to other, similar state laws.

⁹² 12 C.F.R. § 1002, Supp. I, ¶ 11(a)(1).

VIII. Conclusion

In conclusion, the CFPB should take further steps to ensure that LEP consumers have full and fair access to the consumer marketplace. The Bureau should clarify servicers' obligation to immediately provide translated notices of COVID mortgage relief options, in order to avoid an unjustified disparate impact on consumers based on national origin. The fact that key information about COVID relief has already been translated by the Bureau, Fannie Mae, Freddie Mac, and FHFA makes the failure to convey these materials in a meaningful fashion in the midst of this crisis inexcusable. Secondly, the Bureau should require mortgage lenders and servicers to undertake a language access plan analysis in order to provide reasonable access to translation and oral interpretation based on their market and available resources. Finally, the Bureau should also establish minimum requirements for language access in the mortgage market as described in Section V. We appreciate the Bureau's careful attention to these issues, which profoundly impact the economic opportunity and stability of LEP consumers around the country.

Appendices

Appendix A: Results of Nationwide Survey of Housing Counselors and Legal Services Attorneys, Oct. 2020

Appendix B: Summary of Language Resources on Servicer Websites

Appendix A: Results of Nationwide Survey of Housing Counselors and Legal Services Attorneys, Oct. 2020

This survey was sent out to housing counseling agencies, legal services programs, and other nonprofit entities around the country. Over a two-week period in October, 2020, we received 80 responses from respondents in 28 states.

Which of these best describes your role?

Response	Number of responses
Housing counselor	63
Legal services attorney or paralegal	9
<u>Other</u>	8
<i>Total</i>	80

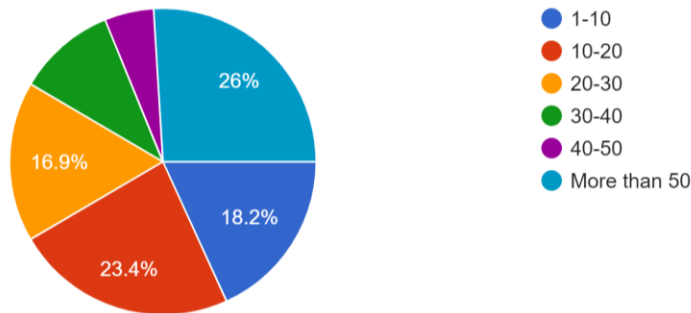
What state are you from?

State	Number of responses
Arizona	2
Arkansas	1
California	5
Colorado	1
Connecticut	1
District of Columbia	1
Florida	5
Georgia	1
Illinois	4
Kentucky	1
Maine	2
Maryland	4
Massachusetts	1
Minnesota	1
Mississippi	2
Missouri	1
Montana	1

New Hampshire	1
New Jersey	4
New York	26
North Carolina	3
Ohio	1
Oregon	2
Pennsylvania	3
Rhode Island	1
Texas	1
Virginia	2
West Virginia	1
<i>Total</i>	<i>80</i>

On average, about how many consumers does your agency/organization counsel in a given month?

77 responses

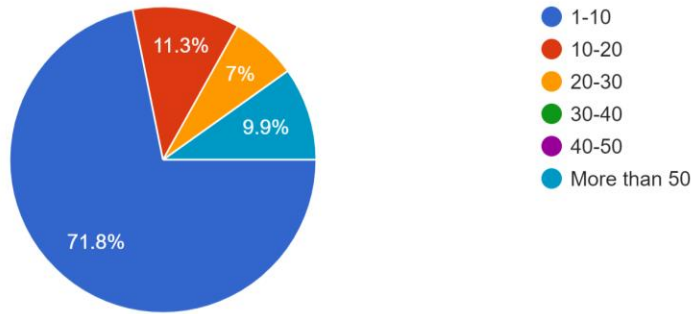


On average, how many consumers does your agency/organization counsel in a given month?

