

FACTS ABOUT DISCRIMINATORY HOME LENDING IN COLORADO

A home loan could be made to a person in Colorado who has poor credit, a record of poor credit, no credit history, or insufficient income to pay the mortgage loan. This loan could be called that person's 'last resort for credit'. The lender justifies this loan, which is known as a "subprime" loan, by imposing stiffer repayment rules than would be normally in place for this loan if it were made to a person who would not be in the market for a subprime loan – including charging the borrower a higher interest rate.

Borrowers who consider entering into a loan agreement with a lender in order to purchase a home can be targets of a lender which discriminates in an unfavorable way as to whom, or which group, is targeted for these subprime loans with their very stiff rules regarding repayment. These lenders are called "predatory". It is not unusual for the result of this type of discriminatory lending to be that the borrower loses the home through foreclosure or while the lender realizes huge profits.

The Colorado Civil Rights Division investigates and resolves housing discrimination complaints that are filed by Colorado residents and has commissioned a study of discriminatory predatory lending in the state. That study quotes a report made to the federal government which characterizes predatory loans as those loans having terms that do not consider the ability of the borrower to repay the loan and then impose

- excessively high interest rates or fees
- abusive or unnecessary provisions that do not benefit the borrower, including balloon payments
- single premium credit life insurance
- large prepayment penalties
- underwriting that ignores a borrower's repayment ability.

If you believe that you have been discriminated against with regard to your home's financing because of your race, color, national origin, ancestry, sex, sexual orientation, disability, creed or religion, familial status (if the borrower has a child under 18 years old) or marital status.

Write, call or email:

Colorado Department of Regulatory Agencies
Civil Rights Division

Denver

1560 Broadway, Suite 1050, Denver, CO 80202, 303-894-2997 or 800-262-4845, Fax: 303-894-7830

Hearing Impaired: 711

Pueblo

200 West B Street #234, Pueblo, CO 81003, 719-542-1298, Fax: 303-869-0498

Grand Junction

222 South 6th Street #301, Grand Junction, CO 81505, 970-248-7303, Fax: 970-242-1262

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