On The 10th Anniversary Of Dodd-Frank, The Trump Administration's Fair Lending Failures Take Center Stage As Communities Of Color Find Themselves Unable To Access PPP Funds During The COVID-19 Pandemic.

SUMMARY: On the 10th anniversary of the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), there is still much work to do as the Trump Administration has done everything in its power to roll back the vital work this legislation did to increase fair lending. While the Consumer Financial Protection Bureau (CFPB), created under Dodd-Frank, and the Office of the Comptroller of the Currency (OCC) were meant to enforce fair lending laws, under Trump administration control these agencies have abandoned their mission and have turned a blind eye to mortgage discrimination and fair lending issues across the country.

In early 2018, then-acting Trump CFPB Director Mick Mulvaney announced his intent to fold the Office Of Fair Lending & Equal Opportunity (OFLEO) into a less powerful office at the Bureau. Consumer advocates largely saw this as a way to end the CFPB's fair lending enforcement efforts, with Senator Elizabeth Warren saying it would "leav[e] neighborhoods and consumers across the country more vulnerable to bias."

In September 2018, the CFPB's then Policy Director of the Office of Fair Lending, Eric Blankenstein, was found to have questioned the legitimacy of hate crimes while arguing that those that use the n-word aren't "inherently racist" in a 2004 blog post. In his role at CFPB, Blankenstein was tasked with supervising the office "responsible for supervising lenders and enforcing an array of consumer protection laws, including the four-decade-old Equal Credit Opportunity Act, landmark civil rights legislation aimed at protecting blacks and other minorities from discriminatory practices and promoting 'fair lending.'" Blankenstein was never fired from the Bureau even after these posts became public.

Beyond just making bad policy, as of May 13, 2020, the Trump CFPB had 78 vacancies within its Supervision, Enforcement & Fair Lending division, the division tasked with "ensur[ing] compliance with federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate." These vacancies – the result of a nearly 2 year hiring freeze implemented by former acting-Trump CFPB director Mick Mulvaney – may have severely hobbled the CFPB's ability to supervise bad actors for violations before bringing about a potential enforcement action.

Separately, the Trump OCC has failed to adequately enforce fair lending laws by "quietly shelv[ing] at least six investigations of discrimination and redlining," including an investigation of Bank of America after the complained. OCC staff have tried to express their concerns about rampant lending discrimination and consumer abuses, but have largely been ignored by senior leadership. The OCC's unwillingness to investigate mortgage discrimination is particularly troublesome due to the impact it can have on the homeownership racial gap, with only 44-percent of blacks owning their homes compared to 74-percent of whites.

We've seen the results of this unequal access to credit play out in this year's Paycheck Protection Program, which has failed to help minority business owners facing the COVID19 pandemic. Studies estimate that "'90% of businesses owned by people of color have been, or will likely be, shut out of the Paycheck Protection Program'" and also found that "'roughly 95% of Black-owned businesses, 91% of Latino-owned businesses, 91% of native Hawaiian or Pacific Islander-owned businesses, and 75% of Asian-owned businesses stand close to no chance of receiving a PPP loan through a mainstream bank or credit union.'"

On the 10th anniversary of Dodd Frank, the Trump administration needs to get serious about discrimination and fair lending. The President should demand that the CFPB, OCC and the other financial regulators get back to protecting borrowers and financial services customers and not the companies that discriminate against them. Anything less is a dereliction of duty in the face of a global crisis.

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Trump CFPB Reorganizes Office Of Fair Lending

In Early 2018, Then-Acting Trump CFPB Director Mick Mulvaney Announced His Intent To Fold The Office Of Fair Lending & Equal Opportunity (OFLEO) Into The Office Of Equal Opportunity & Fairness – A Move Widely Seen As Ending CFPB's Fair Lending Enforcement Efforts.

In Early 2018, Former Acting Director Mick Mulvaney Announced His Intent To Move The Office Of Fair Lending & Equal Opportunity (OFLEO) To The Office Of Equal Opportunity & Fairness (OEOF), Which Is Just "A Personnel Office" With No Enforcement Power.

