



December 1, 2020

Comment Intake
Bureau of Consumer Financial Protection
1700 G Street NW
Washington, DC 20552

RE: Docket No. CFPB-2020-0026, Equal Credit Opportunity Act and Regulation B

To Whom It May Concern,

The Ohio Credit Union League (OCUL) represents the collective interests of Ohio's 251 credit unions and their more than three million members. Of those 251 credit unions, 138 are federally-chartered; 67 state-chartered, federally insured; and 46 state chartered, privately-insured.

OCUL appreciates the opportunity to respond to the Consumer Financial Protection Bureau's (CFPB) request for comment regarding the Equal Credit Opportunity Act (ECOA) and Regulation B. OCUL supports every effort to provide equal access to credit for all people, regardless of race, gender, sexual orientation, ability, religion or socioeconomic status. Regulation B is essential to those efforts as the enforcement mechanism in place for holding financial institutions accountable for discriminatory behavior.

An important aspect of Regulation B is that it prohibits "discriminatory treatment" between similarly situated persons, even if a financial institution does not intentionally discriminate. This means that financial institutions must be vigilant about the discriminatory effects of their policies even if they appear to be benign at face value. One example of possible discriminatory treatment is the fact that very few black-owned small businesses were able to benefit from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) when compared to their white-owned counterparts (e.g. an estimated 41% of black-owned businesses became inactive due to lack of funds).¹ Although there were many factors involved in processing PPP loan applications early in the pandemic, the fact that many black-owned businesses did not have a previous relationship with financial institutions offering such loans presented a real obstacle for equal access to the program, as many financial institutions restricted loan offerings to their current accountholders.

Further, large financial institutions with more sophisticated loan processing capabilities and wealthier accountholders (e.g. JPMorgan Chase and Bank of America) were responsible for 47% of the PPP loans made.² This reality effectively closed the door to small black-owned businesses because they did not have a previous relationship with a financial institution offering PPP loans, and large financial institutions were also likely to process loans for their accountholders earlier and faster than that of smaller institutions, like credit unions or community banks, which have historically been more accessible to minority-owned businesses.³

In order to prevent an outcome like this in the future and give full effect to the intent of the ECOA, the CFPB

¹ See Claire Kramer Mills, Ph.D & Jessica Battisto, [DOUBLE JEOPARDY: COVID-19'S CONCENTRATED HEALTH AND WEALTH EFFECTS IN BLACK COMMUNITIES](#), Federal Reserve Bank of New York (August 2020); see also Li Zhou, [The Paycheck Protection Program Failed Many Black-owned Businesses](#), Vox (Oct. 5 2020).

² See Zhou, Li, *id.*

³ A recent example of credit unions helping minority-owned businesses comes by way of Faith Community United Credit Union, a small credit union in Cleveland, OH. Faith Community has \$14 million in assets and primarily serves low-income, African American membership and a "redeveloping" business community. Faith Community met a great market demand processing PPP loans because many small business owners were unable to get through the SBA's application portal at other larger institutions. This credit union stepped up to help and was successful in receiving approval for 50 loans, saving 402 jobs at minority-owned local businesses.; see also Jim DuPlessis, [Diversity Counts for Credit Unions](#), Credit Union Times (September 13, 2019).



should work with other agencies like the SBA to guarantee that any economic relief programs developed as a result of COVID-19 or otherwise, that involve the help of financial institutions, are designed to prevent future disparate treatment as evident in the PPP program. Further, we offer the following suggestions regarding your specific requests for feedback:

- OCUL supports additional regulatory clarity when it comes to complex issues such as the disparate treatment analysis, Special Purpose Credit Programs and Public Assistance Income considerations.
- OCUL supports the CFPB further encouraging creditors to provide assistance, products, and services in languages other than English to consumers with limited English proficiency.
- OCUL supports efforts that advertise financial services to disadvantaged communities, so long as such advertisements are not predatory and are coupled with efforts to improve financial literacy. The CFPB should provide clearer guidance on what is and is not permissible for such advertisements.

Thank you again for the opportunity to comment on the CFPB's implementation of ECOA and Regulation B. OCUL supports every effort to provide equal access to credit for all people and applauds the agency's willingness to support marginalized communities with common sense regulations during this trying time. If you have further questions or would like to discuss OCUL's comments in more detail, please feel free to contact us at (800) 486-2917.

Respectfully,

A handwritten signature in black ink, appearing to read "Paul L. Mercer".

Paul L. Mercer
President

A handwritten signature in black ink, appearing to read "Chris Noble".

Chris Noble, Esq.
Regulatory Counsel