

Carrington Mortgage Services, LLC (CMS) recognizes its responsibility to proactively avoid supporting any type of abusive or predatory lending practice, both in its own originations and in its dealings with any mortgage related professionals. CMS does not engage in abusive lending practices and refuses to do business with those who do.

Fair lending practices are incorporated into several federal and state laws that make it illegal for lenders to discriminate based on race, color, religion, age, sex or national origin. These include the Housing Financial Discrimination Act, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, and the Federal Fair Housing Act. A summary of each is provided below. The summaries are not intended to be relied upon as compliance advice.

#### **The Housing Financial Discrimination Act:**

- Known as the Holden Act, it is intended to prevent discrimination in housing accommodations such as improved or unimproved real estate that is used or intended to be used as a residence, will be occupied by the owners, and is not more than four units.
- A lender is not allowed to discriminate based on race, color, religion, sex, age or national origin regarding the availability of financial assistance for the purpose of improvements, rehabilitation, purchasing, construction, or refinancing.
- Lenders cannot deny loans or adversely vary the terms of loans due to conditions or trends in the neighborhood that are unrelated to the credit history of the applicant.
- A lender cannot utilize inconsistent appraisal practices in determining whether the loan is granted to individuals due to their race, color, religion, sex, age or national origin.

#### **The Equal Credit Opportunity Act:**

- A lender is obligated to notify a borrower of its intentions concerning a loan within a specified period of time, usually thirty days, after a loan application has been received.
- If there are adverse actions from the lender, the borrower is entitled to a written statement as to why the action was taken. An adverse action is in the form of a denial, revocation of credit, a refusal of credit or a change in terms of an existing credit arrangement or other status.
- The lender is subject to punitive damages and actual damages if it fails to comply.

#### **The Home Mortgage Disclosure Act:**

- The Secretary of the Business, Transportation, and Housing Agency investigates and monitors the lending practices and patterns of lenders.
- The Secretary may take actions if it is found that the lender willfully discriminated against any individual based on race, color, sex, religion, age, or national origin.
- If a lender is found to have engaged in such discriminatory practices and patterns that violate the law, the Secretary can recommend that state funds be withheld from the lender.

#### **The Fair Housing Act**

- The Federal Fair Housing Act of 1969 was created to provide fair housing throughout the United States, barring all racial, religious, or sexual discrimination, private or public, in the sale or rental of real property.
- Designed as a rational means of stating effective policy, the fair housing act implements standards to which Congress has given the highest national priority, giving all citizens the same rights to purchase, inherit, sell, lease, and convey title to real estate personal property.
- Incorporated in its purpose are provisions to prohibit and remedy acts of discrimination. It established procedures to provide protection within constitutional limits for fair housing with the intentions of ending unfair and unwanted biases in the housing market.

Together, these separate acts work hand in hand to prohibit discrimination by lenders and those involved in the mortgage industry and to set a standard of fair play for all citizens, regardless of race, color, religion, age, sex, or national origin.



# FAIR LENDING ATTESTATION

By signing below, the Broker agrees and attests to his/her compliance with the Home Mortgage Disclosure Act, the Equal Credit Opportunity Act, the Federal Fair Housing Act, the Housing Financial Discrimination Act and other laws are incorporated requiring fair lending practices.

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Broker of Record Printed Name

\_\_\_\_\_  
Broker of Record Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner/Principal Printed Name

\_\_\_\_\_  
Owner/Principal Signature

\_\_\_\_\_  
Date