

HUD to Investigate Discrimination Reports

The Department of Housing and Urban Development has said it will follow up on a report in the media that mortgage lenders are denying credit to borrowers because of pregnancy or maternity leave.

The widely reported story said that some lenders won't count disability payments received during leaves as income.

"Lenders have every right to ascertain the incomes of families to determine whether they are eligible for a mortgage loan, but they have no right to use a pregnancy or a short-term disability as a cause to deny that family a mortgage they would otherwise qualify for," HUD Secretary Shaun Donovan said in a statement.

The Fair Housing Act prohibits discrimination in lending based on race, sex, disability, and familial status including pregnancy or children in the family.

Source: Inman News (07/27/2010)