Response	Number of responses
1-10	14
10-20	17
20-30	13
30-40	8
40-50	4
More than 50	20
No answer	4

On average, about how many LEP consumers does your agency/organization serve or counsel in a given month?

71 responses

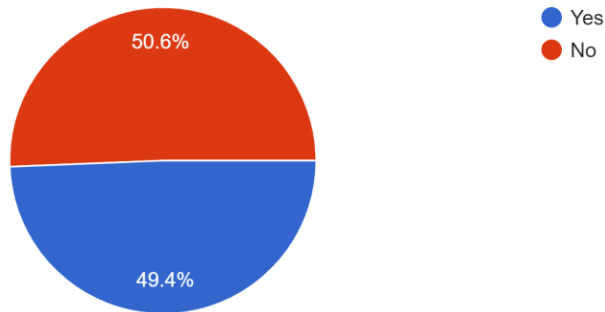


On average, about how many LEP consumers does your agency/organization serve or counsel in a given month?

Response	Number of responses
1-10 LEP consumers	51
10-20 LEP consumers	8
20-30 LEP consumers	5
More than 50 LEP consumers	7
No answer	9

Have you encountered consumers who were limited English Proficient (LEP) that had difficulty when getting a mortgage loan because documents were provided only in English?

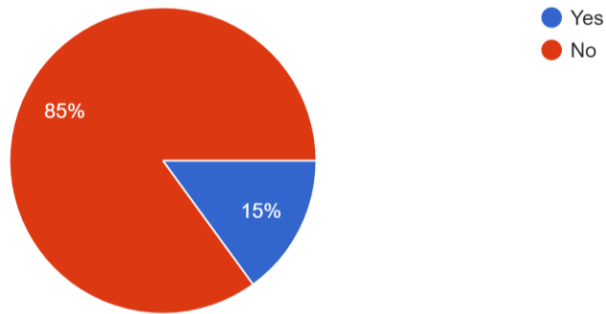
79 responses



39 responded Yes
 40 responded No
 1 No response

Have you encountered LEP consumers that were given at least some translated documents when the mortgage loan was made, like an application or some loan closing documents?

80 responses



12 responded Yes
68 responded No

If so, which lender(s) are you aware of that are providing some translated documents at mortgage origination? And for each such lender, which language(s) and which documents? (eg, Loan Estimate, Closing Disclosure, informal summary of terms, mortgage contract)

- M&T Bank, Northwest and Premium Mortgage. I have seen a general product sheet that offers a virtual or phone language assistance. I have seen the LE and product sheets in dual languages.
- Bank of America, US Bank
- Bank of America
- Neighborhood Lending Services of Chicago Spanish, LE, Loan Application and Summary of terms. Associated Bank Spanish, Loan Application, Mortgage Glossary and Estimates
- All, Spanish

Which lender(s) are you aware of that are providing either oral interpretation (eg, through a language line) or bilingual staff who are communicating with borrowers in their preferred language? For each lender, please state which language(s) and whether they were providing an interpreter or a bilingual loan officer.

- Santander, Bank of America, PNC
- Wells Fargo - Spanish
- Chinese: Citizens Bank - Bilingual Loan Officer, Bank of America - Bilingual staff, TD Bank - Phone interpreter, Trident - bilingual staff, BB&T - bilingual staff, Santander - phone interpreter
- Five Star Bank, and M&T Bank have bilingual staff, like loan officers, that can explain all the terms in Spanish or explain what it means to the client, because some terms do not translate. Citizens Bank I believe has translation by phone.
- Lakeshore Savings Bank, Key Bank and Community Bank bilingual loan officer
- Chase BOA
- Bank of America, Wells Fargo, BB&T,
- Chase (Spanish), Fay Servicing (Spanish), SLS (Spanish)
- Capital Bank - Spanish speaking Bilingual staff
- Our LEP homebuyers have their own translators
- Bank of America, Lakeland Bank, M&T Bank, Valley Bank, Santander
- M&T Bank- many languages. Burmese, Spanish, German etc. Premium- Same. WSNHS- my agency has Both language able staff and we also use a language assistance line.
- Not aware of any lenders at this time providing this service
- Many in our area - Spanish
- B of A Spanish, Johnson Bank, Spanish, Midfirst, Spanish, 1st Bank, Spanish Chase, Spanish.
- All have that ability for translator through local agencies here in St Louis.