In Early 2018, Former Acting Director Mick Mulvaney Announced His Intent To Move The Office Of Fair Lending (OFLEO) To The Office Of Equal Opportunity & Fairness (OEOF), Which Is Part Of The Director's Office. "[I]n an email to CFPB staff obtained by The Intercept from a source inside the bureau, Mulvaney announced that he would transfer OFLEO [Office of Fair Lending and Equal Opportunity] from the Supervision, Enforcement, and Fair Lending, or SEFL, division, where it lives now, to the Director's Office, as part of the CFPB's Office of Equal Opportunity and Fairness." [The Intercept, 02/01/18]

The OEOF Is Just "A Personnel Office" That "Does No Enforcement At All." "The OEOF [Office of Equal Opportunity and Fairness] is a personnel office, overseeing 'equal employment opportunity and diversity and inclusion' among agency employees. It does no enforcement at all." [The Intercept, 02/01/18]

- **A *Law360* Analysis Argued, "The Move Likely Signals A Substantial Curtailment Of CFPB Fair Lending Enforcement Activities."** "Despite the similar nomenclature, the priorities of the Office of Fair Lending and the Office of Equal Opportunity and Fairness are vastly different, with the latter having oversight over equal employment opportunity and diversity and inclusion initiatives within the CFPB. The move likely signals a substantial curtailment of CFPB fair lending enforcement activities." [Law360, 03/01/18]

The CFPB's Office Of The Director Has Little Enforcement Responsibility – A Georgetown Law Professor And Former Member Of The CFPB's Advisory Board Said In Response To Mulvaney's Proposed Changes, "'I Can't Imagine It Means Anything Good.'" "[...] [A]lmost nothing at the CFPB sits within the Office of the Director, and certainly not anything enforcement-related. The move suggests that Mulvaney particularly wanted this element of enforcement and supervision under his thumb. "I can't imagine it means anything good," said Adam Levitin, a law professor at Georgetown University and former CFPB advisory board member." [The Intercept, 02/01/18]

The CFPB's Supervision, Enforcement & Fair Lending Division Is Tasked With Ensuring "Compliance With Federal Consumer Financial Laws," Including "Bringing Enforcement Actions When Appropriate."

The CFPB's Supervision, Enforcement & Fair Lending Division – Which Includes The Office Of Supervision Examinations, The Office Of Supervision Policy And The Office Of Enforcement – Is Tasked With Ensuring "Compliance With Federal Consumer Financial Laws By Supervising Market Participants And Bringing Enforcement Actions When Appropriate" "This division ensures compliance with federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate. It includes the Office of Supervision Examinations, the Office of Supervision Policy and the Office of Enforcement." [CFPB, accessed 07/20/20]

Critics Of Mulvaney's Proposed Restructuring Saw It As Part Of An Effort To Isolate Patrice Ficklin, The CFPB's Head Of Fair Lending & Equal Opportunity.

It Was Feared Over A Year Ago That Assistant Director Of Fair Lending & Equal Opportunity Patrice Ficklin Would Be "Sequestered In A Separate Office, Unable To Fight Turf Battles Over Prioritizing Fair Lending Cases." "The best guess for what this means is that OFLEO moves under the director, and the oversight and enforcement staffers either move with it and get reassigned tasks of advocacy, coordination, and education, or they stay in SEFL, where they would have a variety of duties across all levels of enforcement, not just fair lending. What's more, the head of OFLEO, Patrice Ficklin, will be sequestered in a separate office, unable to fight turf battles over prioritizing fair lending cases." [The Intercept, 02/01/18]

Senator Elizabeth Warren (D-MA) And Consumer Advocates Warned That Mulvaney's Move Would Weaken The Fair Lending Division, Which Was Once "A Powerful Force" Charged With Enforcing Dodd-Frank's Discrimination Protections

Consumer Advocates Saw Mulvaney's Intent To Do This As "A Demotion For The Fair-Lending Division, Which Was Previously An Equal Division Alongside Supervision And Enforcement." "Acting Consumer Financial Protection Bureau Director Mick Mulvaney has stripped the agency's fair-lending office of enforcement powers in a sign that many consumer advocates see as trying to reduce oversight and penalties for firms that discriminate against borrowers. The move appeared to be a demotion for the fair-lending division, which was previously an equal division alongside supervision and enforcement, and which is now part of the office that handles internal agency concerns about employees." [American Banker, 02/01/18]

