

South Bend Human Rights Commission

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HUD Update: HUD CHARGES FIFTH THIRD BANK, MORTGAGE BROKER WITH DISCRIMINATING AGAINST COUPLE WITH DISABILITIES

Bank allegedly required medical documentation of disabilities

The U.S. Department of Housing and Urban Development (HUD) announced 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. 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.

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.



A Note from Chairperson Penny Hughes

Serving as a Commissioner on the Human Rights Commission over the years has been a real eye opener for me. We receive complaints every day from people who believe they have experienced discrimination of one kind or another. When cases deal with their race, color or national origin, persons who bring a charge of discrimination presume they were fired because of racial attitudes that exist in the minds of their bosses. When they were denied housing or an accommodation, when they were followed throughout a grocery or department store or when they were treated poorly at a restaurant it is easy to presume discrimination.

Movies like *The Help* and *The Butler* help us to see how prejudice can lead to discrimination. More recent events remind us, like the shooting of young Trayvon Martin when walking home in his own neighborhood and was presumed to be a thief. We saw how Oprah had enough when she was told by a sales clerk she couldn't afford an expensive purse. It is no wonder people presume discrimination when they have experienced such attitudes all their lives and had to deal with them.

We are currently asking Mishawaka and St. Joseph County to allow us to handle investigations in cases that come to us from outside South Bend. We must tell these citizens we have no jurisdiction to investigate their claims. The County's and Mishawaka's anti-discrimination ordinances will have to match South Bend's, but this could save thousands of dollars in them hiring a director and training investigators, staff and commissioners, not to mention saving in attorney fees. Our Executive Director, Lonnie Douglas, and staff do an excellent job in anti-discrimination training for corporations which hopefully will lead to fewer complaints in the future.

Penny Hughes, Chairperson, Human Rights Commission

Penguin Award



Each month at the Administration and Finance Department Meeting, the Penguin Award is given to an individual or a group who have gone above and beyond. In August, the Human Rights Commission was awarded the award for hosting the CSI. It was proudly displayed in the front office.

