Hope credit union
enterprise corporation
policy institute

Hope Credit Union
Hope Enterprise Corporation
Hope Policy Institute
4 Old River Place | Jackson, Mississippi 39202
601-944-1100 | www.hopecu.org

December 15, 2025

Comment Intake—2025 NPRM ECOA
c/o Legal Division Docket Manager
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Docket No.: CFPB-2025-0039, Equal Credit Opportunity Act (ECOA), Regulation B

Dear Acting Director Vought:

Please find below the comments of the Hope Enterprise Corporation / Hope Credit Union / Hope Policy Institute (HOPE) in response to the Notice of Proposed Rulemaking (ANPR) on Regulation B, Docket CFPB-2025-0039.

Submitting these comments is consistent with HOPE's long-standing support for fair lending policies and practices, in particular its defense of disparate impact as a necessary means for enforcing anti-discrimination laws. Through unwinding the use of disparate impact, in its narrowing the scope of unlawful discouragement and heightening the standards for Special Purpose of Credit Programs, the Consumer Financial Protection Bureau (CFPB) renders the statutory charge of the Equal Credit Opportunity Act (ECOA) to be nearly unworkable. Combined, these changes will widen existing capital access gaps, as discussed herein, for people in the Deep South, particularly those in rural communities.

We also would like to note for the record that a 30-day comment period is too short for proposals as complex and significant as this, especially considering the simultaneous proposed changes to the small business data collection rule, also under ECOA. We respectively request that the CFPB extend the comment period by at least 60 days, to ensure meaningful opportunity for stakeholders to review and provide feedback.

About HOPE

HOPE is a credit union, community development financial institution and policy institute that provides affordable financial services; leverages private, public and philanthropic resources; and engages in policy analysis to fulfill its mission of strengthening communities, building assets, and improving lives in economically distressed areas throughout Alabama, Arkansas, Georgia, Louisiana, Mississippi, Tennessee. Since 1994 HOPE has generated nearly $4 billion in financing that has benefited over three million people.

As HOPE has noted previously in defense of disparate impact as a well-settled law to prevent discriminatory lending practices, this tool is critical to the economic prosperity of our region.[1] It is essential to ensure people have fair access to credit regardless of race, gender, age or protected characteristics under ECOA. Also, meaningful enforcement of anti-discrimination laws facilitates, not hinders, a healthy credit market. Given the gaps in homeownership and mortgage lending among significant segments of the population in our region, ensuring that the flow of capital is not unjustly interrupted by discriminatory lending practices is essential to a strong Deep South economy. The CFPB's proposed changes to ECOA's Regulation B threaten to widen existing gaps and stifle people's ability to grow the economy through means such as purchasing a car to get to work, buying their first home, or opening and growing their own business.

HOPE is intimately aware of these existing lending gaps -- and the damage that will happen if they widen through this proposed rollback of ECOA -- because HOPE sees them in our work daily. HOPE often stands in the gap for people and communities otherwise unable to obtain credit on fair terms from other lenders. This was particularly prevalent during the Paycheck Protection Program (PPP) when Black-owned businesses could not get this COVID-era emergency relief from their own bank and obtained a PPP loan from HOPE or other Community Development Financial Institutions (CDFIs) instead. A December 2020 survey of HOPE's PPP borrowers found that more than one in three borrowers (36%) decided to take a PPP loan with HOPE because they lacked another option or were declined by another bank.[2] As discussed further below, data from the Home Mortgage Disclosure Act (HMDA) show vast disparities in mortgage lending practices across the region that have persisted for decades. For example, across all lenders in Mississippi from 2018 to 2020, 17% of mortgage loans went to Black borrowers, in a state where 36% of the population in Black. In contrast, for HOPE, over that same time period, 81% of our mortgage loans were to Black borrowers.

While the analysis here focuses primarily on mortgage lending, HOPE also notes the importance of ECOA for small business lending given that it is the only federal law to prevent discriminatory lending practices in that market. Further discussion of HOPE's small business lending and the importance of transparency in effectuating ECOA's statutory charge is discussed in its comment regarding the CFPB's proposed narrowing of its small business data collection rule.