Origination examples

Housing Counselor, Camden, NJ

- Lender's inability to provide bilingual staff and/or documents not only is frustrating to the consumer but also makes an already difficult process unbearable and sometimes more expensive if they have to pay someone to translate.

Housing Counselor, Philadelphia, PA

- The loan estimate is in English and client does not know there is service fee charged by the broker.

Housing Counselor, Rochester, NY

- The mortgage language can be hard to translate, especially if you are not familiar with the terms. Some terms do not translate and you need to explain to the client what they mean. All the documentation (before and after closing) is only provided in English, and sometimes they do not understand. What the client does is call their loan officer and ask them what the letter is for.

Legal Services Paralegal, Hudson Valley, NY

- Communications issues where translated conversations were later denied, or Spanish personnel told different things than English personnel, then told misinterpreted.

Legal Services Attorney, Upstate New York

- We have never seen LEP services being provided, even in Spanish.

Legal Services Attorney, Northeast FL

- We always have to arrange for translation, the servicers never offer to do so or agree to do so.

Housing Counselor, Ulster County, NY

- I had a pre-purchase client that was a LEP consumer and my Housing Counseling agency had a staff member that could speak their language come and translate, it was a good experience, but none on the materials provided at loan closing where in the LEP client's preferred language.

Housing Counselor, Washington, DC

- A client recently went through closing with Fulton Mortgage, the loan officer communicated with the Housing Counselor to support with any communication barriers and submission of supporting documents for the purchase process. The loan officer did communicate with the client throughout her process to the best of his ability, and offered one of the documents in Spanish for the transaction at the start of the process.

Housing Counselor, Kennebec, Maine

- Our LEP homebuyers have their own translators.

Housing Counselor, Erie, NY

- I have seen situations with M&T bank in the past where a client had zero understanding of the mortgage process and came to our agency with their closing check. All the buyer knew is that they needed \$7890 (I will always remember this) to buy their house. They came to us because we were on the list of agencies who can provide home buyer education. So they saw our name. They had hoped I could explain. We talked for 45 mins via the language line and got them

understanding to hold on to the check and bring it to closing. We got in touch with the CRA rep at the time and she stepped in and they had a meeting with the buyer and mortgage officer to ensure the buyer understood.

Housing Counselor, St. Louis, MO

- Homeownership education course almost in any language is provided via web based program.

Housing Counselor, Queens, NY

- As a counselor I feel it is important that the focus is on- in language counseling rather than translated materials, most of the immigrant population that we serve are not only LEP but are also not literate, so having materials translated in language could still not help.

Legal Services Attorney, Brooklyn, NY

- I've had several LEP clients recount that no services were provided in their language.

Housing Counselor, Kings County, NY

- Mortgage documents overall are complex. Many borrowers are not familiar with or do not fully grasp the complexities of the process.

Bilingual Program Support, Lane County, OR

- I've heard a client mention they'd appreciate being able to understand all of the important documents and information in their first language. He stated this was a big deal and he felt out of the loop.

Housing Counselor, Southwest MN

- We have a Korean client that was having trouble paying their USDA Rural Development 502 Direct Loan. The Help line could not understand them. The homeowner wanted assistance to sell her home. The homeowners were in the middle of a divorce. They got so frustrated because they did not understand the process that they ended up just walking away from the home. A local Realtor had to step in to facilitate a short sale with the help of local translators.