Senator Elizabeth Warren Warned About This Change When It Was First Announced, Arguing, "'Mulvaney Is Putting the Office Of Fair Lending Under His Control So He Can Weaken It.'" Senator Elizabeth Warren (D-MA) "noted that the fair-lending office will now technically be under the 'director's office,' along with Office of Equal Opportunity and Fairness, giving Mulvaney greater control. 'Mulvaney is putting the Office of Fair Lending under his control so that he can weaken it — leaving neighborhoods and consumers across the country more vulnerable to bias," Warren said in an emailed statement." [American Banker, 02/01/18]

The Office Of Fair Lending And Equal Opportunity Had Been "A Powerful Force" Within The CFPB Since The Bureau's Creation In 2011. "Since the Consumer Financial Protection Bureau's inception in 2011, the Office of Fair Lending and Equal Opportunity has been a powerful force within the agency. As reported by multiple sources, in late January, Acting Director Mick Mulvaney announced that the Office of Fair Lending will be transferred from where it currently resides — in the Division of Supervision, Enforcement, and Fair Lending (SEFL) — to the Office of the Director, where it will become part of the Office of Equal Opportunity and Fairness." [Law360, 03/01/18]

Dodd-Frank Mandated That CFPB "Conduct 'Oversight And Enforcement Of Federal Laws Intended To Ensure The Fair, Equitable, And Nondiscriminatory Access To Credit.'" "OFLEO, by contrast, was mandated by the Dodd-Frank Act to conduct 'oversight and enforcement of federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit,' such as the Equal Credit Opportunity Act or the Home Mortgage Disclosure Act. The office works with bank examiners to monitor fair lending compliance, coordinates with Department of Justice attorneys and CFPB enforcement staff when violations are found, and communicates with the industry to preemptively prevent lending discrimination." [The Intercept, 02/01/18]

In The Months Before And After Former Acting Director Mick Mulvaney Proposed This Restructuring, The CFPB Did Not Enforce Fair Lending.

The CFPB "Did Not Initiate Any Fair Lending Public Enforcement Actions" In The Months Before And After Mick Mulvaney Announced His Intent To Move The Office Of Fair Lending And Equal Opportunity. "Over the past year (presumably from October 1, 2017 through September 30, 2018), the Bureau did not initiate any fair lending public enforcement actions and did not refer any matters to the DOJ with regard to discrimination." [National Law Review, 02/20/19]

Trump CFPB Hires Racist Blogger To Head Fair Lending Enforcement

Eric Blankenstein, Tasked With "Supervising Lenders And Enforcing An Array Of Consumer Protection Laws," Wrote An Incendiary Blog Post Questioning The Legitimacy Of Hate Crimes. He Eventually Left The CFPB To Join Trump's HUD Where He Now Serves As The Executive Vice President And Chief Operating Officer Of Ginnie Mae.

Eric Blankenstein, Former Policy Director For The CFPB's Office Of Fair Lending And Equal Opportunity, Wrote An Incendiary Blog Post Questioning The Legitimacy Of Hate Crimes And The Racial Intent Of Those That Use The N-Word

In 2004, Eric Blankenstein, Former Policy Director For The CFPB's Office Of Fair Lending And Equal Opportunity, Wrote A Blog Post Questioning The Legitimacy Of Hate Crime While Arguing That Those That Use The N-Word Aren't "Inherently Racist." "A senior Trump appointee responsible for enforcing laws against financial discrimination once questioned in blog posts written under a pen name if using the n-word was inherently racist and claimed that the great majority of hate crimes were hoaxes." [The Washington Post, 09/26/18]

- **"In a 2004 post, Blankenstein wrote that a proposal at the University of Virginia to impose harsher academic penalties for acts of intolerance was 'racial idiocy.' He questioned how authorities could know the motivation of someone using a racial slur. '*Fine . . . let's say they called him n-----* ,' he wrote, spelling out the slur. *'. . . would that make them racists, or just a-------?'"*** [The Washington Post, 09/26/18]

- "Blankenstein published a lengthy post on Sept. 30, 2004, after someone wrote the n-word on the hood of a black student's car at the University of Virginia. The episode created an uproar on campus and triggered a move to make racial intolerance an honor code violation and grounds for expulsion. '*So, there is more racial idiocy at UVa.*,' egb3r wrote. '*So what's your issue with this? actually, I think it's pretty sensible to make such a form of intolerance an honor violation*,' wrote blog co-author DCD AEPi, who declined to comment when reached by The Post. '*Because, as with hate crime legislation, they are making it illegal to have a thought*,' egb3r wrote. He added: '*Until a hood wearing KKK member is caught, why should the honor system be changed?*'" [The Washington Post, 09/26/18]

After These Posts Were Discovered And Reported On, Eric Blankenstein, "Responsible For Supervising Lenders And Enforcing An Array Of Consumer Protection Laws" Was Obstinate And Unapologetic, Stating That He Is Only Guilty Of "Governing While Conservative."

