

Credit Inclusivity: CFPB resources

Consumer Financial Protection Bureau

Office of Fair Lending and Equal Opportunity

Woody Anglade, Senior Counsel

The bottom of the slide features a decorative graphic consisting of several overlapping, semi-transparent green triangles and quadrilaterals in various shades of green, creating a modern, abstract design.

Disclaimer

This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance, or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.

Inclusive credit matters

- **For consumers and small businesses**
 - **Resources for consumers:** The CFPB's updated "Know your rights" brochures on the Equal Credit Opportunity Act (ECOA) with information and resources on credit discrimination.
 - **Resources for small businesses:** The CFPB offers a small business landing page with information and resources for both new and existing small business owners. It also provides details on how to tell the CFPB about your own experiences in applying for and obtaining small business loans.

Consumer rights:

Credit discrimination is illegal

Protections under the Equal Credit Opportunity Act (ECOA)

- ECOA is a federal law that makes credit discrimination illegal and holds lenders responsible if they break the law.
- ECOA prohibits lenders from discriminating against credit applicants based on the characteristics listed below, which are considered protected:
 1. Race
 2. Color
 3. Religion
 4. National origin
 5. Sex (including sexual orientation and gender identity)
 6. Marital status
 7. Age (provided the applicant has the capacity to contract)
 8. The fact that all or part of the applicant's income derives from a public assistance program; or
 9. The fact that the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

ECOA Applicability & Scope

- ECOA applies to loans and **any type of credit** including:
 - Car loans
 - Credit cards
 - Home loans
 - Student loans
 - **Business loans**
 - Personal loans
- From the time a person or business applies for credit or a loan to when the account is closed, they are protected from unlawful discrimination. Discouraging prospective applicants based on protected characteristics is also prohibited.

Under ECOA, lenders cannot:

- Reject a credit application based on a consumer's (or business owner's) protected characteristic
- Refuse to consider public assistance income the same way as other income
- Change the credit terms or conditions based on a consumer's (or business owner's) protected characteristic

Warning signs of lending discrimination

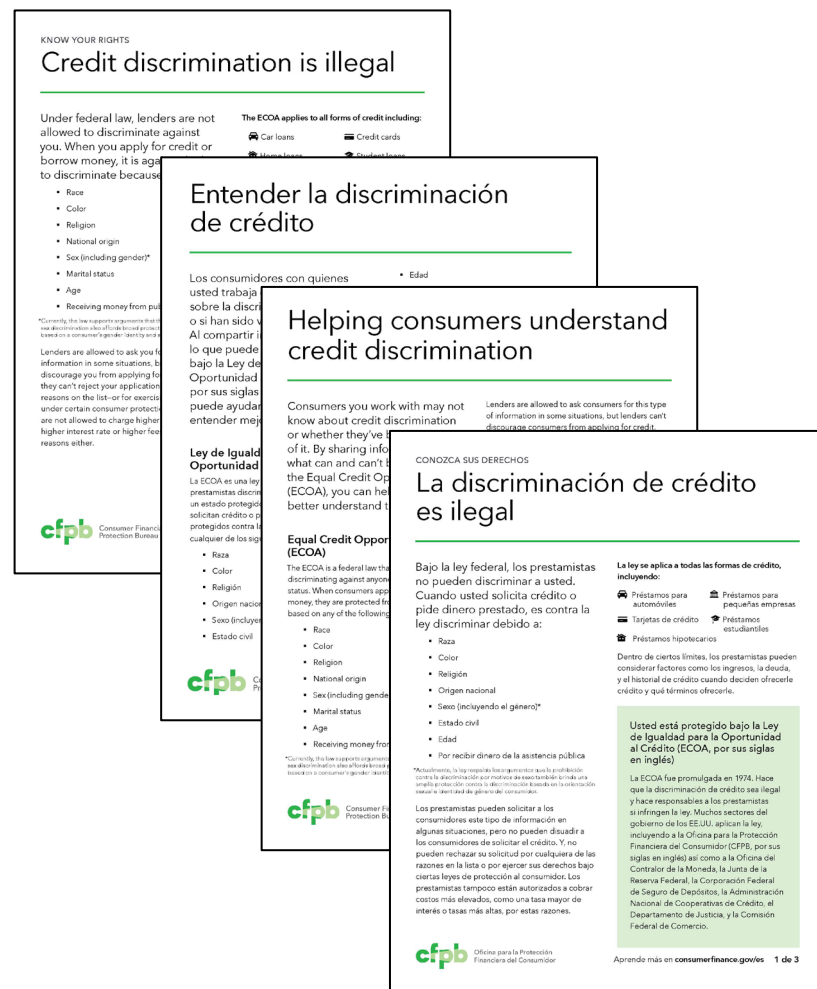
- Pay attention to whether the consumer or business owner is:
 - Treated differently in person than on the phone or online
 - Discouraged from applying for credit
 - Heard the lender make negative comments about race, national origin, sex (including sexual orientation and gender identity), or other protected characteristics
 - Refused credit even though they qualify for it based on advertised requirements
 - Offered credit with a higher rate than they applied for, even though they qualify for a lower rate based on advertised requirements

Ways consumers can prepare before taking out a loan

- Do the research
- **Know their credit history**
- Ask questions about total costs
- Stay in control
- Be sure before signing

Know Your Rights Brochures

- The Bureau has brochures on lending discrimination available in 7 languages.
 - “Credit discrimination is illegal” for consumers ([English](#) | [Español](#) | [繁體中文](#) | [Tiếng Việt](#) | [한국어](#) | [Tagalog](#) | [العَرَبِيَّةُ](#)).
 - “Helping consumers spot credit discrimination” for those who work with consumers ([English](#) | [Español](#) | [繁體中文](#) | [Tiếng Việt](#) | [한국어](#) | [Tagalog](#) | [العَرَبِيَّةُ](#)).
- The brochures are currently available in English, Spanish, Arabic, Chinese, Korean, Tagalog, and Vietnamese.



Small business lending:

Shining a light on small business lending

ECOA applies to small business loans

- Small businesses are primary job creators and wealth builders in communities across the country.
- Over 33% of small businesses closed at the height of the COVID-19 pandemic.
- Many small businesses struggled to access the small business relief funds Congress appropriated during the pandemic emergency, including minority and women-owned businesses.
- Failing to make small business lending accessible to all who qualify stifles innovation and competitiveness, and it hampers American entrepreneurship in our cities and suburbs, on our farms, and in all our communities.

The CFPB and small business lending rulemaking

- On March 30, 2023, the CFPB issued a final rule to require covered financial institutions to collect and report to the CFPB data on applications for credit for small businesses, including those that are owned by women or minorities.
- The rule will require lenders to disclose certain information about their lending to small businesses.
- This information would allow government, community organizations, researchers, lenders, and others to better support small business and community development needs.
- More information is available at: [Small business lending data collection rulemaking | Consumer Financial Protection Bureau \(consumerfinance.gov\)](#)

CFPB small business landing page

- CFPB's small business landing page has information and resources for new and existing small business owners.
- This page includes a *Tell Your Story* portal, which lets small business entrepreneurs share their stories about applying for credit.
- For example, we welcome minority-owned or women-owned businesses *Telling Your Story* in trying to access commercial loans.
- Here is the link: www.consumerfinance.gov/about-us/small-business-lending/

Small Business Landing Page Live Demonstration