Housing Counselor, McLean, IL

- Completed Pre purchase session with an interpreter and translated docs into Spanish

Housing Counselor, Chicago, IL

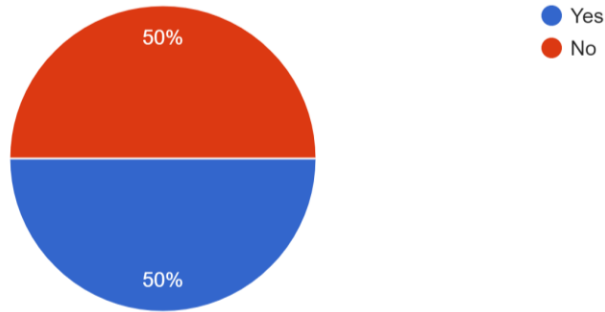
- Most Big lenders have Spanish services available during their process... except Citibank who has not hired Spanish speaking Loan Originators for several Years.

Housing Counselor, Los Angeles, CA

- Bilingual Loan Officers will help.

Have you worked with LEP homeowners who had difficulty communicating with their servicer about their mortgage in their preferred language?

80 responses



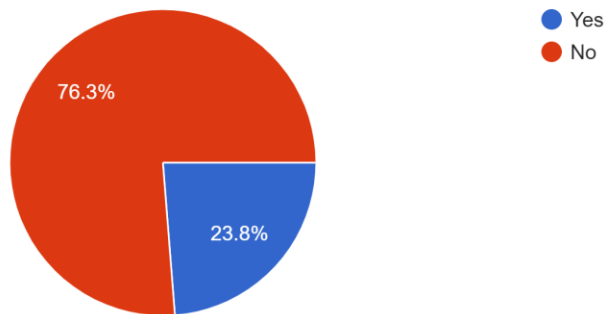
Have you worked with LEP homeowners who had difficulty communicating with their servicer about their mortgage in their preferred language?

40 responded Yes

40 responded No

Have you worked with LEP homeowners who were receiving servicing documents in their language? (things like the monthly statement, letters about the loan, or loss mitigation information)

80 responses



19 responded Yes

61 responded No

If so, what servicers do you know of that are providing servicing documents in other languages, and for each servicer, which language(s) and which documents? (eg, monthly statement, loss mitigation letters)

- Wells Fargo -monthly statement
- Bank Statements, but not a lot of banks provide them in another language.
- Loss mitigation letters, mortgage statements
- Only letters in Spanish, no statements. BoA, WF, CHASE
- Chase, Shellpoint, Selene, Ocwen
- Chase, Carrington
- None that I'm aware of
- Mr. Cooper and Lakeview/Lakeshore Spanish and Swahili
- Several in this area- Spanish
- Wells Fargo --Spanish only
- Wells Fargo
- Chicagoland area- Citi
- Chase, Mortgage statements, Escrow analysis and Loss mitigation. Mr Cooper. Loss mitigation; Wells Fargo Mortgage Statements, Loss mitigation and Informational Letters
- Carrington

Which servicer(s) are you aware of that are providing either oral interpretation (eg, through a language line) or bilingual staff who are communicating with borrowers in their preferred language? For each servicer, please state which language(s) and whether they were providing an interpreter or a bilingual loan officer.