Eric Blankenstein Has Admitted That He Wrote The Blog Posts But Said They Have "No Bearing On His Work Today". "In a statement, Blankenstein acknowledged that he had written the posts but said they have no bearing on his work today. '*The insight to be gained about how I perform my job today - by reading snippets of 14 year old blog posts that have nothing to do with consumer protection law — is exactly zero*,' he said. '*Any attempt to do so is a naked exercise in bad faith, and represents another nail in the coffin of civil discourse and the ability to reasonably disagree over questions of law and policy*," he said. '*The need to dig up statements I wrote as a 25 year old shows that in the eyes of my critics I am not guilty of a legal infraction or neglect of my duties, but rather just governing while conservative*.'" [The Washington Post, 09/26/18]

- **"[Eric Blankenstein] Is Responsible For Supervising Lenders And Enforcing An Array Of Consumer Protection Laws, Including The Four-Decade-Old Equal Credit Opportunity Act, Landmark Civil Rights Legislation Aimed At Protecting Blacks And Other Minorities From Discriminatory Practices And Promoting 'Fair Lending.'"** [The Washington Post, 09/26/18]

On Her First Day As Trump CFPB Director, Kathy Kraninger Refused To Say Whether She'd Fire Eric Blankenstein For His Racist Writings.

In September 2018, Media Exposed CFPB Fair Lending Division Head Eric Blankenstein's History of Racist Writing.

Washington Post HEADLINE: Trump Anti-Discrimination Official Once Called Most Hate Crimes Hoaxes [Washington Post, 09/26/18]

Wall Street Journal HEADLINE: CFPB Official Overseeing Discrimination Questioned Hate Crimes In The Past [Wall Street Journal, 09/27/18]

CBS News HEADLINE: Anti-Discrimination Official Once Questioned Validity Of Hate Crimes [CBS News, 09/27/18]

Daily Beast HEADLINE: Trump Appointee At CFPB Once Claimed Hate Crimes Are Hoaxes [Daily Beast, 09/27/18]

The Hill HEADLINE: Trump Admin Official Once Questioned If Using N-Word Was Racist: Report [The Hill, 09/26/18]

Vanity Fair HEADLINE: Of Course Trump's Anti-Discrimination Official Thinks Using The N-Word Is N.B.D. [Vanity Fair, 09/27/18]

New York Magazine HEADLINE: Trump Appointee Charged With Stopping Racist Lenders Wrote Racist Blog Posts [New York Magazine, 09/27/18]

On December 11, 2018, Her First Day At The CFPB, Kraninger Said She Would Take Eric Blankenstein "At Face Value" And Resisted Calls To Fire Him.

On Her First Day At The CFPB, Kathy Kraninger Said She'd Take Eric Blankenstein "At Face Value" And Evaluate Where He Was At "Today." On her first day at the CFPB, Kathy Kraninger was asked if she would remove Eric Blankenstein from the Bureau. Kraninger said, "*So I knew that question would be coming, I* *can tell you that I have no intention of making any personnel decisions on my first day and I'd also tell you that, and I know that all of you would appreciate it too, personnel matters are inherently confidential. It's pretty important if you're talking about how this affects people's lives to do that with the people who are affected, and to have that conversation at the appropriate time and place. And so that is certainly the way I will approach it, that's the way I've always approached it in my career. But I do recognize that the concerns have been out there, again given its day one, what I know is what I've heard from the press and so I certainly will take stock of everything going forward on that. I think it's important to, that I will take people at face value, again in where they are today and what they're doing for the bureau. 1500 employees so I'm not going to go back and look at everything they may have ever written in their lives*." [Allied Progress, 12/11/18]

While, Kraninger Never Publicly Fired Him, Blankenstein Did Leave The Bureau In May 2019 – To Join The Trump Department Of Housing And Urban Development, Where He Now Serves As Executive Vice President And COO Of Ginnie Mae, "The Government-Run Corporation That Promotes Homeownership."

