

## INFORMATION LENDERS CAN CONSIDER

- INCOME
- CREDIT HISTORY
- SAVINGS
- DOWNPAYMENT
- EXPENSES
- WORK HISTORY
- DEBTS
- PROPERTY

## MORTGAGE LENDING HINTS

An applicant is entitled to explain credit problems in writing prior to a loan decision. It is advisable to obtain a copy of credit reports from the three major reporting agencies when considering seeking a loan.

Those seeking financing should become familiar with lending procedures before shopping. Applicants should be aware of loan to value ratios, housing expense to income ratios and total debt to income ratios required by the potential lender.

Attend a Homeowners seminar by calling your local Board of Realtors.

Applicants are entitled to written decisions including reasons for refusal.

Offering different terms and conditions to borrowers in protected classes in the form of different loan products, higher interest rates, higher credit standards and shorter loan terms may be discriminatory.

The mortgage approval process should not go on indefinitely. It is common for a lender to make a decision within thirty days. Should it take longer, ask for an explanation in writing.



IF YOU FEEL THAT YOU  
HAVE EXPERIENCED  
DISCRIMINATION IN  
OBTAINING HOUSING  
RELATED FINANCING,  
APPRAISALS OR  
INSURANCE,  
PLEASE CONTACT:

## THE ERIE COUNTY FAIR HOUSING PROGRAM

1-419-627-7792

TTY 1-800-750-0750

OR  
THE HUD FAIR HOUSING HOTLINE

1-800-669-9777

TDD 1-800-927-9275

THE OHIO CIVIL RIGHTS  
COMMISSION

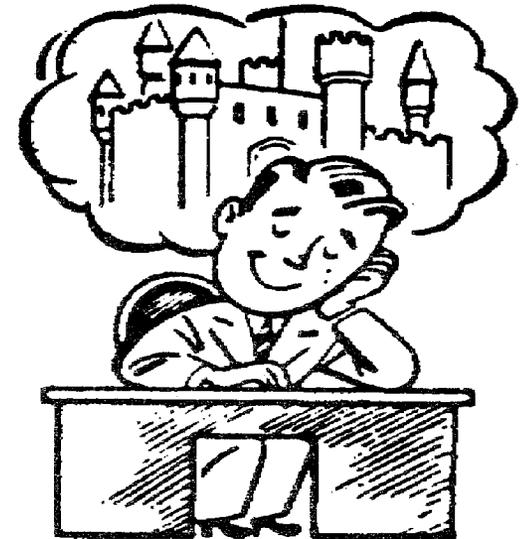
1-419-245-2900

1-888-278-7101

TTY 1-614-466-9353

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DEVELOPMENT BLOCK GRANT

# A COMMUNITY GUIDE TO FAIR LENDING



*Every American has a right to fair housing. The right to live where you choose, to raise a family, to own a home - in dignity and without fear of discrimination - is a fundamental right guaranteed to all. It cannot be denied to anyone because of race, color, national origin, religion, sex, familial status, or handicap.*

*Henry Cisneros*

# WHAT IS FAIR HOUSING



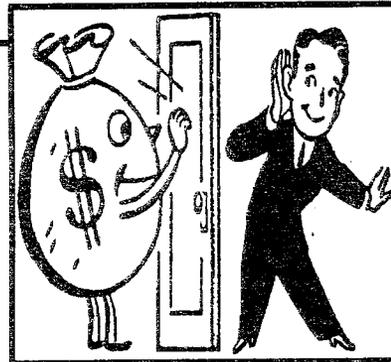
Fair housing is the right of every individual to obtain the housing of their choice free from discrimination based on race, color, religion, gender, disability, familial status or national origin. These groups are called "protected classes". This right is assured by the Federal Fair Housing Act and the State of Ohio Fair Housing Act which make it unlawful to discriminate when selling, renting, financing, insuring housing or in other real estate-related transactions.

## FAIR LENDING

Both the Federal and State Fair Housing Acts and the Equal Credit Opportunity Act make it illegal for anyone applying for a mortgage loan to be denied the opportunity simply because they are a member of a "protected class". Sometimes, discrimination may be directed toward an *individual*; other times, it may be toward the *neighborhood*.

If applicants are members of a protected class, if they applied and were qualified for a loan, if the loan was rejected despite their qualifications, and if the lending institution continued to approve loans for applicants with qualifications similar to the applicant's, then it is likely that lending discrimination occurred against the applicant.

If the housing sought for purchase is in a minority neighborhood, if an application for a loan to purchase the housing located in a minority neighborhood was made, if an independent appraisal concluded that the value of the housing equaled the sale price, if the buyers were creditworthy and the loan was denied, then it is likely that neighborhood discrimination occurred.



## DISCRIMINATION LIABILITY

Banks and mortgage companies are both held liable under fair housing legislation. Discrimination which could prevent the securing of a loan can also occur during the appraisal of the property and in efforts to secure mortgage and property insurance.

Fair Lending Laws can protect you but only if you report unfair treatment.

## SIGNS OF LENDING DISCRIMINATION

1. A lender discourages you from even applying for a mortgage because the lender thinks you do not have enough money or have too much debt, rather than working with you to help you qualify.
2. You are told that you have bad credit without being given an opportunity to explain or clear up any past credit problems.
3. You are told that the bank or mortgage company does not lend money in the neighborhood in which you want to purchase a home.
4. You are asked for documentation above what is necessary and usually required.
5. You are steered toward a specific mortgage program such as the FHA program and are not told of any other mortgage programs such as first time homebuyer programs.
6. A lender refuses to consider:
  - Your history of paying rent regularly as an indication of your ability to meet financial obligations
  - Your years of regular payments of utilities, doctors, or even the local grocer in place of a formal credit report
  - How long you were at your past jobs or your history of job advancement rather than how long you have been at your current job
  - All your sources of income: child support, alimony, disability payments, etc.