

U.S. Attorney's Office for Massachusetts launches initiative to combat "redlining"

The U.S. Attorney's Office for the District of Massachusetts and the Justice Department's Civil Rights Division has launched a new Combatting Redlining Initiative to address the illegal deprivation of mortgage lending services for communities of color.

Redlining is an illegal practice in which lenders avoid providing services to individuals living in communities of color because of the race or national origin of the people who live in those communities. The new Initiative represents the Department's most aggressive and coordinated enforcement effort to address redlining, which is prohibited by the Fair Housing Act and the Equal Credit Opportunity Act.

"Lending discrimination runs counter to fundamental promises of our economic system," said Attorney General Merrick B. Garland. "When people are denied credit simply because of their race or national origin, their ability to share in our nation's prosperity is all but eliminated. Today, we are committing ourselves to addressing modern-day redlining by making far more robust use of our fair lending authorities. We will spare no resource to ensure that federal fair lending laws are vigorously enforced and that financial institutions provide equal opportunity for every American to obtain credit."

"Although housing discrimination is illegal under the Fair Housing Act, the discriminatory patterns and practices of redlining persist in parts of our community," said Acting U.S.

Attorney Nathaniel R. Mendell. "We intend to stop redlining because it denies equal access and opportunity in a profound way that has a negative impact on almost every aspect of life. This office will continue to enforce the Fair Housing Act, and we are proud to join the Justice Department in launching the Combatting Redlining Initiative to protect the rights of all tenants."

For American families, homeownership remains the principal means of building wealth, and the deprivation of investment in, and access to, mortgage lending services for communities of color have contributed to families of color persistently lagging behind in homeownership rates and net worth as compared to white families. The gap in homeownership rates between white and Black families is larger today than it was in 1960, before the passage of the Fair Housing Act of 1968.

The Initiative, which is led by the Department of Justice's Civil Rights Division's Housing and Civil Enforcement Section in partnership with U.S. Attorney's Offices, seeks to make mortgage credit and homeownership accessible to all Americans on the same terms, regardless of race or national origin and regardless of the neighborhood where they live. The initiative will:

Utilize U.S. Attorneys' Offices as force multipliers to ensure that fair lending enforcement is informed by local expertise on housing markets and the credit needs of local communities of color;

Expand the Department of Justice's analyses of potential redlining to both depository and non-depository institutions. Non-depository lenders are not traditional banks and do not provide typical banking services, but engage in mortgage lending and now represent the majority of mortgages lenders in the country;

Strengthen our partnership with financial regulatory agencies to ensure the identification and referrals of fair lending violations to the Department of Justice;

Increase coordination with State Attorneys General on potential fair lending violations.

Individuals may report lending discrimination by calling The Department of Justice's Housing Discrimination Tip Line at 1-833-591-0291 or submitting a report online.