May 15, 2019: Eric Blankenstein Announced That He Would Be Leaving The CFPB, With His Last Day Being May 31. "A senior Trump appointee forced to apologize for posts he wrote years ago questioning whether the n-word was racist and expressing skepticism about hate crimes announced Wednesday that he is stepping down. Eric Blankenstein, a policy director at the Consumer Financial Protection Bureau responsible for enforcing the country's fair lending laws, said in an email to co-workers obtained by The Washington Post that his last day would be May 31." [Washington Post, 06/20/19]

June 24, 2019: Eric Blankenstein Began Working As A Senior Counsel Within The Department Of Housing And Urban Development's Office Of General Counsel. "The former private-sector lawyer is joining the Department of Housing and Urban Development, according to a person familiar with the matter. The news was first reported by Politico. Blankenstein will join HUD's Office of General Counsel as a senior counsel starting Monday, said the person, who spoke on the condition of anonymity to discuss personnel matters." [Washington Post, 06/20/19]

- **"Blankenstein Will Be Working On Issues Related To Ginnie Mae, A Government-Owned Company That Buys Mortgages From Lenders And Repackages Them To Sell To Investors."** [Washington Post, 06/20/19]

November 2019: Eric Blankenstein Was Promoted To "Acting Executive Vice President At Ginnie Mae, The Government-Run Corporation That Promotes Homeownership." "HUD is promoting Eric Blankenstein, the former CFPB official who's racially charged blog posts sparked an uproar last year. Blankenstein will become the acting executive vice president at Ginnie Mae, the government-run corporation that promotes homeownership, according to an internal agency email obtained by POLITICO." [Politico, 11/07/19]

As Of July 20, 2020, Eric Blankenstein Serves As The Executive Vice President And Chief Operating Officer Of Ginnie Mae, Where He "Supports The Principal Executive Vice President In Overseeing All Aspects Of Business And Policy Development Related To Ginnie Mae's Daily Operations." "Eric Blankenstein joined Ginnie Mae in November 2019 from HUD's Office of General Counsel, where he worked on issues related to Ginnie Mae. In his role as Executive Vice President and Chief Operating Officer, he supports the Principal Executive Vice President in overseeing all aspects of business and policy development related to Ginnie Mae's daily operations." ["Biography of Eric Blankenstein," Ginnie Mae, accessed 07/20/20]

Trump Hiring Freeze Results In Fair Lending Staff Shortages

Due To Former Acting-Director Mick Mulvaney's 2017 Hiring Freeze, The Trump CFPB Had 180 Vacancies As Recently As May 2020 – Including 78 Within Its Supervision, Enforcement & Fair Lending Division – Which Has Likely Contributed To An 80-Percent Decline In Enforcement Activity Under Trump Appointees Since 2015.

In May 2020, The CFPB Had 180 Vacancies, Including 8 Senior-Level Positions, Following A "Nearly Two-Year Hiring Freeze" Imposed By Former Acting CFPB Director Mick Mulvaney.

As Of May 13, 2020, The CFPB Had 180 Vacancies. [Data from CFPB, accessed 05/13/20]

- **CFPB Vacancy Data Reflects Vacancies As Of May 13, 2020.** "For your information, the responsive record captures the vacancies on the day the search was conducted, May 13, 2020, although hiring actions or separations may be in process." [CFPB FOIA Response, 05/22/20]

These Vacancies Include At Least 8 Senior Positions, Including The:

- **Deputy Director**
- **Deputy Chief Data Officer**
- **Assistant Director, Office of Older Americans**
- **Deputy Assistant Director, Servicemember Affairs**
- **Deputy Associate Director, External Affairs**
- **Associate Director, External Affairs**
- **Associate Director, Research, Markets & Regulations**
- **Deputy Assistant Director, Office of Minority & Women Inclusion**

[Data from CFPB, accessed 05/13/20]

August 15, 2019: Director Kathy Kraninger Lifted A "Nearly Two-Year Hiring Freeze" Imposed By Her Trump-Appointed Predecessor, Mick Mulvaney, In November 2017. "The consumer-finance agency recently lifted a nearly two-year hiring freeze, according to an internal email reviewed by The Wall Street Journal. It also has accelerated recruiting for senior officials in recent weeks, according to recent public job postings. 'Broadly speaking, the completion of the staffing planning process means: the 'hiring freeze' is lifted,' CFPB Director Kathy Kraninger said in an August 15 staff email." [Wall Street Journal, 08/27/19]