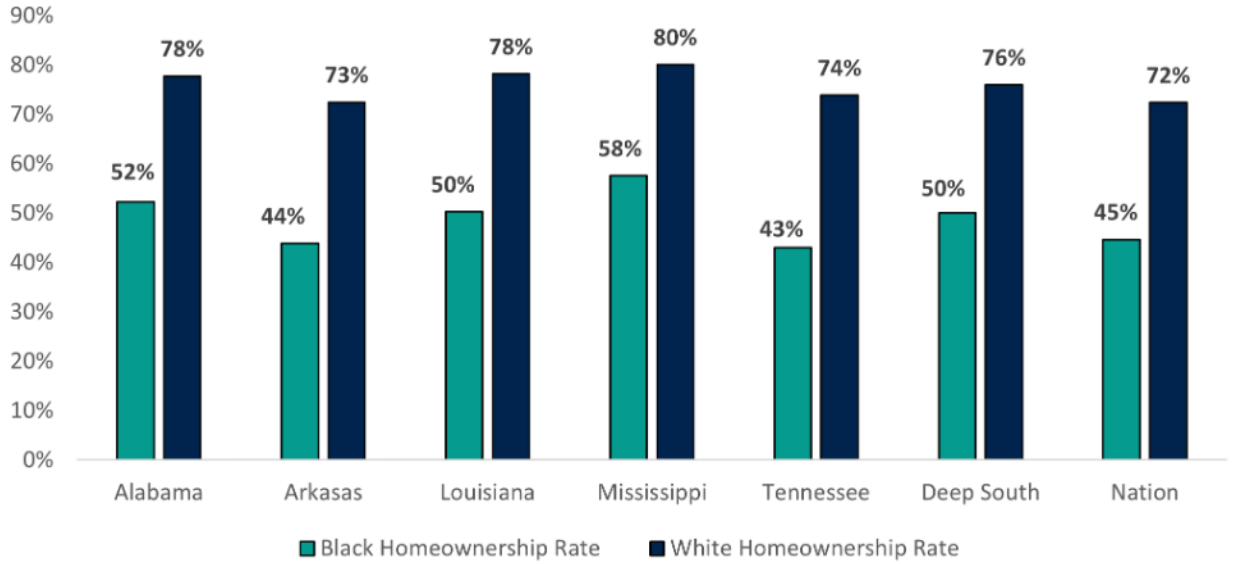
Mortgage Lending in Deep South

A compelling reminder for the need for robust fair lending enforcement is the wide racial disparities in Black and white homeownership, mortgage loan denials, and high-cost mortgage lending in our region. The following section highlights patterns of lending practices which may contribute to the lower levels of homeownership. Without effective enforcement of ECOA, as the CFPB is proposing, credit will be harder to access for people across the Southern region.

Homeownership Gaps

Homeownership offers financial stability and is the single largest pathway to building wealth for most families. Yet today, owning a home is increasingly out of reach for many households, especially for communities of color. These challenges are particularly stark in the Deep South, as Black homeownership significantly lags white homeownership. Over three-quarters (76%) of white households in the Deep South are homeowners while half (50.1%) of Black households are homeowners. This disparity persists for each state within the Deep South (Figure 1).

Figure 1: Homeownership Rates by Race and Geography



Source: U.S. Census Bureau ACS 2023 one-year data Table S2502 https://data.census.gov/table?q=S2502&g=040XX00US01,05,22,28,47

Mortgage Originations

Mortgage originations for Black borrowers fall far below their share of the population in the Deep South. For example, in 2023, 12% of mortgages were originated for Black borrowers even though 23.1% of the population in the Deep South is Black. (Figure 2).

