



# FRIENDS OF FAIR HOUSING

Vol. 10 Issue 3 • Summer 2009



Quarterly Newsletter for the Friends of Fair Housing

## Civil Rights and Consumer Protection Groups Call for Increased Civil Rights Oversight at New Consumer Agency

*Groups Commit to Working with Obama Administration on Regulatory Overhaul*

A group of prominent civil rights and consumer protection organizations – including ACORN, Center for Responsible Lending, Consumer Federation of America, Lawyers’ Committee for Civil Rights Under Law, Leadership Conference on Civil Rights, NAACP, National Consumer Law Center (on behalf of its low income clients), National Council of La Raza, and the National Fair Housing Alliance – recently joined together to support the Obama Administration’s new legislative proposal to create a federal consumer protection agency, and to express their desire to see the civil rights functions of the agency featured more prominently in the proposal.

“The United States has never sufficiently addressed the problems and challenges of lending discrimination and redlining practices that have long harmed underserved groups,” said National Fair Housing Alliance President and CEO Shanna Smith. “With the Obama Administration’s proposed Consumer Financial Protection Agency, that time has come. We look forward to working with the Administration to implement effective fair lending compliance.”

The organizations express their commitment to work with the Administration and Congress to quickly make this new agency viable and to strengthen the existing proposal. The groups support the proposal to give the Consumer Financial Protection Agency (CFPA) responsibility for rule-writing and enforcement of the Equal Credit Opportunity Act, Community Reinvestment Act, and Home Mortgage Disclosure Act, as well as the proposal to make the CFPA responsible for conducting fair lending examinations. The organizations are also supportive of the new agency’s ability to promote safe, beneficial products.

It is the organizations’ position that the CFPA must have civil rights protection as part of its core mission and that an Office of Civil Rights must be put in place to oversee the agency’s obligations under these statutes. An Office of Civil Rights would allow the new agency to take a coordinated approach towards compliance with fair lending laws and ending the two-tiered system that put our country where it is today. The Office of Civil Rights is also supported by the newly-formed Americans for Financial Reform.

What is often lost in the discussion on the financial crisis is the disproportionate impact the crisis has had on communities of color and women. African-Americans, Latinos, senior citizens and women were targeted by unscrupulous lenders for predatory financial products. In fact, racial minorities received subprime and high cost mortgages at exceptionally high rates even when they qualified for prime rate mortgages. It is projected that the crisis will

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## Civil Rights and Consumer Protection Groups

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erode decades of wealth that African-Americans and Latinos have been able to accumulate and further expand the wealth gap disparity between majority and minority groups.

“It is clear that this nation needs an agency solely dedicated to protecting consumers as they navigate an increasingly treacherous financial landscape,” said Wade Henderson, president of the Leadership Conference on Civil Rights. “As the financial and foreclosure crises continue to hit American families where they live, it is absolutely necessary that this agency focus on insuring fair lending compliance by banks and lenders.”

The CFPA will provide a check on dangerous consumer practices, such as those designed-to-fail mortgages that led to the foreclosure and economic crises, and will promote positive terms and conditions for financial products. Policy papers on civil rights and consumer protection by Americans for Financial Reform can be found at the following sites: <http://ourfinancialsecurity.org/issues/leveling-the-playing-field/> and <http://ourfinancialsecurity.org/issues/protecting-our-pocketbooks/>.

## John Hancock Life Insurance Class Action Suit

If you are African American and you are the purchaser, owner, insured or beneficiary of a John Hancock Life Insurance Policy that was issued before 1959 (or if you are the legal representative of such an individual), you get a payment from a class action settlement.

### Legal Notice

If you need help determining whether you are a member of the Class or whether a particular life insurance policy is one of three types of policies covered by the Settlement, contact the Settlement Administrator at 1.800.232.3154 or view the detailed Notice at [johnhancocksettlement.com](http://johnhancocksettlement.com).

### What is the settlement about?

The lawsuit alleges that, prior to 1959, John Hancock discriminated in the sale of certain life insurance policies to African Americans. John Hancock denies the claims. The court has permitted the case to proceed as a class action. No determination of liability has been made. Both sides have agreed to a settlement, which will be reviewed by the Court to make sure it is fair, reasonable, and adequate at a hearing on August 21, 2009.

The settlement awards \$1,200 to persons who had a policy prior to 1959. If you feel you may be part of the class, call 1-800-232-3154 (If you use a TDD/TTY, call 1.866.905.8129) or access the following website: [johnhancocksettlement.com](http://johnhancocksettlement.com). Claim information must be submitted by November 19, 2009.

# Hope for Homes Campaign

Please consider making a tax-deductible donation to our "Hope for Homes" Campaign. Contributions will support the Center's various housing programs, including foreclosure prevention. Please fill out the form below with a check payable to the Fair Housing Center. You can mail it to 432 N. Superior, Toledo, OH 43604. Thank you for your support.

Name \_\_\_\_\_

E-Mail \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone: Bus. \_\_\_\_\_ Home \_\_\_\_\_

I am paying with an enclosed check in the amount of \$ \_\_\_\_\_.

*Donations are tax deductible to the extent of the law.*

***\$9,200 & Counting!***

***The Fair Housing Center thanks the following contributors to the Hope for Homes Campaign for their generous support:***

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## Restoring the Dream

### ***PREDATORY LENDING REMEDIATION PROGRAM UPDATE***



- 100 Loans remediated through May 31, 2009
- Almost \$6.4 million in monetary benefits to consumers (average = \$63,951)
- Average reduction in monthly payment = \$220
- Average interest reduction = 4.24%