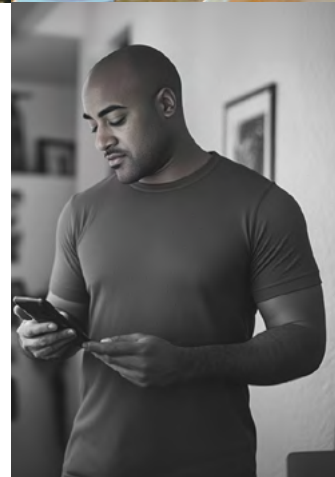




Fair Lending

Building Behaviors

PART 1





Introduction

How to use this document

This reflective PDF workbook is designed to be used after completing Part 1 - Building Behaviors of the digital learning module. It will include reflective questions, short writing tasks, and a self-led research activity. This is a space for you to pause and process the learning. Use it to capture your thoughts, reflect on real-life lending scenarios, and explore solutions that support fair lending practices.





Building your Awareness

Challenge your Assumptions

We all make assumptions sometimes, but even unintentional ones can shape our decisions. How can we make sure those assumptions don't become barriers?

This is a safe space to practice and reflect. Use the space below to think it through.



Scenario 1

A mortgage application from a single mother of three is flagged as “unlikely to proceed” based on the assumption that her childcare costs will be too high, even though she meets the basic criteria and has a stable income.

Ask yourself:

What factors are influencing this decision?

What stereotypes might be showing up?



Scenario 2

A young, single applicant comes in to discuss first-time home ownership. They're casually dressed and mention they're just starting to "look around." The mortgage consultant assumes they're not financially ready and keeps the meeting brief.

Ask yourself:

In what way might they be assuming the client's financial readiness based on age or appearance?

What would a more supportive conversation sound like?

Scenario 3

When reviewing the application, a mortgage consultant notices the applicant's current address is in a low-income neighborhood. The MC assumes the individual won't qualify and gently steers them away from applying.

Ask yourself:

Why might making assumptions about an applicant's financial position, based on their location, be problematic?

How could this limit someone's access to the full range of mortgage products?



The Policies Behind Fair Lending

In the module, we explored four key policies that protect individuals and promote fairness in the lending process.

Here's what we've covered:

- **The Fair Housing Act (FHA):**
Prohibits discrimination based on race, religion, national origin, sex, disability, or family status when buying, renting, or financing a home.
- **The Equal Credit Opportunity Act (ECOA):**
Ensures everyone has an equal chance to access credit, regardless of gender, age, marital status, ethnicity, or income source.
- **The Home Mortgage Disclosure Act (HMDA):**
Requires lenders to collect and report demographic lending data to promote transparency.
- **Unfair, Deceptive, or Abusive Acts and Practices (UDAAP):**
Protects consumers from misleading or exploitative financial practices, like hidden fees, steering, or offering unsuitable products.

But what do they really look like in practice?

For the following scenarios suggest which policy will apply to a real-world situation and reflect on how their experience may be different if these policies weren't in place.





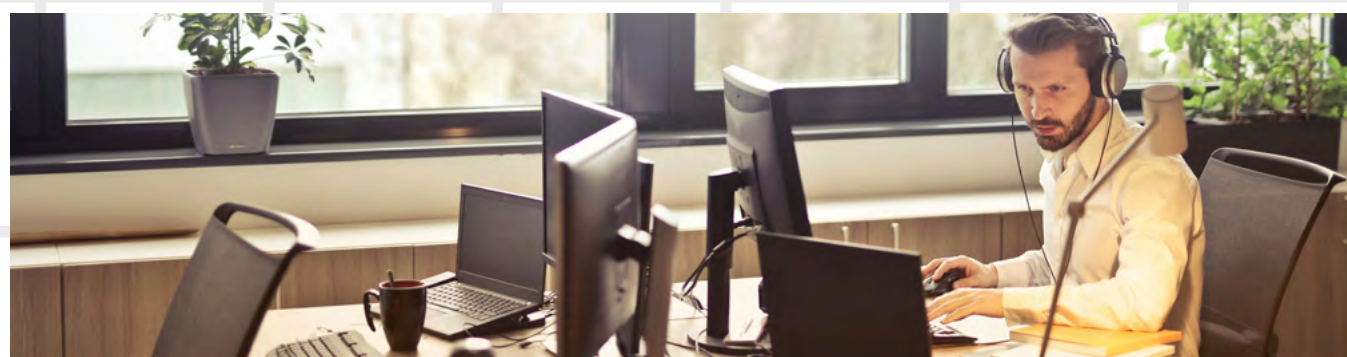
Scenario 1



A mortgage application from a single mother of three is flagged as “unlikely to proceed” based on the assumption that her childcare costs will be too high, even though she meets the basic criteria and has a stable income.

What policy might protect them in this case?

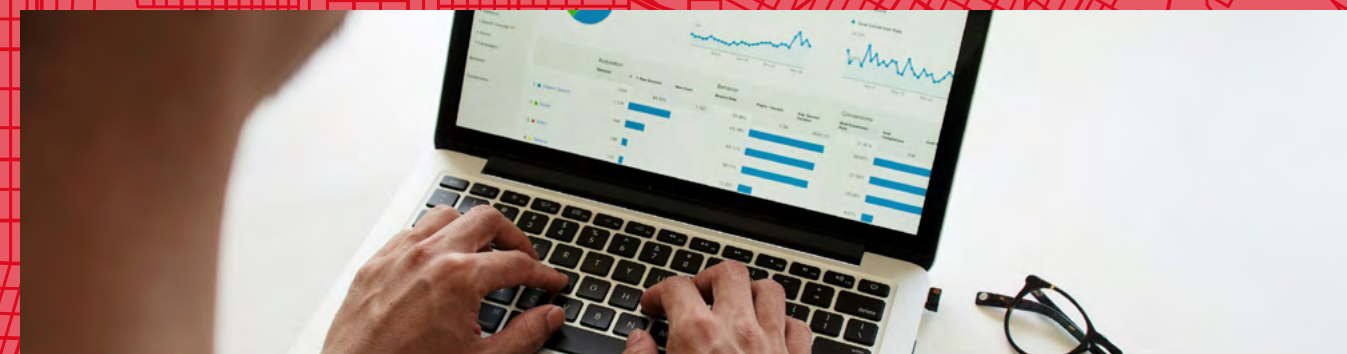
Scenario 2



A lender steers certain clients toward higher-cost loan products without explaining alternatives.

What policy might protect them in this case?

Scenario 3



A data analyst wants to understand trends in mortgage approvals to ensure all applicants are treated fairly across communities.

What policy might enable them to review this data?

Scenario 4



A single mother with a disability is told she can't apply for a mortgage in a particular building.

What policy might protect her in this case?





Take a moment to consider

What would be the impact on the customer if these policies didn't exist?

What will you do differently in your role after learning about these policies?

Think of one action you could take.