Figure 2: 2023 Deep South Mortgage Originations by Race Compared with Population

	Total Mortgage Originations	Loans to Black Borrowers	Share of Loans to Black Borrowers	Loans to White Borrowers	Share of Loans to Black Borrowers	Race not available	Share of Loans	Hispanic	Share of Loans to Hispanic	2023 Black population percent*
Alabama	95,785	13,235	13.8%	66,113	69.0%	12,395	12.9%	2,900	3.0%	25.4%
Arkansas	54,307	3,608	6.6%	38,978	71.8%	8,849	16.3%	3,038	5.6%	14.4%
Louisiana	60,727	10,211	16.8%	37,523	61.8%	10,387	17.1%	2,169	3.6%	30.3%
Mississippi	45,790	9,020	19.7%	29,054	63.5%	6,317	13.8%	1,080	2.4%	35.6%
Tennessee	151,698	10,951	7.2%	111,453	73.5%	21,732	14.3%	6,344	4.2%	15.3%
Deep South	408,307	47,025	11.52%	283,121	69.3%	59,680	14.6%	15,531	3.8%	23.1%

Source: Hope Policy Institute analysis of data from the Home Mortgage Disclosure Act for 20203 and US Census Bureau American Community Survey 2023 1-year estimate (Table DP05)

The CFPB, in fact, found similar patterns in its own research on banking and credit access in the southern region of the U.S., covering Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee.[3] The CFPB's report found that from 2018 to 2021, 14% of lending went to Black borrowers even through 29% of the population is Black. It also noted that "Rural areas show the greatest gap between the share of loans to Black borrowers and their share of the population," finding that just 9% of mortgage loans went to Black rural borrowers even though they comprise 24% of the rural population.

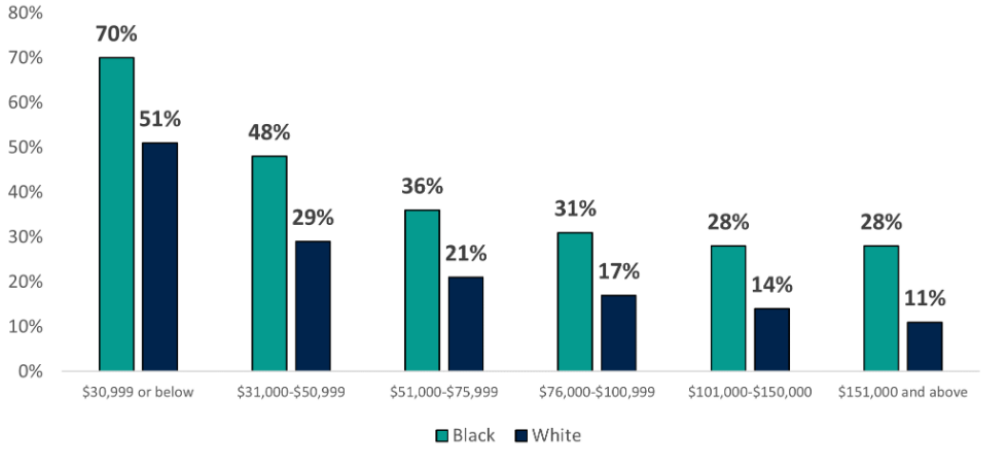
Loan Denials

Disparities in mortgage loan denials along the basis of race persist throughout the region. For example, in New Orleans, Louisiana, in 2015, 85% of Black applicants were denied for a mortgage loan application, compared with 50% of Latino applicants, and a 27% denial rate for white applicants.[4] In Montgomery, Alabama, in 2016, Black applicants were three times as likely to be denied a conventional home mortgage as white applicants.[5] In 2020, in rural Alabama, according the Analysis of Impediments to Fair Housing Choice, "the average [B]lack loan applicant in the state's non-entitlement areas was almost twice as likely to be denied a home purchase loan as the average white loan applicant."[6] The Analysis of Impediments also noted denial disparities along gender lines in rural Alabama, with 31% of applicants from female applicants denied compared to 22% for male applicants.[7] And, the CFPB's own research confirmed similar patterns across the region from 2018 to 2021, finding higher loan denial rates for people of color, with the largest gaps for those in rural communities.[8]

Analyses of mortgage loan denial rates illustrate that higher denial rates and lower levels of lending to Black borrowers in the South are not alone explained by other factors like income or credit score gaps between Black and white applicants.

