

2347 Rayburn HOB
Washington, DC 20515

October 22, 2019

Dear Representative Green,

The Americans for Financial Reform (AFR) Language Access Task Force¹ and the undersigned organizations write in support of your bill to require the Director of the Federal Housing Finance Agency (FHFA) to require each enterprise to include a preferred language question on the Uniform Residential Loan Application (URLA). The inclusion of a language preference question on the URLA, the form used for loans backed by the Government-Sponsored Enterprises, Fannie Mae and Freddie Mac, 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.

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. Despite this sizable need and opportunity, the language needs of many current and potential homeowners are left unmet in the mortgage marketplace. Access to the mortgage market remains a formidable challenge for LEP borrowers.

Language barriers continue to limit consumers' access to affordable homeownership opportunities and hinder lenders' ability to serve this market effectively. 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 tend to have less education and lower homeownership rates.

The importance of knowing the borrower's preferred language became starkly evident during the foreclosure crisis, when a number of AFR Language Access Task Force members were contacted by borrowers who were facing foreclosure because of problems related to language barriers. Some of these borrowers had received loans whose terms they did not understand and could not afford. Others were unable to get the help they needed from their servicers on a timely basis because those servicers were unaware of their language needs or ill-equipped to provide the necessary information in-language. As a result, these borrowers missed out on loan modifications for which they were eligible and lost their homes to foreclosure.

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 the Center for Responsible Lending, Connecticut Fair Housing Center, Consumer Action, Empire Justice Center, National Consumer Law Center (on behalf of its low income clients), National Coalition for Asian Pacific American Community Development (National CAPACD), National Council of Asian Pacific Americans, National Fair Housing Alliance, and UnidosUS.

As organizations working to broaden access to homeownership for creditworthy borrowers with limited English proficiency, we strongly opposed FHFA's sudden decision to remove the question asking for the borrower's language preference. FHFA crafted the language preference question after careful consideration and vetting over 200 public comments on its Request for Information. The decision was also based on research that FHFA conducted through the Kleimann Group, including focus groups with non-English-speaking consumers. The question on the URLA included a clear disclaimer that informs the applicant that the loan transaction "is likely to be conducted in English" and "communications may not be available in your preferred language." FHFA's sudden decision to eliminate the language preference question from the URLA was arbitrary and unfounded and not supported by the extensive record the agency has developed on this issue.

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, as the URLA question would do. 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 prompts the industry to expand those services when the data supports 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 URLA is the standard loan application form used for virtually all mortgage applications in the United States. Including the language preference question on the URLA integrates it into the mortgage lending process, eliminating any discomfort that some lenders may have with asking for information that other lenders do not collect. Moreover, once such information is collected, it can remain in the loan file throughout the mortgage process. We strongly support restoring this language preference question to the URLA and having this information travel with the borrower's file so that the borrower can be connected to available in-language resources throughout the life of the loan.

We look forward to working with you to swiftly pass this bill to provide more LEP borrowers with access to homeownership.

Sincerely,

AFR Language Access Task Force
Americans for Financial Reform
California Reinvestment Coalition
Center for Responsible Lending
Consumer Action
NAACP
National Council of Asian Pacific Americans (NCAPA)
National Coalition for Asian Pacific American Community Development (National CAPACD)
National Consumer Law Center (on behalf of its low-income clients)
National Fair Housing Alliance

National Housing Resource Center
The Leadership Conference on Civil and Human Rights
Woodstock Institute