- Wells Fargo - Spanish
- Five Star Bank, bilingual loan officer (Spanish). M&T Bank, two bilingual loan officers (Spanish). Bank of America, I think they have one loan officer (Spanish).
- Lakeshore Savings Bank, Community bank, and Key Bank- loan officers
- Bank of America, Chase – Spanish each
- Chase, Cenlar, Mr. Cooper
- Most do. Shellpoint is the only lender that I came across that had an English speaking SPOC for a Spanish speaking client. I believe they did have an interpreter available, however.
- Unsure of any servicers other than bilingual Spanish/English staff
- Many offer them in both English and Spanish if requested
- M&T, Premium, Lakeshore, Evans - Spanish
- Several - Spanish
- Chase - Spanish, Johnson Bank- Spanish, Midfirst - Spanish, Bank of America - Spanish.
- Pretty much every bank has someone that can help, or utilize interpreter services
- Loan servicers usually provide written notification in both English and Spanish.
- Rushmore is using bilingual staff to communicate with Spanish speaking clients in their preferred language but then the documents stemming from the communication are being sent only in English.
- PUB, Webster, BoA -- Spanish-speaking loan officer
- Most servicers offer oral interpretation in Spanish. For families that speak other languages, we often do not bother to request this from the servicer. In foreclosure/default situations, I will reach out to the servicer and then our agency will provide translation/interpretation services as needed.
- Bank of America, Wells Fargo, Chase

- Bank of America - Spanish bilingual loan officer
- Cit- Spanish
- Spanish: Chase, Associated Bank, Wells Fargo, Mr. Cooper
- Carrington and Bayview

Servicing examples provided by respondents

Housing Counselor, Guilford, NC

- An elderly Spanish preferred language client has had a Spanish speaking SPOC with Wells Fargo but the SPOC is not ever available. No one has been available to explain complex terms or expectations such as escrow deficiency or trial modification expectations to her in Spanish.

Housing Counselor, Worcester, MD

- I've had two foreclosure clients whose situations were impeded due to their LEP status. One family spoke Korean, their servicer, CMG Mortgage, did not provide interpretation services at all, and was generally not cooperative. As the counseling agency, we secured an attorney and interpreter for the family. This was the only way for them to receive any kind of fair loss mitigation review. All of their documents were submitted in English, the barrier here was the lender could not communicate in Korean (and barely did in English, for that matter). It took over two years to obtain a resolution. This was particularly frustrating because they had an FHA mortgage and were eligible for assistance. Their hardship had been resolved and they could easily afford modified payments. I do believe the servicer was fully taking advantage of their LEP status here.

In another instance, I had a family who did speak English but their bank accounts and proof of income were from the Netherlands. Wells Fargo would not accept documents that were not in English. This particular family was ultimately trying to sell their home, but they were unable to be reviewed for any other options had they been interested because they were unable to submit documents in English.

Legal Services Attorney, Albany, NY

- I've had a client with Caliber as servicer whose correspondence and calls were all in English even though her primary language is Spanish. Most recently, I had a LEP client with Wells Fargo as servicer who is able to speak to a representative in Spanish and his monthly statements are in Spanish.

Housing Counselor, Chicago, IL

- Bayview Loans, providing Spanish mortgage statements to customer but not accepting Bank statements in Spanish for loss mitigation because they were in Spanish.

Legal Services Paralegal, Hudson Valley, NY

- Client in Westchester having issues with misapplied monies and after several attempts we had to get involved. Then client was provided Spanish speaking person, but still issue remained.

Legal Services Attorney, Orange County, NY

- I have client that was recently extended a forbearance on her loan. On the telephone, she was told this forbearance will be the final one and that the servicer would send her confirmation documents that explain her options thereafter. However, the mailed documents are in English only and the client was unable to determine what was contained therein.

Housing Counselor, Kennebec, Maine.

- Our LEP homebuyers have their own translators.