HOPE's analysis of Home Mortgage Disclosure Act (HMDA) data finds that across the Deep South even for Black and white applicants within the same income group, Black borrowers still experience higher denial rates than their white counterparts (Figure 3).[9] In fact, the denial rate for Black borrowers in the Deep South earning more than $150,000 was almost equal to that for white borrowers earning between $31-$50,000. And, among all applicants earning more the $100,000, the denial rates for Black borrowers are twice as high as white borrowers. While Figure 3 below shows data for 2023, HOPE has previously noted historical data showing these patterns have persisted for decades.[10]

Figure 3: Mortgage Loan Denials in Deep South States by Race and Income



Source: Hope Policy Institute analysis of 2023 Home Mortgage Disclosure Act data for Alabama, Arkansas, Louisiana, Mississippi, and Tennessee.

Just as evidence shows concerns about differences for loan denials among borrowers in similar income brackets, there are similar concerns among borrowers in similar credit score categories in the Southern region. According to the CFPB's own data:

> The lower share of home purchase loans to minority borrowers, however, is not due to credit scores alone. Even though the denial rates in total look relatively the same between rural and non-rural applicants, there are important differences by race and ethnicity. Across both rural and non-rural and across credit scores, borrowers of color experience higher denial rates than their white counterparts. For high credit score applicants, Asian applicants experience the highest disparity in denial rates based on rural versus non-rural. For those with low credit scores, the largest rural/non-rural disparity in denial rates is among Black applicants.

FIGURE 4: HOME PURCHASE LOAN APPLICATION DENIAL RATES IN THE SOUTHERN REGION, BY RURAL, RACE, AND CREDIT SCORE, 2018-2021. STATE-SPECIFIC FACT SHEETS IN THE APPENDIX.

Credit Score	Race/Ethnicity	Rural	Non-Rural
Below 680	White	25%	22%
	Black	36%	31%
	Asian	32%	29%
	Hispanic	25%	23%
	Missing	36%	32%
	Total	29%	27%
680 or Above	White	9%	7%
	Black	17%	14%
	Asian	14%	10%
	Hispanic	12%	10%
	Missing	15%	12%
	Total	10%	9%

Note: "Missing" refers to applications in which the race of the applicant(s) has not been reported or is not applicable or the application is categorized as White, but ethnicity has not been reported.

Relatedly, the CFPB also found that "consumers in rural southern persistent poverty counties are nearly four times more likely to have their application denied than the national average (39 percent compared to 11 percent.) Across all of the rural areas in the southern regions, 27 percent of mortgage applications are denied by the lender."[11]

Pricing Disparities

Black borrowers who do qualify for a mortgage, are more likely than white borrowers to have high-cost predatory mortgage loans. Between 2014 and 2015, the Louisiana Analysis of Impediments to Fair Housing Choice found "Black, American Indian, and Hispanic applicants are more likely to receive high-cost loans. These loans are often predatory and are more likely to result in foreclosures than are prime rate mortgages."[12] In 2015, in rural Alabama, less than 17% of loans to white borrowers were high-cost, but more than 25% of loans to Black borrowers were high-cost.[13] According to Mississippi's 2019 Analysis of Impediments to Fair Housing Choice, the most current to date, even though 24.7% of mortgage loans in the state were high-cost loans, the amount of loans to Black and Latino borrowers was significantly higher, 38.7% and 27.3% respectively.[14]

High-cost predatory loans increase the likelihood that people will eventually lose their home through foreclosure, leading to the loss of assets rather than the building of them. In the lead up

to the foreclosure crisis, nationwide, Black families were provided with loans on less favorable terms than white families, even with similar credit profiles. In Mississippi, for the loans originated between 2004 and 2008, by 2012, 11.8% of these loans to Black households had completed foreclosure and another 16.3% were at imminent risk, compared with 6.2% and 6.5%, respectively for white households in the state.[15] These foreclosures not only stripped assets from families in the homes at the time, but caused surrounding property values to plummet, resulting in $352 million in lost wealth from minority census tracts in Mississippi.[16]

