

In true Montana spirit, the Chuckwagon . . . the newsletter to fill your fair housing appetite.



Montana Fair Housing is a private, non-profit, civil rights organization providing education, outreach, and enforcement activities throughout the state of Montana and elsewhere. MFH does not have an attorney on staff. Information contained in this newsletter should not be construed as legal advice and does not provide a legal opinion.

### Tales Roun' the Campfire

*A synopsis and/or update of cases filed with the Montana Human Rights Bureau (HRB), the Department of Housing and Urban Development (HUD), and/or federal or district court. This summary is not all inclusive . . .*

#### **HUD ANNOUNCES SETTLEMENT WITH BANK OF AMERICA RESOLVING ALLEGATIONS OF LENDING DISCRIMINATION AGAINST WOMEN ON MATERNITY LEAVE**

*Bank agrees to pay \$45,000 to two couples and real estate agent*

WASHINGTON – The U.S. Department of Housing and Urban Development (HUD) announced today that Bank of America will pay \$45,000 as part of Conciliation Agreements resolving allegations the lender discriminated against pregnant women seeking mortgage loans. HUD had alleged that the Bank of America refused to refinance the mortgages of two couples in California and Texas, because the women were on maternity leave.

Refusing to approve a mortgage loan or provide mortgage insurance because a woman is pregnant or on family leave violates the [Fair Housing Act's](#) prohibition against sex and familial status discrimination, which includes individuals who have or are expecting a child.

"No lender should use a woman's pregnancy or maternity leave as a reason to deny a mortgage loan," said Bryan Greene, HUD Acting Assistant Secretary for Fair Housing and Equal Opportunity. "We commend Bank of America for working cooperatively with the Department of Housing and Urban Development in reaching appropriate

resolutions of these complaints. Bank of America took affirmative steps to work with government regulators to ensure that its new policies did not conflict with lending guidelines."

The cases that were the basis for this settlement involved two couples. One couple, from San Jose, California, alleged that Bank of America moved back the closing date on their mortgage refinance because the woman was on maternity leave. The other couple, from Humble, Texas, alleged that Bank of America refused to consider the wife's employment income and denied their application for a mortgage loan because she was on maternity leave. The couple further alleged that when their real estate agent told the loan officer that denying the loan because of the woman's maternity status violated the Fair Housing Act, the loan officer changed his reasons for denying the loan. The couple ultimately obtained a mortgage from a different lender.

Under the terms of the Conciliation Agreements, Bank of America will pay \$25,000 to the California couple and \$15,000 to the Texas couple. The Bank will also pay \$5,000 to the Texas couple's realtor. Additionally, Bank of America will revise its policies to allow applicants on parental leave to be approved for mortgage loans without first returning to active work status. Bank of America will also conduct fair lending training for its employees.

The full text of the agreement can be found at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=CMGAgree.pdf>

#### **HUD CHARGES FIFTH THIRD BANK, MORTGAGE BROKER WITH DISCRIMINATING AGAINST COUPLE WITH DISABILITIES**

*Bank allegedly required medical documentation of disabilities*

WASHINGTON – The U.S. Department of Housing and Urban Development (HUD) announced today that it [is charging Fifth Third Bank, Fifth Third Mortgage Company and Cranbrook Mortgage Corporation](#) with discriminating against a couple with disabilities who were attempting to refinance their home mortgage.

## UPCOMING EVENTS:

### Approved for 4 mandatory credits by the BORR:

September 3 - **Billings** - 8 a.m. to Noon

September 4 - **Sidney** - 9 a.m. to 1 p.m.

September 9 - **Bozeman** - 10 a.m. to 2 p.m.

September 11 - **Butte** - 1 p.m. to 5 p.m.

September 18 - **Missoula** - 9 a.m. to 1 p.m.

September 19 - **Kalispell** - 9 a.m. to 1 p.m.

September 23 - **Helena** - 1 p.m. to 5 p.m.

Sept. 24 - **Great Falls** - 1 p.m. to 5 p.m.

### Approved for 2 mandatory credits by the BORR:

September 4 - **Sidney** - 2 p.m. to 4 p.m.

