

8 Major American Banks That Got Caught Discriminating Against Black People



JPMorgan Chase & Co. has been accused of discriminatory practices by both the city of Miami and the city of Los Angeles after it was revealed that the nation's largest bank pushed Black and Hispanic borrowers toward risky home loan products. These practices eventually resulted in a "foreclosure wave that hammered property values and city coffers," *The Los Angeles Times* reported. The lawsuits also insisted that JPMorgan has a history of discriminatory practices and "has engaged in a continuous pattern and practice of mortgage discrimination" in both of these major cities since 2004. The lawsuit also slammed the bank for refusing to offer mortgage refinance or loan modifications to Black borrowers.

M&T Bank

A lawsuit filed in federal court in Manhattan in February accused one of the nation's largest banks, M&T Bank, of racial discrimination and even had secret tapings to back its claims. The lawsuit was filed by the Fair Housing Justice Center in New York that is funded by the U.S. Department of Housing and Urban Development. From 2012 to 2014, the Fair Housing Justice Center sent actors of different racial backgrounds to the bank to see if they would qualify for a mortgage. Black, Latino and Asian homebuyers were frequently denied for mortgages although they presented better incomes and credit scores than the white actors. Many of the interactions were secretly taped. The lawsuit also claims that the bank was caught encouraging homebuyers to move to certain neighborhoods based on their race and, in many instances, urging Black homebuyers to avoid moving into neighborhoods that were predominantly white

Wells Fargo

Wells Fargo is the nation's largest home mortgage lender, according to *The New York Times*, so it was particularly concerning for some Black homeowners to discover the bank's history of racial bias and discrimination. In a 2012 announcement from the Justice Department, it was revealed that Wells Fargo agreed to pay at least \$175 million to settle accusations that it discriminated against both Black and Hispanic borrowers during the housing boom. The department had launched a civil rights investigation that revealed mortgage brokers working at Wells Fargo were charging Black borrowers and Hispanic borrowers higher fees

and rates than their white counterparts who had similar financial profiles, the *Times* reported. The bank was also accused of steering “more than 4,000 minority borrowers into costlier subprime mortgages when white borrowers with similar credit risk profiles had received regular loans,” the *Times* added.



Bank of America

In a painful twist of irony, the very bank that dons the name of the country that claims to be post-racial and equal for all was caught discriminating against Black homebuyers through its Countrywide subsidiary. The Justice Department announced that the bank “had charged 200,000 minority homeowners higher interest rates and fees than white borrowers who were similarly qualified, with similar credit ratings,” the Economic Policy Institute reported. Bank of America was also accused of failing to offer Black and Hispanic homeowners the same conventional mortgages that white homeowners with similar profiles were offered. As EPI pointed out, these practices “systematically pushed minority borrowers into exploitative subprime mortgages, with higher rates and fees.” Many Black homeowners were also pushed into foreclosure due to the bank’s discriminatory practices. The bank was eventually fined more than \$2 million.

Citigroup

Much like Wells Fargo and Bank of America, Citigroup Inc. faced serious lawsuits after it was revealed that it gave Black homeowners loans with higher rates and fees that eventually forced them into foreclosure and resulted in massive defaults, *Reuters* reported in 2014. Miami, one of the cities that filed a lawsuit against the bank, made it clear that the discriminatory practices are still plaguing the area’s housing market and local economy today, even years after the bank gave out the loans. Citigroup, like Wells Fargo, petitioned to have the case against the bank thrown out but was quickly shot down by the court.



National City Bank/PNC Bank

Back in 2013, the Consumer Financial Protection Bureau and the Department of Justice filed a joint complaint against National City Bank for charging Black and Hispanic homebuyers higher prices on mortgage loans from 2002 to 2008. National City Bank's successor PNC Bank was asked to pay at least \$35 million in restitution to the borrowers who were impacted by six years of discriminatory practices. The CFPB director, Richard Cordray, issued a statement at the time promising to hold the bank accountable. "Borrowers should never have to pay more for a mortgage loan because of their race or national origin," Cordray said in a public statement. "Today's enforcement action puts money back in the pockets of harmed consumers and makes clear that we will hold lenders accountable for the effects of their discriminatory practices."

Evans Bank may not be as large as the other banks on the list, but it still has something in common with the nation's largest financial institutions — it has been slammed with accusations of racial discrimination. The New York attorney general announced in November 2014 that the bank would be sued for discriminatory practices. The bank quickly "denied dozens of claims" that it "used discriminatory practices against African-Americans living on Buffalo's East Side going back at least five years," New York's WGRZ reported. The lawsuit claimed that the bank even had an "explicit policy saying that the bank's practice is to limit loans to those communities."

U.S. Bank

In November 2014, the National Fair Housing Alliance teamed up with the Denver Metro Fair Housing Center to expose racially biased practices by U.S. Bank. In a public statement, the National Fair Housing Alliance stated, "U.S. Bank fails to perform basic maintenance and marketing tasks for its bank-owned foreclosures in African American and Latino neighborhoods to the same standard as in White neighborhoods, a practice that violates the federal Fair Housing Act." Several news stations, including Fox 32 Denver, visited some of the U.S. Bank foreclosed homes in predominantly Black neighborhoods and discovered that the abandoned homes had not been cared for nor were there any homes being advertised for sale.