Relatedly, even in an environment of historic low interest rates, the CFPB found that generally, people in southern rural communities are more likely to pay higher interest rates on their mortgage loans than their counterparts in urban areas and elsewhere in the country. The CFPB notes, that "people in the region who did receive a mortgage loan tend to pay higher rates than consumers elsewhere. In 2021, the mean interest rate for a home purchase loan in rural southern persistent poverty counties was 3.942 percent, and 3.512 percent in the rural southern region, compared to 3.127 percent nationally."[17]

We have grave concerns that in the absence of meaningful disparate impact enforcement, the lost wealth within the Black community and other communities will be significant through higher cost lending and other equity stripping practices.

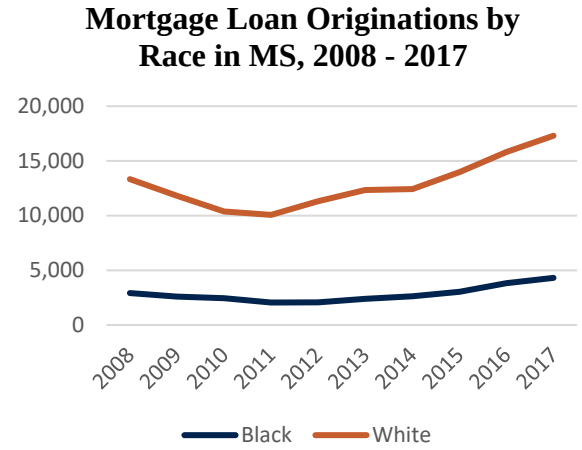
Fair Lending is Good for Business

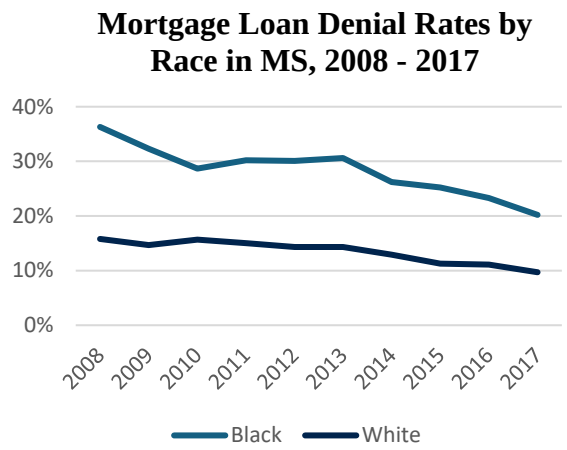
At HOPE, we understand the inextricable link between our success and the communities where we conduct business. Accordingly, we place a priority on serving all residents in a fair and responsible manner. Through fair lending practices, we have substantially increased our mortgage lending by reaching untapped markets. We design products and procedures to align with the economic realities faced by underserved residents. This includes manually underwriting loans, considering nontraditional indicators of credit, and discounting deferred student debt. In addition, we offer a 100% financing product, as many low-wage earners have the cash flow for a monthly mortgage payment, but lack the ability to save for a down payment.

We know that good business and fair lending go hand-in-hand. HOPE's mortgage portfolio more than quadrupled from about $34 million in 2010 to $166 million at the end of 2024, and the percent of mortgage loans originated for borrowers of color grew from 55% in 2007 to a peak of 90% in 2023. In 2025 alone, as of the end of the third quarter, HOPE has originated over 500 mortgages providing $86 million in capital, with 81% of loans to people of color, 61% to women, and 87% to first-time homebuyers. HOPE's portfolio currently and historically has strong performance, with very low rates of default or loan loss.