Registration information is available  
on our website at

[www.montanafairhousing.org](http://www.montanafairhousing.org)

or contact Montana Fair Housing at:  
(406) 782-2573 / Relay: 711  
[inquiry@montanafairhousing.org](mailto:inquiry@montanafairhousing.org)

Discrimination in housing occurs when a housing provider makes a decision about a consumer's eligibility for services based on the consumer's protected class status.

A housing provider cannot deny a household services nor place different terms and conditions on that household **BECAUSE OF** membership in a protected class.

Federal protected classes include: Race, Color, National Origin, Religion, Sex (including sexual harassment), Familial Status (presence of children under the age of 18 or pregnancy), and/or Disability (Mental or Physical, including requests for reasonable accommodations and reasonable modifications). Fair Housing laws require owners, developers, architects, and contractors to design and construct multi-family housing of four or more units to be adaptable and accessible for persons using a wheelchair for mobility, if constructed for first occupancy after March of 1991.

In the state of Montana, in addition to the federally protected classes, it is a violation of the state's Human Rights Act to discriminate in housing related transactions based on marital status, age, and/or creed. In the cities of Butte, Missoula and Helena, a housing provider cannot discriminate against a household because of gender identity or sexual orientation.

*For More Information about Discrimination in Housing, or to File a Complaint, contact:*

Montana Fair Housing

519 East Front Street \* Butte, MT 59701

Voice: 406-782-2573 or 800-929-2611

FAX: 406-782-2781 \* MT Relay Service: 711

E-Mail: [inquiry@montanafairhousing.org](mailto:inquiry@montanafairhousing.org)

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HUD's charge alleges that the Cincinnati, Ohio-based mortgage lender and the Clinton Township, Michigan-based mortgage broker required unnecessary medical documentation in order to qualify the couple for a Federal Housing Administration (FHA) loan.

The [Fair Housing Act](#) makes it unlawful to deny or discriminate in the terms and conditions of a mortgage or loan modification based on disability, race, color, religion, national origin, sex, or family status, including imposing different application or qualification criteria.

"Persons with disabilities should not have to meet higher mortgage qualification standards because they rely on disability insurance payments as a source of income," said Bryan Greene, HUD's Acting Assistant Secretary for Fair Housing and Equal Opportunity. "Banks and mortgage companies may verify income and have eligibility standards, but they may not single out homebuyers with disabilities or deny financing when they are otherwise qualified."

The case came to HUD's attention after a married couple that receives Social Security Disability Insurance (SSDI) benefits filed a complaint claiming that their application for an FHA-insured home refinance loan was unfairly denied. According to HUD's charge, the lender and mortgage broker made statements and employed written policies requiring the couple to provide physician statements to establish continuance of SSDI income. The charge alleges that at the time of the couple's loan, Fifth Third's underwriting policy explicitly specified a physician's statement as appropriate evidence for establishing continuance of disability income.

While lenders may verify an applicant's income amount and source, they may not place higher qualification standards on applicants who receive disability income. The couple did not provide the requested physician statements, and Cranbrook and Fifth Third denied the loan application.

HUD's charge will be heard by a United States Administrative Law Judge unless any party to the charge elects to have the case heard in federal district court. If an administrative law judge finds after a hearing that discrimination has occurred, he may award damages to the complainants. The judge may also order injunctive relief and other equitable relief to deter further discrimination, as well as payment of attorney fees. In addition, the judge may impose fines in order to vindicate the public interest. If the matter is decided in federal court, the judge may also award punitive damages.

The full text of the charge can be found at:

[http://portal.hud.gov/hudportal/documents/huddoc?id=13HUD\\_v\\_Fifth\\_Third\\_Bank.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=13HUD_v_Fifth_Third_Bank.pdf)

Persons who believe they have experienced discrimination may file a complaint by contacting HUD's Office of Fair Housing and Equal Opportunity at (800) 669-9777 (voice) or (800) 927-9275 (TTY). Housing discrimination complaints may also be filed at [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing) or by downloading HUD's free housing discrimination mobile application, which can be accessed through Apple devices, such as the iPhone, iPad, and iPod Touch.