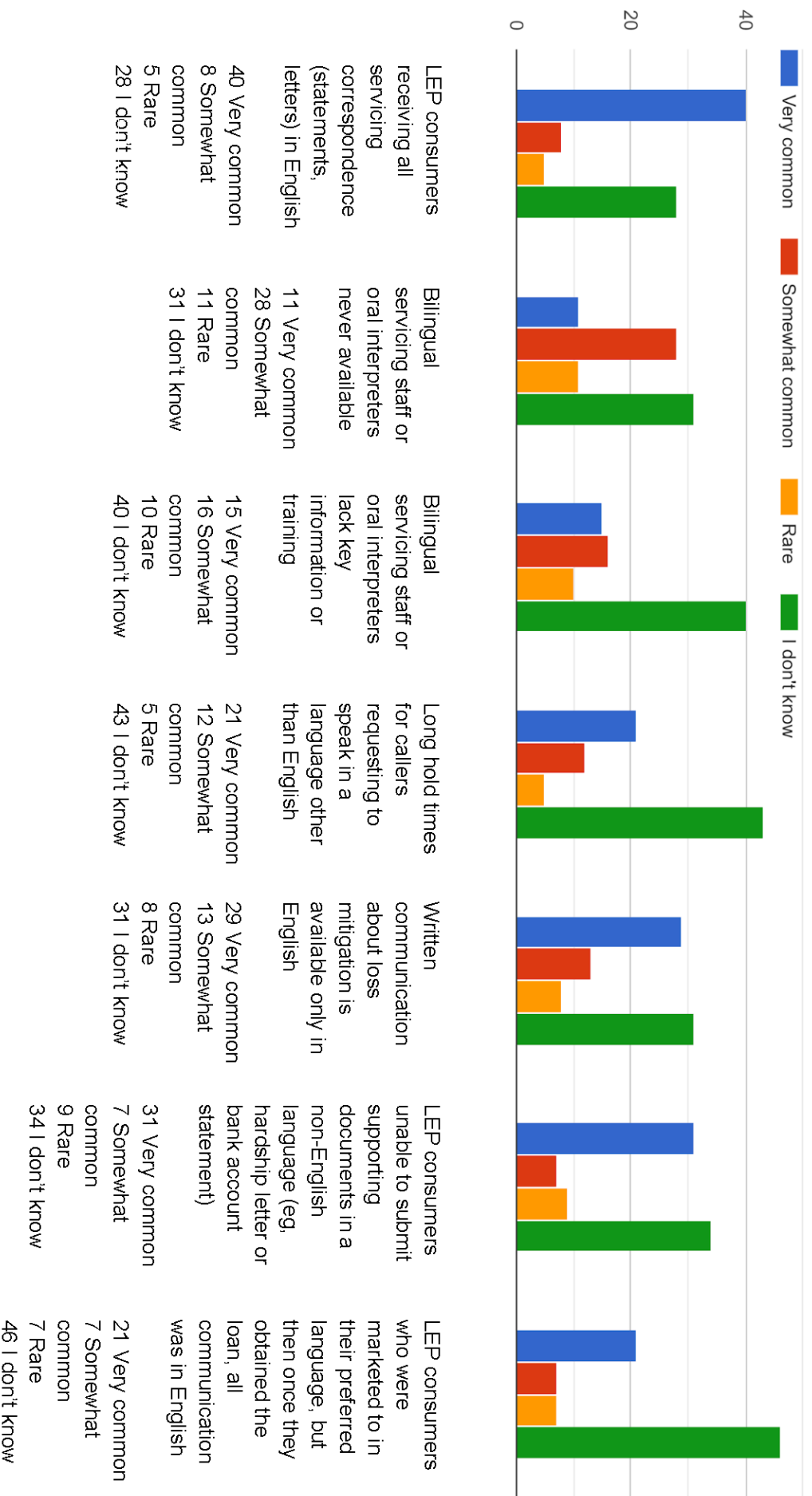
Legal Services Attorney, Broome, NY

- We don't see people being provided language services by the servicers

Housing Counselor, Chautauqua, NY

- Key Bank was wonderful about providing a Spanish speaking representative to a loss mitigation customer. He was able to call her directly with minimal wait time.

Based on your experience working with LEP consumers, how common are the following problems for LEP consumers in the mortgage servicing marketplace?



Based on your experience working with LEP consumers, how common are the following problems for LEP consumers in the mortgage servicing marketplace?

