

SHB 2770 Rulemaking - "Disclosure Summary" Comments

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Comments:

The following comments address proposed rules for SHB 2770:

As the only statewide civil rights enforcement agency, we investigate many cases of alleged housing discrimination on the basis of national origin. The Washington State Human Rights Commission (WSHRC) has jurisdiction of discrimination in the areas of credit and lending, as well as housing and real estate transactions. We recently become aware of DFI's rulemaking efforts with regard to SHB 2770.

As we understand, the intent of the legislation is to make disclosure summaries about mortgage fees and loans easily understandable to the loan applicant. In reviewing the new section under WAC 208-600-200, we became concerned about the ability of Limited English Proficient (LEP) applicants to access this information in an easily understandable format. LEP individuals include those who have a limited ability to read, write, speak, or understand English. The National Fair Housing Alliance, National Council of La Raza, The Center for Responsible Lending, and other advocacy organizations have made statements suggesting that many LEP and immigrant communities have been hard hit by the sub-prime mortgage lending industry, in part because information was not offered in the borrower's primary language. According to the 2000 U.S. Census, over 16% of Washington residents speak a language other than English at home.

Our suggested changes are outlined below:

- Under WAC 208-600-200(3)(a), we recommend that DFI include the following language: "The disclosure must be provided to Limited English Proficient persons in the applicant's primary or home language, with information translated into plain-language terms that are reasonably understandable to the average person.
- DFI may wish to create model forms for use in languages other than English under WAC 208-600-200(5).
- DFI may wish to encourage industry leaders to hire bilingual staff.
- DFI may wish to encourage industry leaders to identify interpreters and have translated materials available prior to the need arising. This is good for business.
- DFI may wish to encourage industry leaders to develop LEP policies that include not allowing family members or minors to act as interpreters. In addition, entities may choose to develop a Language Access Plan (LAP).

The following guidance from the US Treasury Department may also be of use:

http://www.lep.gov/guidance/depttreas_lep_guide_final.htm.

I hope this information is useful. Please let us know if you have questions. We are available to assist DFI in developing best practice models and other resources.