

Advocates Applaud Federal Housing Finance Agency's Move to Require Mortgage Lenders to Obtain Applicants' Language Preference

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Use of the Supplementary Consumer Information Form (SCIF) will enable effective communication between borrower and lender throughout the home buying process.

WASHINGTON - Today, National Consumer Law Center, Americans for Financial Reform, Consumer Action, Empire Justice Center, National Community Stabilization Trust, National Fair Housing Alliance, UnidosUS, and National CAPACD applauded the Federal Housing Finance Agency's (FHFA) announcement that Fannie Mae and Freddie Mac will make it mandatory for lenders to use the Supplementary Consumer Information Form (SCIF) during the loan application process.

"We are pleased to see FHFA recognize the need to create a more inclusive home buying experience for borrowers with limited English proficiency," **said Sarah Bolling Mancini, staff attorney at the National Consumer Law Center.** "Asking about the borrowers' preferred language is the necessary first step to identifying the tools and assistance needed to make the dream of homeownership more attainable for all communities."

The SCIF asks applicants to identify their preferred language for communications regarding the mortgage loan, if available. Previously, FHFA had included the language preference on the Uniform Residential Loan Application (URLA), after an extensive process of seeking feedback from industry stakeholders regarding key steps for financial inclusion of borrowers with limited English proficiency (LEP). The question was removed from the redesigned URLA suddenly in 2019 and was eventually published on the SCIF, along with a question about whether the applicant has received homeownership education or housing counseling. FHFA publishes the SCIF in English, Spanish, Chinese, Korean, Vietnamese, and Tagalog on its Mortgage Translations Clearinghouse, along with a host of other translated documents.

"For the more than 16 million Latinos with limited-English proficiency and other LEP groups, the mandatory use of SCIF is an imperative step to ensure they are afforded the opportunity to attain homeownership," **says Laura MacCleery, Senior Director of Public Policy, UnidosUS, the nation's largest Latino civil rights and advocacy organization.**

The Consumer Financial Protection Bureau (CFPB) has also stepped up its efforts to make the financial marketplace more responsive to LEP consumers. The Bureau has encouraged mortgage servicers to ask about language preference and has published a multilingual Coronavirus housing portal, Spanish translation of the key mortgage default notice, and translations of ECOA and prepaid card notices.

"We welcome the efforts of both FHFA and the CFPB to promote financial inclusion. These changes mean more people can understand the process and have the opportunity to own a home," **said Marlene Cortés, Senior Manager, Language Access Program at Empire Justice Center.**

"We are so pleased that FHFA, along with Fannie and Freddie, have acknowledged the importance of requiring that lenders request their customers' language preferences," says **Ruth Susswein,**

Consumer Action's Deputy Director of National Priorities. "This mandate is the fundamental step to ensure that lenders meet their customers' needs and provide improved access to essential financial information."

"Too often, we have seen that borrowers who are not proficient in English face barriers both when getting a mortgage or when they need help from their mortgage servicer," says **Debby Goldberg, Vice President for Housing Policy and Special Projects at the National Fair Housing Alliance.** "At the origination stage, they may end up with a loan they don't understand and can't afford. When they need help from their mortgage servicer, language barriers may prevent them from getting assistance for which they qualify, putting them at risk of foreclosure. Collecting information about borrowers' language preference will help lenders and servicers eliminate these barriers, and we applaud FHFA for taking this important step to make the mortgage market safer for borrowers."

"We are thrilled to hear this meaningful progress being made for consumers whose primary language may be something other than English. Advancing changes such as asking about a borrowers' language preference is a simple, yet powerful way to get at the root causes of inequities in our financial systems and advance equity and inclusion," **said Seema Agnani, Executive Director of National CAPACD.**

"The FHFA's decision to make it mandatory for lenders to use SCIF is a significant step towards a more inclusive housing market. Many working-class families in America aspire to be homeowners but aren't proficient in English, and this move will bring down an important barrier for these families," **said William Pierre-Louis, Jr., Communications Associate at Americans for Financial Reform.**

"We applaud the FHFA for this important step in rooting out discrimination in the mortgage lending process for borrowers with limited-English proficiency. We welcome these efforts to make homeownership more accessible for millions of borrowers across the country," **said Emily Hirtle, Policy Associate at Americans for Financial Reform.**

Related materials:

- Group letter to FHFA re: Improving Language Access in Mortgage Origination and Servicing, Jan. 12, 2022
- Group letter to CFPB urging improved language access protections in upcoming debt collection rulemaking, Nov. 30, 2020
- Coalition Comments on FHFA's Request for Input on Improving Language Access in Mortgage Origination and Servicing, July 31, 2017