- **"Mick Mulvaney […] Implemented The Hiring Freeze In November 2017 When He Started Serving As Interim Head Of The CFPB."** [Wall Street Journal, 08/27/19]

March 2019: The Number Of CFPB Employees Dropped 15-Percent From Its Peak In June 2017. "The number of employees at the agency, created under the Obama administration after the financial crisis, declined to 1,452 in March, down 15% from the peak of 1,712 in June 2017, according to its financial statements." [Wall Street Journal, 08/27/19]

In May 2020, The Trump CFPB Had 78 Vacancies Within The Division Tasked With Bringing Enforcement Actions Against Bad Financial Actors, While Enforcement Activity Under Trump Appointees Has Declined 80-Percent Since 2015.

The CFPB Has 78 Vacancies Within Its Supervision, Enforcement & Fair Lending Division.

As Of May 12, 2020, The CFPB Had 78 Vacancies Within Its Supervision, Enforcement & Fair Lending Division, Which Is Tasked With "Ensur[ing] Compliance With Federal Consumer Financial Laws By Supervising Market Participants And Bringing Enforcement Actions When Appropriate." [Data from CFPB, accessed 05/13/20; Supervision, Enforcement & Fair Lending, accessed 05/26/20]

The Midwest Supervision Region – The Supervision Region With The Most Vacancies – Has Had Over 8,000 Consumer Complaints Filed Since COVID-19 Was Declared A National Emergency.

The Supervision, Enforcement & Fair Lending Division's Midwest Supervision Region Had The Most Vacancies Out Of The Four Supervision Regions. [CFPB FOIA Response, 05/22/20]

- **The Supervision, Enforcement & Fair Lending Division's Midwest Supervision Region Has 28 Vacancies.** [Data from CFPB, accessed 05/13/20]

- **The Supervision, Enforcement & Fair Lending Division's Southeast Supervision Region Has 4 Vacancies.** [Data from CFPB, accessed 05/13/20]

- **The Supervision, Enforcement & Fair Lending Division's West Supervision Region Has 9 Vacancies.** [Data from CFPB, accessed 05/13/20]

- **The Supervision, Enforcement & Fair Lending Division's Northeast Supervision Region Has 6 Vacancies.** [Data from CFPB, accessed 05/13/20]

The CFPB Has Received 8,193 Consumer Complaints From States Within Its Midwest Supervision Region Since COVID-19 Was Declared a National Emergency on March 13, 2020. [CFPB Consumer Complaint Database, accessed 05/26/20]

- **The CFPB's Midwest Supervision Region Includes Minnesota, Illinois, Michigan, Wisconsin, Iowa, Missouri, Kentucky, Indiana, And Ohio.** [CFPB Regional Directors, accessed 05/26/20]

- **March 13, 2020: President Trump Declared COVID-19 A National Emergency.** [White House, 03/13/20]

CFPB Enforcement Actions Under Trump Appointees Have Declined 80-Percent Since 2015.

March 11, 2019: A Consumer Federation Of America Report Found That CFPB Enforcement Actions Under Trump Appointees Had Declined 80-Percent From "The Bureau's Peak Productivity In 2015." "A report released today by the Consumer Federation of America finds that the volume of publicly announced enforcement actions under Trump Administration appointees at the Consumer Financial Protection Bureau (CFPB) is in steep decline. […] The report finds that activity in both of these areas is on the decline – overall enforcement activity is down by 80% from the Bureau's peak productivity in 2015 and average monetary relief to victims down by 96% per case." [Consumer Federation of America, 03/11/19]

In April 2020, The Bureau Received A Record 42,774 Consumer Complaints Amid The Covid-19 Pandemic.

April 2020: The CFPB Received 42,774 Consumer Complaints, A 15-Percent Increase From March And The "Highest Monthly Tally Since The Complaint Database Was Launched In 2011." "Distressed consumers are bombarding the Consumer Financial Protection Bureau with complaints that mortgage servicers are refusing to provide deferrals for skipped payments, or are forcing homeowners into forbearance plans they didn't ask for. Complaints to the CFPB hit a record 42,774 in April, up 15% from March - the highest monthly tally since the complaint database was launched in 2011. Though most of them related to credit reporting and repair services, as is typically the case, more than one in five complaints mentioning the coronavirus were about mortgages.” [American Banker, 05/10/20]

Trump OCC Fails To Investigate Banks Suspected Of Lending Discrimination

Trump’s Comptroller Of The Currency (OCC) Is Failing To Investigate Banks Suspected Of Redlining Or Mortgage Discrimination - Despite Only 44 Percent Of Blacks Owning Their Home Compared To 74 Percent Of Whites.

