



CFPB Proposes to Gut Credit Discrimination Protections

November 2025

The CFPB has issued a [proposed rule gutting fair lending protections under the Equal Credit Opportunity Act](#) (ECOA). Please comment by December 15th.

This is a deeply concerning development.

Here are the facts:

- The CFPB has issued a proposed rule that would decimate fair lending protections in the ECOA, which prohibits discrimination in lending.
- This would permit unfettered gender, age, and racial discrimination in all consumer lending decisions, including mortgages, credit cards, and car loans.
- The comment period is only 30 days. Comments are due December 15, 2025.
- Please comment and share your stories in your comment.

How should we respond now?

- **The most important thing you can do right now is to document and share stories of people who experienced credit discrimination or were discouraged from applying for credit on the basis of their:**
 - race/ color/ national origin;
 - religion;
 - sex or marital status;
 - age;
 - source of income; or
 - exercising any right under the Consumer Credit Protection Act–TILA, FDCPA, FCRA, ECOA, EFTA, garnishment protections
- NCLC has prepared a template you can use to prepare short, fact-based comments..

What the proposal does:

- It would remove disparate impact from ECOA.
- It narrows the rule on “discouragement,” so it would be OK for lenders to target groups for lending—just not those groups that have historically been discriminated against. Specifically, the rule would allow geographic targeting, which has usually meant redlining or reverse redlining.
- It would shrink the legal use of “special purpose credit programs,” which have been used by lenders in cooperation with nonprofits to promote access to credit in historically marginalized communities.
- All of these have been part of ECOA throughout its 50-year history and are based in the statute, legislative history, and historical context.

The proposal would be harmful, is illegal, and is not based on facts.

- The proposed rulemaking is inconsistent with U.S. Supreme Court precedent establishing disparate impact liability (*Griggs v. Duke Power Co. (1971)* and *Inclusive Communities (2015)*), as well as the statute and legislative history.

- Disparate impact liability, protections against discouragement, and the validity of special purpose credit programs have been recognized in the regulations and by courts for over 50 years.
- The proposed rule would increase the cost of credit and decrease access to affordable housing.
- The proposed rule will make it harder to challenge discriminatory AI models.
- This is another example of the CFPB abandoning its legislatively mandated mission to ensure credit markets are fair and free of discrimination.

Thank you for speaking in opposition to this harmful and illegal proposal.

Questions? Please contact Odette Williamson, owilliamson@nclc.org and Jerry Battle, at jbattle@nclc.org.