Subset of responses including only respondents who work at agencies that assist at least 10 LEP consumers per month (excluding respondents who answered that they serve only 1-10 LEP consumers per month). These 20 respondents included six respondents from New York (Erie, Queens, NYC, Nassau County, Orange County, and Hudson Valley), three from California; two from Chicago; two from Oregon; and one each from Connecticut, District of Columbia, Florida, Maryland, Ohio, Pennsylvania, and Massachusetts.

LEP consumers receiving all servicing correspondence (statements, letters) in English

Response	Number of respondents	Percent of respondents
Very common	15	75%
Somewhat common	2	10%
Rare	1	5%
I don't know	2	10%

Bilingual servicing staff or oral interpreters never available

Response	Number of respondents	Percent of respondents
Very common	3	15%
Somewhat common	12	60%
Rare	4	20%
I don't know	1	5%

Bilingual servicing staff or oral interpreters lack key information or training

Response	Number of respondents	Percent of respondents
Very common	4	20%
Somewhat common	8	40%
Rare	2	10%
I don't know	6	30%

Long hold times for callers requesting to speak in a language other than English

Response	Number of respondents	Percent of respondents
Very common	8	40%
Somewhat common	4	20%
Rare	2	10%
I don't know	6	30%

Written communication about loss mitigation is only available in English

Response	Number of respondents	Percent of respondents
Very common	12	60%
Somewhat common	6	30%
Rare	2	10%
I don't know	0	0%

LEP consumers unable to submit supporting documents in a non-English language (eg, hardship letter or bank account statement)

Response	Number of respondents	Percent of respondents
Very common	16	80%
Somewhat common	0	0%
Rare	1	5%
I don't know	3	15%

LEP consumers who were marketed to in their preferred language, but then once they obtained the loan, all communication was in English

Response	Number of respondents	Percent of respondents
Very common	12	60%
Somewhat common	1	5%
Rare	2	10%
I don't know	5	25%

Appendix B: Language Accessibility of Servicer COVID Relief Websites
 (Based on a review of websites for any non-English information in April and October 2020)

Row #	Servicer Name	Language Access - April 2020	Language Access- Oct. 2020
1	Wells Fargo	Spanish website	Spanish website
2	Mr. Cooper		None
3	Bank of America	Spanish website	Spanish website
4	Ocwen/PHH	None	None
5	BOK Financial	Spanish website	Spanish website
6	Colonial		Parts of the website available in Spanish; links to CFPB and GSE websites with translated information.
7	Broker Solutions/New American Funding	None	None
8	The Money Source	None	None
9	Santander	None	None
10	Morgan Stanley	None	None
11	MidFirst Bank	None	None
12	TD Bank	None	None
13	loanDepot.com	None	None
14	Huntington National Bank, OH	None	None
15	Regions Bank	Spanish website	Spanish website
16	USAA Bank	None	None
17	Carrington Mortgage Services, LLC	None	None
18	United Wholesale Mortgage	None	None
19	Arvest Bank	None	None
20	MUFG Union Bank	Japanese website (link at bottom of page)	Japanese website
21	Rushmore Loan Management Services	Spanish website	Spanish website
22	First Republic Bank	None	None
23	Provident Funding	None	None
24	TIAA Bank	None	None
25	Home Point Financial	None	None
26	M&T Bank	None	None
27	Guild Mortgage	Can fill out form in Spanish	None

Appendix B: Language Accessibility of Servicer COVID Relief Websites

(Based on a review of websites for any non-English information in April and October 2020)