We know that businesses thrive when regulations are sound and consistent. Well-settled disparate impact jurisprudence, which this proposal upends, has provided clear rules of the road. One example that may be informative here is HOPE's analysis of mortgage loan originations before and after the implementation of the U.S. Housing and Urban Development's 2013 rule codifying jurisprudence on the use of disparate impact to enforce the Fair Housing Act. While there is a range of factors contributing to mortgage loan originations, trends suggest that the 2013 disparate impact rule did not hinder mortgage lending in Mississippi, as evidenced by the increase in mortgage loan originations and decrease in denial rates for borrowers of color.[18] These trends are a reversal of what was happening prior to the 2013 rule (Figures 5 and 6).

Figures 5 and 6: Mortgage Loan Originations and Denial Rates by Race, 2008 - 2017





Source: Hope Policy Institute analysis of the 2019 MS Analysis of Impediments to Fair Housing Choice

By rendering moot the disparate impact provision and other key provisions of ECOA's implementing regulation, this proposal will inject cost and uncertainty into the financial system, exactly what lenders seek to avoid.

To Build Economic Opportunity in the Deep South, CFPB Must Reject This Proposal

The ability to enforce ECOA via disparate impact and the utilization of other statutory tools, such as special purpose credit programs, is necessary to close existing gaps. The current proposal will hamper the ability for people to seek reprieve from discriminatory practices occurring today, and will open the floodgates for potential new schemes, such as via opaque algorithms, that exclude access to protected classes of borrowers.

There are significant benefits to closing existing capital gaps. For example, an analysis by McKinsey & Company found that closing the racial wealth gap has the potential to increase the national Gross Domestic Product (GDP) between $1 and $1.5 trillion by 2028.[19] As another example, a recent analysis by Brookings found that Black-owned businesses added $212 billion in revenue to the economy, employed an average of eight people per firm, and paid over $61 billion in total salaries.[20] Despite their importance to a vibrant and resilient economy, capital access gaps for Black businesses remain.

These capital gaps for consumers, future homeowners, and small business owners are opportunities for future investments to ensure everyone has the chance to participate in the economic prosperity of the Deep South and the nation. As such, lenders and communities alike will benefit from the resulting economic activity from a fairer, more robust marketplace. For these reasons, HOPE strongly urges the CFPB to reject this proposal.

Sincerely,

William J. Bynum
Chief Executive Officer

Sara Miller
Senior Policy Analyst

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[1] See, Texas Department of Community Affairs v. The Inclusive Communities Project, Brief of Amicus Curiae, National Fair Housing Alliance, Center for Community Self-Help, and HOPE Enterprise Corporation, https://www.relmanlaw.com/media/news/54_NFHAAmicusBOM2014-12-23.pdf. See also, HOPE, Comment to U.S. Housing and Urban Development, "Implementation of the Fair Housing Act's Disparate Impact Standard, Docket ID: 2019-17542," Oct. 18, 2019, http://hopepolicy.org/blog/hope-summits-comments-for-disparate-act/, and Bill Bynum, Op-ed, "Fair Housing is Good for Business," The Clarion Ledger, Oct. 29, 2019.

[2] For further discussion and examples of the experiences of Black-owned businesses in the Paycheck Protection Protection, see, Bill Bynum, Testimony, U.S. Senate Committee on Banking, Housing, and Urban Affairs, "An Economy that Works For Everyone: Investing in Rural Communities," https://www.banking.senate.gov/imo/media/doc/Bynum%20Testimony%204-20-21.pdf, Apr. 20, 2021.

[3] CFPB, "Banking and Credit Access in the Southern Region of the U.S.," June 2023, at 19, https://files.consumerfinance.gov/f/documents/cfpb_ocp-data-spotlight_banking-and-credit-access_2023-06.pdf

[4] City of New Orleans, Louisiana, "2015 New Orleans Analysis of Impediments," http://www.nola.gov/community-development/documents/2016-updated-afh-plan-090516/afh-plan-090516-final/.

