

Language Preference Question in Uniform Mortgage Application Will Help Borrowers Gain Access to the Mortgage Market

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WASHINGTON, D.C. - The National Consumer Law Center applauded the decision of the Federal Housing Finance Agency (FHFA) announced last Friday to add a preferred language question to the redesigned Uniform Residential Loan Application. The uniform application is used by all originators of loans to be sold to Fannie Mae or Freddie Mac, and sets an industry standard that is followed by most lenders. Consumer advocates have pushed for the addition of a question regarding preferred language on the application as a means of ensuring that borrowers who have limited English proficiency can self-identify and obtain access to available in-language services, both in the loan application process and when a borrower encounters a hardship at a later point and needs help to avoid foreclosure.

“This decision by FHFA represents a huge step forward in improving language access for individuals with limited English proficiency,” said Alys Cohen, staff attorney with the National Consumer Law Center. “Obtaining information about language preference up front, along with other measures FHFA is considering, goes a long way toward unlocking the doors to homeownership for a segment of the population that has been locked out for far too long.”

FHFA considered this issue and other language access measures in a Request for Information announced earlier this year. Americans for Financial Reform’s Language Access Task Force, a coalition of consumer advocates including NCLC, filed comments with the FHFA. The coalition’s comments urged the FHFA to include language preference on the application and to expand access to translated documents and oral interpretation for mortgage loan applicants and borrowers.

FHFA’s announcement:

<https://www.fhfa.gov/Media/PublicAffairs/Pages/Preferred-Language-Question-to-be-Added-to-the-Redesigned-Uniform-Residential-Loan-Application.aspx>

URLA Language Preference Question:

https://www.fhfa.gov/PolicyProgramsResearch/Policy/Documents/Preferred_Language_Question.pdf

AFR’s Comments on FHFA’s Language Access Proposals:

https://www.nclc.org/images/pdf/foreclosure_mortgage/mortgage_servicing/comments-afr-task-force-fhfa-rfi-language-access.pdf

AFR’s Supplemental Comments on FHFA’s Language Access Proposals:

https://www.nclc.org/images/pdf/foreclosure_mortgage/mortgage_servicing/letter-fhfa-lep-2nd-submission.pdf

Letter from AFR and 86 Organizations to FHFA Regarding Language Access:

<http://ourfinancialsecurity.org/2017/08/afr-86-organizations-call-for-fhfa-to-make-mortgages-more-ac>

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AFR Issue Brief on Language Access (May 2016):

<http://ourfinancialsecurity.org/2016/05/language-access-press-release/>