28	Shellpoint Mortgage Servicing	Under the heading "Limited English Proficiency," provides a number to speak with a translator and gives a link to FHFA's Mortgage Translations website. While useful, it would be better to mention specific languages (in that language) and link to the appropriate resource from FHFA or CFPB.	Under the heading "Limited English Proficiency," provides a number to speak with a translator and gives a link to FHFA's Mortgage Translations website. While useful, it would be better to mention specific languages (in that language) and link to the appropriate resource from FHFA or CFPB.
29	Matrix Financial Services Corp	None	None
30	Caliber Home Loans	None	None
31	PNC Mortgage	Spanish website	Spanish website
32	Citi	None	Spanish website
33	Specialized Loan Servicing (SLS)	None	None
34	Fifth Third Bank	None	None
35	Citizens Bank	None	None
36	RoundPoint Mortgage	None	None
37	Amerihome Mortgage	None	None
38	Navy Federal Credit Union	None	None
39	Pingora Loan Servicing LLC (found info on Pingora Asset Management)	None	None

Appendix B: Language Accessibility of Servicer COVID Relief Websites

(Based on a review of websites for any non-English information in April and October 2020)

Row #	COVID19 info url
1	https://update.wf.com/coronavirus/home-lending/
2	https://www.mrcooper.com/forbearance
3	https://about.bankofamerica.com/promo/assistance/latest-updates-from-bank-of-america-coronavirus
4	https://www.mortgagequestions.com/coronavirus
5	https://www.bokfinancial.com/landing-pages/covid-19/covid-19-resource-center
6	https://www.gocolonial.com/A-Few-Words-from-Colonial
7	https://www.newamericanfunding.com/manage-my-loan/#covid19relief
8	https://themoneysource.com/happy-hub/coronavirus/
9	https://www.santanderbank.com/us/branch-services-update-from-santander
10	https://service.loanadministration.com/euf/assets/documents/Coronavirus_Pandemic.pdf
11	https://www.midfirst.com/a-message-from-midfirst
12	https://www.td.com/us/en/personal-banking/COVID-19/
13	https://www.loandepot.com/blog/covid-19-and-your-mortgage
14	https://www.huntington.com/coronavirus?icmpid=coronavirus:anNoneuncing_immediate_financial_relief:billboard_tile
15	https://www.regions.com/about-regions/community-engagement/coronavirus-information
16	https://homeusaa.com/support/mortgage_assistance/covid19
17	https://www.carringtonmortgage.com/covid19
18	https://www.uwm.com/loan-servicing_then_download_form
19	https://share.arvest.com/Nonetices/arvest-bank-offers-assistance-to-customers-affected-by-covid-19/
20	https://www.unionbank.com/learn/personal/help-center/covid-19-update
21	https://www.rushmorelm.com/covid-19-assistance-information/
22	https://www.firstrepublic.com/resource/caring-for-our-clients?bodylink=caring-for-our-clients#slide-2
23	https://www.provident.com/FAQ/Servicing
24	https://www.tiaabank.com/covid19-resource-center
25	https://www.homepointfinancial.com/covid19
26	https://www.mtb.com/help-center/be-informed/coronavirus/hardship-relief-form; https://www.mtb.com/mortgages-loans/repayment-assistance-options/mortgage-home-equity-repayment-assistance;
27	https://www.guildmortgage.com/covid-19/

Appendix B: Language Accessibility of Servicer COVID Relief Websites

(Based on a review of websites for any non-English information in April and October 2020)

28	None specific covid-19 webpage; just a general webpage for foreclosure alternatives https://www.shellpointmtg.com/mortgage-help
29	None specific covid webpage. https://www.matrixfinancialservicescorporation.com
30	https://caliberhomeloans.com/tools-resources/faqs/
31	https://www.pnc.com/en/customer-service/mortgage-hardship-request.html
32	https://online.citi.com/US/JRS/pands/detail.do?ID=covid19
33	https://www.sls.net/get-help/covid-19
34	https://www.53.com/content/fifth-third/en/alerts/covid-support.html?omid=www.gen.:alrt:covid19:p
35	https://www.citizensone.com/loans/mortgage-assistance.aspx
36	https://www.rpmservicing.com/coronavirus
37	https://www.amerihome.com/coronavirus-info/
38	https://www.navyfederal.org/about/covid19-faq.php#covid-accord-5
39	None specific COVID webpage