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## NCRC Files Complaints Against Capital One for Problematic Mortgage Servicing

Capital One denied homeowner access to help for unemployed homeowners and HAMP

Washington, DC - The National Community Reinvestment Coalition (NCRC) today announced that is has filed a complaint with the District of Columbia Government Office of Human Rights and the U.S. Department of Housing and Urban Development (HUD), alleging that Capital One has violated local and federal fair housing laws by denying an unemployed homeowner access to a program for unemployed homeowners, as well as a federal mortgage modification program.

"Where there is smoke, there is often fire. Our complaint must be fully investigated to determine if Capital One has routinely denied borrowers the best assistance available to them. Capital One's failure to participate in mortgage modification programs is cause for serious concern. The regulators should not allow Capital One to take over ING Direct's \$41 billion mortgage portfolio without a demonstration that they are in compliance with the law, and will act to ensure customers have access to the best loan modifications," said John Taylor, president & CEO of NCRC.

The case concerns Ms. Cembrye Ross, an attorney in the Washington, DC area, who sought help from Capital One for her mortgage when she became unemployed. Capital One did not offer Ms. Ross a sustainable modification, even though she would have qualified for help under both the DC HomeSaver Program, which helps unemployed homeowners, and the federal Home Affordable Modification Program. Capital One, which was not participating in either program, instead steered Ms. Ross to a proprietary modification that was not affordable to her. Following the filing of the complaint, NCRC was able to stay the foreclosure that Ms. Ross faced.

"In the fifteen years that I have owned my home, I was never late with a mortgage payment," said Ms. Ross. "Then, after I became unemployed, I applied for two government assistance programs for homeowners who were in the midst of hardship: the HAMP Program and the HomeSaver Program. Capital One denied my application for both. From my perspective, it seemed as though the bank would prefer to foreclose on my property rather than allow participation in government programs that I believe that I qualified for. I feel that Capital One kicked me while I was down." Ms. Ross will be testifying at the upcoming Federal Reserve hearing regarding Capital One's proposal to purchase ING Direct.

David Berenbaum, NCRC's Chief Program Officer, said the filing is the "first in a series of fair lending complaints in which the National Community Reinvestment Coalition will be acting as a private attorney general on behalf of homeowners who are at risk of foreclosure and have become of victims of discrimination. We will be challenging overt discrimination in federal and state foreclosure relief programs that servicers such as Capital One are perpetuating. This is an issue regulators need to address."

Ms. Ross sought help from the National Community Reinvestment Coalition's Housing Counseling Network. Because Washington, DC law protects against discrimination by source of income, NCRC alleges that Capital One violated the law when it denied Ms. Ross, who is unemployed, assistance available from the HomeSaver Program. NCRC has also filed with HUD, alleging that Capital One's failure to offer access to such programs constitutes discrimination on the basis of race. NCRC also complained to Freddie Mac, which has directed all servicers it is working with to participate fully in the Hardest Hit Fund, under which DC's HomeSaver Program is funded.

Copies of the complaint are available upon request.

Consumers who believe that they have been victimized by discriminatory lending practices may contact NCRC's civil rights staff by calling 800-475-NCRC.

## **About the National Community Reinvestment Coalition:**

The National Community Reinvestment Coalition is an association of more than 600 community-based organizations that promote access to basic banking services, including credit and savings, to create and sustain affordable housing, job development, and vibrant communities for America's working families. <a href="https://www.ncrc.org">www.ncrc.org</a>

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