

OCTOBER 4, 2001

SCHAKOWSKY, WATERS CALL FOR HEARINGS FOLLOWING REPORT ON INCREASED DISCRIMINATION IN MORTGAGE INDUSTRY

AFRICAN AMERICANS IN CHICAGO AND MILWAUKEE WERE FOUR TIMES MORE LIKELY TO BE REJECTED FOR A CONVENTIONAL LOAN THAN WHITE PERSPECTIVE HOMEBUYERS

WASHINGTON, D.C. - U.S. Representatives Jan Schakowsky (D-IL) and Maxine Waters (D-CA) today called for Congressional hearings following the release of a report which found that African American and Latino borrowers are disproportionately denied mortgage loans. The Association of Community Organizations for Reform Now (ACORN) prepared the study.

Schakowsky and Waters, who are members of the House Financial Services Subcommittee on Housing and Community Opportunity, today requested an immediate hearing in a letter to the Subcommittee Chair Marge Roukema. Below is the letter to the Chairwoman.

October 4, 2001

**The Honorable Marge Roukema
Chairwoman
Financial Services Subcommittee on
Housing and Community Opportunity
2129 Rayburn House Office Building**

Dear Chairwoman Roukema:

We are writing to you today to request a hearing because we are concerned that the racial mortgage gap is widening. According to a study conducted by the Association of Community Organizations for Reform Now (ACORN), African American and Latino borrowers are disproportionately denied access to capital. Among the findings reported:

- African Americans were more than twice as likely to be turned down for a conventional mortgage than white applicants, while Latinos were rejected one and a half more times than whites;**

- African Americans in Chicago and Milwaukee were four times more likely to be rejected for a conventional loan than white perspective homebuyers; and**

- Upper-income African Americans were more often rejected for a loan than white applicants with half the income level.

We disagree with a representative of many top lending institutions that the ACORN report is misleading and that "you can't allege there is discrimination merely because one racial or ethnic group might be denied credit more frequently."

We hope that you share our concern and will consider holding a hearing on this subject as soon as possible. We appreciate your consideration and look forward to your response.

Sincerely,

Jan Schakowsky Maxine Waters
Member of Congress Member of Congress