Under Trump, The OCC Has "Quietly Shelved At Least Six Investigations Of Discrimination And Redlining," Including Abandoning An Investigation Into Alleged Redlining By Bank Of America After The Bank Complained.

September 2018: The Office Of The Comptroller Of The Currency (OCC) Abandoned An Investigation Into Redlining Allegations Against Bank Of America After Receiving Complaints From The Bank. "In the spring of 2018, bank regulators trained to spot discriminatory lending detected something alarming at Bank of America. The bank was offering fewer loans to minority homebuyers in Philadelphia than to white people in a way that troubled examiners from the Office of the Comptroller of the Currency, according to two people directly involved in the probe and internal documents reviewed by ProPublica and The Capitol Forum. The officials suspected the second-largest bank in the United States was 'redlining,' or deliberately turning its back on minority homebuyers, the people said. But after complaints from Bank of America, the OCC’s investigation stalled by September 2018. The OCC, which is part of the U.S. Treasury Department, never sanctioned the bank." [ProPublica, 07/13/20]

The Trump Administration Has "Quietly Shelved At Least Six Investigations Of Discrimination And Redlining." "Since President Donald Trump took office, the OCC has quietly shelved at least six investigations of discrimination and redlining, according to internal agency documents and eight people familiar with the cases." [ProPublica, 07/13/20]

While OCC Staff Recommended Fines And Penalties For These Banks, The Agency Took No Public Action And Have Largely Ignored Staff Complaints About "Discrimination And Other Consumer Abuses."

In 2017, OCC Investigations Found Several Banks That Were Wrongly Charging Minority And Female Borrowers For Mortgage Loans And Fees, And One Bank That Was Even "Turning Away Minority Borrowers." "Flagstar Bank, a leading lender in Michigan, wrongly charged Black homeowners more through a network of mortgage lending affiliates, OCC officials concluded in 2017. That same year, agency examiners found that Colorado Federal Bank, an online lender, was doing the same to female borrowers. Another inquiry by OCC officials concluded that Chicago-based MB Financial, a lender acquired by Fifth Third Bank last year, charged Latinos too much on mortgage loans. Cadence Bank, a lender in several Southern states, was turning away minority borrowers in Houston, according to an OCC investigation. Fulton Bank, a lender based in Pennsylvania, had been discriminating against minorities in parts of Richmond, Virginia, and its home state, regulators concluded." [ProPublica, 07/13/20]

Despite OCC Staff Recommending Fines And Other Penalties For These Banks, The OCC "Took No Public Action And Closed The Investigations Quietly," Despite Levying Heavy Fines In The Past For Similar Violations. "In each case, despite staff recommendations that fines or other penalties be imposed, the OCC took no public action and closed the investigations quietly. In the past, banks have had to pay substantial sums after similar investigations. In 2012, in the wake of the housing crisis, Wells Fargo paid $175 million to resolve allegations that it charged Blacks and Hispanics more to buy a home after an investigation that began with the OCC years earlier." [ProPublica, 07/13/20]

OCC Staff Have Tried To Express Their Concerns About "Discrimination And Other Consumer Abuses" With Agency Leadership But These Concerns Are Largely Ignored. "Career staff and ordinary agency employees who have raised alarms about discrimination and other consumer abuses have seen their concerns brushed aside by the agency's leadership, according to two current and two former OCC officials who have left in the last three years. The OCC was run from November 2017 until May of this year by Joseph Otting, a former bank executive with ties to Treasury Secretary Steven Mnuchin." [ProPublica, 07/13/20]

Discrimination In Mortgage Lending Is A Major Obstacle To Narrow The Racial Gap In Homeownership Rates – "The Homeownership Rate Among Blacks Is 44 Percent Compared To Whites At 74 Percent."

