



March 9, 2021

Dear Chairwoman Waters and Representative Green,

The Americans for Financial Reform (AFR) Language Access Task Force¹ and the undersigned organizations write in support of the LEP Data Acquisition in Mortgage Lending Act and the bill to promote language access in mortgage servicing. LEP borrowers face many challenges that impede their full participation in the consumer marketplace, including, specifically, their ability to obtain and preserve ownership of a home. Together, these bills will make important strides in improving access to the mortgage market and awareness of the availability of assistance for homeowners who are struggling to keep up with their mortgage payments, which is especially critical during the ongoing COVID-19 pandemic. The U.S. Census Bureau's Household Pulse Survey reports that over half of the homeowners behind on their mortgages are people of color, and that 19% of Black borrowers, 14% of Hispanic borrowers, and 14% of Asian borrowers are not current on their mortgage payments, compared to 8% of white borrowers.

In 2017, approximately 25.6 million individuals in the United States were considered limited English proficient (LEP), making up nearly 9% of the total U.S. population. About 64% of the LEP population speaks Spanish, and over 83% of all LEP individuals speak one of the top eight languages. Despite this sizable need and opportunity, the language needs of many current and potential homeowners are left unmet in the mortgage marketplace. Language barriers continue to limit LEP consumers' access to affordable homeownership opportunities and hinder lenders' ability to serve this market effectively. 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. The inability of borrowers to speak English at all or well enough to complete a complicated financial transaction has a wider impact on their participation in the housing market because it exposes them to potential abuse and fraud. 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 homeownership and creates an elevated risk of foreclosure among immigrant homeowners.

The first step toward expanding access to homeownership for consumers with limited English proficiency is to create a standardized method to identify their preferred language and have this information travel with their loan file to subsequent servicers. Asking about a consumer's language preference is a gateway to greater access to services in-language when they are available. It allows lenders and servicers to connect consumers to already-available services, and

¹ Americans for Financial Reform (AFR) is a nonpartisan and nonprofit coalition of more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups. AFR's Language Access Task Force was convened to advocate for improved language access for borrowers with limited English proficiency as they navigate the financial marketplace. Members of the AFR Language Access Task Force include Center for Responsible Lending, Connecticut Fair Housing Center, Consumer Action, Empire Justice Center, National Fair Housing Alliance, National Consumer Law Center (on behalf of its low-income clients), The National Council of Asian Pacific Americans, and UnidosUS.

prompts the industry to expand those services when the data and resources support such an effort. As technology improves and more in-language resources become available, knowing a borrower's preferred language will allow lenders to easily connect LEP consumers to those resources, which will benefit both the borrower and the lender.

The Federal Housing Finance Agency finalized its language preference question after careful consideration of over 200 public comments and conducting research of its own, including focus groups with non-English-speaking consumers, before suddenly deciding to eliminate this question without explanation. The LEP Data Acquisition in Mortgage Lending Act restores the previously vetted language preference question, as well as a question regarding housing counseling, on the Uniform Residential Loan Application (URLA). The URLA is used for loans backed by the Government-Sponsored Enterprises, Fannie Mae and Freddie Mac, and including these questions is a critical step toward improving language access in the mortgage market and expanding the opportunity for borrowers with limited English proficiency, immigrants, and other underserved borrowers to access sustainable, affordable homeownership. Moreover, the bill to promote language access in mortgage servicing's directive to the Consumer Financial Protection Bureau to create a standardized language preference form for most mortgage transactions, translated into the top LEP languages spoken in the United States, will enable creditors and servicers to better serve LEP consumers across the entire mortgage market. The individual's language preference will be collected and recorded, and the information will travel as part of the borrower's loan file throughout the life of the loan, allowing subsequent servicers to connect the borrower to available in-language resources.

More in-language resources are needed to better serve LEP borrowers, and the bill to promote language access in mortgage servicing facilitates the use of in-language resources after the borrower's preferred language has been ascertained. First, the bill requires creditors and servicers to provide translated documents if they are available in the borrower's preferred language, allowing the borrower to understand the details of their transaction. Second, it requires creditors and servicers to provide oral interpretation services if the borrower's preferred language is one of the top eight LEP languages or otherwise reasonably available, which will provide LEP borrowers with real-time information and the ability to communicate any questions about the loan to the creditor or servicer in the preferred language. Lastly, the bill requires creditors and servicers to provide a notice of available language services in a borrower's preferred language, which will make borrowers aware of how to access such services.

Housing counselors play a critical role in helping all borrowers with their mortgage process, including preparation to purchase a home and support for homeowners if they experience difficulties in making their mortgage payments. They play an especially essential role in helping LEP borrowers navigate their mortgage transactions. The LEP Data Acquisition in Mortgage Lending Act includes housing counseling data fields in the URLA which will integrate counseling agencies in the mortgage process, provide opportunities for counselors to assist borrowers when there are problems, and generate data on the housing counseling performance. The bill to promote language access in mortgage servicing also provides training for housing counseling agencies to expand the availability of housing counseling services for LEP borrowers and making it easier to find this type of assistance.

Tracking and transferring the language preference of LEP borrowers and enhancing the availability and use of services and resources in their preferred languages will significantly improve market access for LEP borrowers at all stages of a mortgage loan. We look forward to working with you to pass these bills to allow more LEP borrowers to access affordable homeownership opportunities and the assistance they need to maintain long-term homeownership.

Sincerely,

AFR Language Access Task Force
Americans for Financial Reform
California Reinvestment Coalition
Center for Responsible Lending
Community Legal Services of Philadelphia
Connecticut Fair Housing Center
Consumer Action
Consumer Federation of America
Empire Justice Center
Faith in Action
Integrated Community Solutions, Inc.
MICAH- Metropolitan Interfaith Council on Affordable Housing
Mountain State Justice
National Association for Latino Community Asset Builders
National Association of Consumer Advocates
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 Law Project
National Housing Resource Center
National Urban League
New Jersey Citizen Action
Philadelphia Unemployment Project
Prosperity Now
UnidosUS
Woodstock Institute