



SEARCH THE SITE

SEARCH

Home > Briefing Room > Justice News

Printer Friendly

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, September 13, 2012

**Justice Department Reaches Settlement with Bank of America to Resolve Allegations of Discrimination Against Recipients of Disability Income**

*Settlement Provides Compensation to Victims Identified by the Department of Justice and Establishes Procedures for Treating Borrowers Fairly Who Receive Disability Income*

Bank of America N.A. has agreed to maintain revised policies, conduct employee training and pay compensation to victims to resolve allegations that it engaged in a pattern or practice of discrimination on the basis of disability and receipt of public assistance in violation of the Fair Housing Act (FHA) and the Equal Credit Opportunity Act (ECOA).

The settlement, which is subject to court approval, was filed today in federal court in Charlotte, N.C., where Bank of America is headquartered. The terms of the settlement require Bank of America to pay \$1,000, \$2,500 or \$5,000 to eligible mortgage loan applicants who were asked to provide a letter from their doctor to document the income they received from Social Security Disability Insurance (SSDI). Applicants who were asked to provide more detailed medical information to document their income may be paid more than those who were asked to have a doctor verify their source of income. Bank of America will hire a third party administrator to search approximately 25,000 loan applications involving SSDI income to identify any other victims. Under the settlement, Bank of America will conduct training of its underwriters and loan officers and will monitor loan applications to ensure that applications from disabled individuals are treated in a manner consistent with applicable law.

This lawsuit arose as a result of three complaints filed by loan applicants with the U.S. Department of Housing and Urban Development (HUD). After investigating the complaints, HUD undertook a broader investigation into Bank of America's practices. Bank of America revised its policies for documenting disability income during HUD's investigation. The Assistant Secretary of HUD elected to have the case heard in federal court and referred the case to the Department of Justice. The HUD complainants will receive a total of \$125,000 to their harm and compensate them for costs associated with their loan applications.

"Loan applicants with disabilities should not be subjected to invasive requests for medical information from a doctor when they are applying for credit," said Thomas E. Perez, Assistant Attorney General for the Justice Department's Civil Rights Division. "Today's settlement shines a light on a practice that violates the Fair Housing Act and the Equal Credit Opportunity Act."

The settlement comes after an investigation by the Justice Department. Bank of America cooperated fully with the department's investigation into its lending practices and agreed to settle this matter without contested litigation. The lawsuit was developed and filed by the Fair Lending Unit of the Housing and Civil Enforcement Section in the Justice Department's Civil Rights Division. Since the Fair Lending Unit was established in February 2010, it has filed or resolved 22 lending matters under the Fair Housing Act, the Equal Credit Opportunity Act, and the Servicemembers Civil Relief Act. The finalized settlements in these matters provide for a minimum of \$370 million in monetary relief for more than 200,000 individual borrowers.

"HUD and DOJ are committed to ensuring that lending institutions do not break the law. This settlement vindicates the rights of disabled homebuyers who were singled out just because they rely on disability payments," said John Trasviña, HUD Assistant Secretary for Fair Housing and Equal Opportunity. "Applicants who are otherwise qualified for a home loan should not have additional requirements placed on them because they have a disability."

"This settlement confirms the resolve of this office to protect the civil rights of citizens in our district from illegal discriminatory practices," said Anne M. Tompkins, U.S. Attorney of the

JUSTICE.GOV en ESPAÑOL



DEPARTMENT of JUSTICE  
ACTION CENTER

- [Report a Crime](#)
- [Get a Job](#)
- [Locate a Prison, Inmate, or Sex Offender](#)
- [Apply for a Grant](#)
- [Submit a Complaint](#)
- [Report Waste, Fraud, Abuse or Misconduct to the Inspector General](#)
- [Find Sales of Seized Property](#)
- [Find Help and Information for Crime Victims](#)
- [Register, Apply for Permits, or Request Records](#)
- [Identify Our Most Wanted Fugitives](#)
- [Find a Form](#)
- [Report and Identify Missing Persons](#)
- [Contact Us](#)

Western District of North Carolina. "Discrimination in lending has profound consequences that will not be tolerated."

Today's announcement is part of efforts underway by President Obama's Financial Fraud Enforcement Task Force (FFETF) which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. The task force has established financial fraud coordinators in every U.S. attorney's office around the country to help make these broad mandates a reality on the ground. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,700 mortgage fraud defendants. For more information on the task force, visit [www.stopfraud.gov](http://www.stopfraud.gov).

**STAY CONNECTED**

 [Sign up for E-Mail Updates](#)

 [Subscribe to News Feeds](#)

---

 [Facebook](#)  [Twitter](#)  [YouTube](#)

A copy of the complaint, as well as additional information about fair lending enforcement by the Justice Department, can be obtained from the Justice Department's website at [www.justice.gov/fairhousing](http://www.justice.gov/fairhousing).

12-1116

Civil Rights Division

**U.S. DEPARTMENT OF JUSTICE** | 950 Pennsylvania Avenue, NW, Washington, DC 20530-0001

**ABOUT**

The Attorney General  
Budget & Performance  
Strategic Plans

**AGENCIES**

**BUSINESS & GRANTS**

Business Opportunities  
Small & Disadvantaged  
Business  
Grants

**RESOURCES**

Forms  
Publications  
Case Highlights  
Legislative Histories

**NEWS**

Justice News  
The Justice Blog  
Videos  
Photo Gallery

**CAREERS**

Legal Careers  
Student Opportunities  
Diversity Policy  
Internships

**CONTACT**

**JUSTICE.GOV**

Site Map  
A to Z Index  
Archive  
Accessibility  
FOIA  
No FEAR Act  
Information Quality  
Privacy Policy  
Legal Policies &  
Disclaimers

For Employees  
Office of the Inspector  
General  
Government  
Resources  
USA.gov