[5] Analysis of 2016 HMDA data by the Center for Investigative Reporting, https://www.revealnews.org/article/for-people-of-color-banks-are-shutting-the-door-to-homeownership/; and 2014 City of Montgomery Analysis of Impediments to Fair Housing Choices, http://centralalabamafairhousing.org/wp-content/uploads/2017/10/2014-AI-city-of-Montgomery.pdf

[6] State of Alabama, "2020 Analysis of Impediments to Fair Housing Choices," https://adeca.alabama.gov/wp-content/uploads/2020-Analysis-of-Impediments-to-Fair-Housing-Choice.pdf

[7] Id.

[8] CFPB, "Banking and Credit Access in the Southern Region of the U.S.," June 2023, https://files.consumerfinance.gov/f/documents/cfpb_ocp-data-spotlight_banking-and-credit-access_2023-06.pdf

[9] State of Mississippi, "2019 Analysis of Impediments to Fair Housing Choice," Dec. 2019, Table V.8, at page 134, https://archivemhc.com/ai/MS_2019_Analysis_of_Impediments_Fair_Housing_Choice.pdf

[10] Id. (stating "Between 2008 and 2017, 18% - nearly in one in five - Black Mississippians earning over $150,000 who applied for a mortgage loan, were denied, in contrast to only seven percent of white Mississippians who applied for a mortgage. The disparities are worse at lower income brackets, where 43% of Black Mississippians earning less than $30,000 a year were denied, compared with 27.8% of Whites in this same income group. Finally, the 18% denial rate for Black residents earning over $150,000 is higher than the denial rate of whites earning between $30,000 and $50,000 – which stands at 15% over the 10-year period.")

[11] CFPB, "Banking and Credit Access in the Southern Region of the U.S.," June 2023, https://files.consumerfinance.gov/f/documents/cfpb_ocp-data-spotlight_banking-and-credit-access_2023-06.pdf

[12] State of Louisiana, "2020 Analysis of Impediments to Fair Housing Choice," https://www.doa.la.gov/media/hdtlwqch/proposed-2020-analysis-of-impediments-to-fair-housing-choice.pdf

[13] 2015 State of Alabama Analysis of Impediments to Fair Housing Choices, https://adeca.alabama.gov/Divisions/ced/cdp/CDBG%20Documents/2015%20Alabama%20Analysis%20of%20Impediments%20to%20Fair%20Housing%20Choice%20-%20Volume%20I.pdf The data cover the state of Alabama's non-entitlement areas as determined by HUD. As such, data from the entitlement cities are excluded: Anniston, Auburn, Bessemer, Birmingham, Decatur, Dothan, Florence, Gadsden, Hoover, Huntsville, Mobile, Montgomery, Opelika, and Tuscaloosa, along with Jefferson and Mobile Counties.

[14] State of Mississippi, "2019 Analysis of Impediments to Fair Housing Choice," Dec. 2019, Table V.8, at page 134, https://archivemhc.com/ai/MS_2019_Analysis_of_Impediments_Fair_Housing_Choice.pdf
[15] Debbie Gruenstein Bocian, Center for Responsible Lending, "State of Lending in America and its Impact on U.S. Households: Mortgages," Dec. 2012, at 56 https://www.responsiblelending.org/sites/default/files/uploads/3-mortgages.pdf
[16] Id.
[17] CFPB, "Banking and Credit Access in the Southern Region of the U.S.," June 2023, https://files.consumerfinance.gov/f/documents/cfpb_ocp-data-spotlight_banking-and-credit-access_2023-06.pdf
[18] State of Mississippi, "2019 Analysis of Impediments to Fair Housing Choice," Dec. 2019, Table V.1 at page 131, https://archivemhc.com/ai/MS_2019_Analysis_of_Impediments_Fair_Housing_Choice.pdf
[19] McKinsey and Company, "The economic impact of closing the racial wealth gap," Aug. 13, 2019, https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-economic-impact-of-closing-the-racial-wealth-gap
[20] Andre M. Perry, Hannah Stephens, and Manann Donoghoe, "Driving prosperity: How Black-owned businesses fueled recent economic growth," Feb. 19, 2025, https://www.brookings.edu/articles/driving-prosperity-how-black-owned-businesses-fueled-recent-economic-growth/