Mortgage Lending Discrimination Is Seen As A Major Obstacle To Narrowing The Racial Gap In Homeownership Rates – "The Homeownership Rate Among Blacks Is 44 Percent Compared To Whites At 74 Percent." "Homeownership remains a key path to building family wealth in America, but the homeownership rate among blacks is 44 percent compared to whites at 74 percent, according to the most recent census data. One major obstacle to narrowing that gap is discrimination in mortgage lending. A 2019 study by the Consumer Financial Bureau found that white borrowers are more likely to get a home loan than Black borrowers with the same credit score." [ProPublica, 07/13/20]

Administration's Paycheck Protection Program Fails To Provide Relief To Minority Businesses

The Administration's Paycheck Protection Program Benefitted States With Higher White Populations And Received Criticism For Failing To Assist Business Owners Of Color

The Top 10 States Receiving The Most PPP Relief Per Capita Are Largely White With Small Minority Populations.

Top Ten States Receiving Most PPP Aid (Per Capita) Were States With Largely White Populations. Details can be found in the below table:

STATE	POPULATION	% IDENTIFYING AS WHITE	PPP MONEY	PPP $ PER CAPITA
ND	762,062	84%	$1,763,437,217	$2,314
MA	6,892,503	71%	$14,197,422,481	$2,060
MN	5,639,632	80%	$11,171,723,926	$1,981
NY	19,453,561	55%	$38,074,956,614	$1,957
NJ	8,882,190	55%	$17,101,659,046	$1,925
VT	623,989	93%	$1,188,922,429	$1,905
SD	884,659	82%	$1,671,924,089	$1,890

NH	1,359,711	90%	$2,544,316,043	$1,871
CT	3,565,287	66%	$6,649,978,553	$1,865
WY	578,759	84%	$1,040,320,844	$1,798

[Paycheck Protection Program Report, 7/10/20; United States Census Bureau, accessed 05/27/20; Kaiser Family Foundation, accessed 05/27/20]

Minority Owned Businesses Have Little Chance Of Accessing PPP Money, With The Center For Responsible Lending Estimating That 90-Percent "Of Businesses Owned By People Of Color Have Been, Or Will Likely Be, Shut Out Of The Paycheck Protection Program.'"

April 2020: The Center For Responsible Lending Estimated That "'90% Of Businesses Owned By People Of Color Have Been, Or Will Likely Be, Shut Out Of The Paycheck Protection Program.'" "'Based on how the program is structured, we estimate that upwards of 90% of businesses owned by people of color have been, or will likely be, shut out of the Paycheck Protection Program,' said Ashley Harrington, director of federal advocacy and senior council for the Center for Responsible Lending, a non-profit group that combats abusive lending practices and recently examined the loan program's parameters." [CBS News, 04/22/20]

The Center For Responsible Lending Also Estimated That "'Roughly 95% Of Black-Owned Businesses, 91% Of Latino-Owned Businesses, 91% Of Native Hawaiian Or Pacific Islander-Owned Businesses, And 75% Of Asian-Owned Businesses Stand Close To No Chance Of Receiving A PPP Loan Through A Mainstream Bank Or Credit Union.'" "'Roughly 95% of Black-owned businesses, 91% of Latino-owned businesses, 91% of Native Hawaiian or Pacific Islander-owned businesses, and 75% of Asian-owned businesses stand close to no chance of receiving a PPP loan through a mainstream bank or credit union,' the center warned on April 6 as the Paycheck Protection Program, or the PPP, was starting to take applications." [CBS News, 04/22/20]

May 2020: Only 12-Percent Of Black And Latino Business Owners Received Relief From SBA Programs, Including The Paycheck Protection Program, After They Had Applied.

May 2020: A Global Strategy Group Survey Found That Only 12% Of Black And Latino Business Owners Who Applied For SBA Relief Receiving What They Ask For And 26% Said They "Received Only A Fraction Of What They Had Requested." "Black and Latino business owners are struggling to get pandemic assistance under the Paycheck Protection Program and other federal aid efforts, a new survey has found, and many say they are on the brink of closing permanently. The survey, conducted by the Global Strategy Group for two equal-rights organizations, Color of Change and UnidosUS, included interviews with 500 business owners and 1,200 workers from April 30 to last Monday. Just 12 percent of the owners who applied for aid from the Small Business Administration — most of them seeking loans in the $650 billion paycheck program — reported receiving what they had asked for, while 26 percent said they had received only a fraction of what they had requested." [New York Times, 05/18/20]

- **"Nearly Half Of All Owners Said They Anticipated Having To Permanently Close In The Next Six Months."** [New York Times, 05/18/20]