

October 30, 2023

Via [regulations.gov](https://www.regulations.gov)

The Honorable Rohit Chopra, Director  
Consumer Financial Protection Bureau

*Submitted electronically*

**Re: NCLC Petition for RESPA Rulemaking, Docket Number CFPB-2023-0045-0001**

Dear Director Chopra,

On behalf of UnidosUS, we write in support of the National Consumer Law Center’s petition for rulemaking under the Real Estate Settlement Procedures Act (“RESPA”) that would require servicers provide borrowers in default with translated foreclosure notices.

UnidosUS is a nonprofit, nonpartisan organization that serves as the nation’s largest Hispanic\* civil rights and advocacy organization. Since 1968, we have challenged the social, economic, and political barriers that affect Latinos through our unique combination of expert research, advocacy, programs, and an Affiliate network of nearly 300 community-based organizations across the United States and Puerto Rico.

UnidosUS has extensive housing experience through its Wealth and Housing Alliance (UWHA) (formerly the National Homeownership Network, or NHN) which is the nation’s largest network of community-based organizations working to empower Latino wealth-building through homeownership. The UWHA network is a HUD-approved housing counseling intermediary and trains hundreds of housing counselors to emphasize culturally competent counseling. Established in 1997, it includes 50 independent community-based organizations that support more than 60,000 families a year. This network of community-based financial and housing counseling agencies provides a deep understanding of Latinos’ homeownership challenges and opportunities.

We strongly support mandating expanded language access provisions in the RESPA servicing regulations. Otherwise, many Latinos will remain at a disadvantage as they navigate critical steps in the homeownership process like loan origination and servicing, exploring loss mitigation options, and avoiding foreclosure.

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\* The terms “Hispanic” and “Latino” are used interchangeably by the U.S. Census Bureau and throughout our materials to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race. Our materials may also refer to this population as “Latinx” to represent the diversity of gender identities and expressions that are present in the community.

Language barriers limit the ability of approximately 26 million consumers with limited-English proficiency (LEP) to obtain responsible financial products and their ability to understand the terms of contracts they enter into.\* And over 60% of LEP consumers report primarily speaking Spanish.† Neighborhoods with a high concentration of LEP residents show lower homeownership rates than neighborhoods with lower numbers of LEP residents, even after controlling for relevant factors that could influence homeownership like income, age, and race.‡

Limited English proficiency makes it undeniably harder for borrowers to enter the homeownership process on equal terms as their English-proficient counterparts. Language barriers impede many Latino consumers from understanding complex mortgage documents, negotiating loan terms, and communicating with their mortgage servicer if they face foreclosure.

In recent years, Latinos have seen dramatic gains in homeownership.§ To maintain these gains and ensure that Latinos with LEP are not left behind, expanded language access provisions are necessary to increase and strengthen homeownership prospects for all Latinos. Steps to improve language access in the homeownership journey can:

- **Standardize industry practices and strengthen Latino homeownership.** The availability of language access services can vary significantly depending on the lender, with inconsistent practices even within the same institution.\*\* Some institutions may offer language access through bilingual staff, while others may use third-party translators; Some institutions may offer in-language servicing for specific product lines, while others have reservations in offering expanded services in the consumer’s preferred language. The lack of a national standard can be devastating for homeowners with LEP. Consider that unprotected homeowners who are delinquent in their loans and are unable to access forbearance can experience lower credit scores by almost 200 points than borrowers who are either in forbearance or up to date in their mortgage payments.††

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\* Consumer Financial Protection Bureau, Spotlight on Serving Limited English Proficient Consumers: Language Access in the Consumer Financial Marketplace (Washington, DC: Consumer Financial Protection Bureau, 2017), [https://files.consumerfinance.gov/f/documents/cfpb\\_spotlight-serving-lep-consumers\\_112017.pdf](https://files.consumerfinance.gov/f/documents/cfpb_spotlight-serving-lep-consumers_112017.pdf).

† Ibid.

‡ Goodman, Laurie, Edward Golding, and Sarah Stochak, “New Evidence Shows Limited English Proficiency Is a Barrier to Homeownership,” Urban Wire (blog), Urban Institute, March 26, 2018, <https://www.urban.org/urban-wire/new-evidence-shows-limited-english-proficiency-barrier-homeownership>.

§ Murguia, Janet and Sarah Rosen Wartell, “For the US Housing Market, Boosting Latino Homeownership Is Key,” Bloomberg, October 23, 2023, <https://www.bloomberg.com/news/articles/2023-10-23/for-the-us-housing-market-boosting-latino-homeownership-is-key>.

\*\* Consumer Financial Protection Bureau, Spotlight on Serving Limited English Proficient Consumers: Language Access in the Consumer Financial Marketplace (Washington, DC: Consumer Financial Protection Bureau, 2017), [https://files.consumerfinance.gov/f/documents/cfpb\\_spotlight-serving-lep-consumers\\_112017.pdf](https://files.consumerfinance.gov/f/documents/cfpb_spotlight-serving-lep-consumers_112017.pdf).

†† Neal, Michael and Caitlin Young, “Delinquent Homeowners in Neighborhoods of Color Are Less Likely to Be Protected by Forbearance.” Urban Wire (blog), Urban Institute, December 2, 2020. <https://www.urban.org/urban-wire/delinquent-homeowners-neighborhoods-color-are-less-likely-be-protected-forbearance>.

- **Protect Latinos from predatory scams targeted towards Spanish-speakers.** Desperate Spanish-speaking homeowners close to being foreclosed on and unable to navigate the complex mortgage system in English may be vulnerable to predatory scams offering a lifeline. In 2018, a local Los Angeles loan modification scam targeted Spanish-speaking homeowners facing foreclosure and swindled four families out of \$60,000 promising to help them keep them out of foreclosure.\* A lack of access to in-language resources can create a void for predatory schemes targeting Spanish speakers to thrive.
- **Create accountability within the industry.** The lax language access standards set for the industry leave stakeholders with little information on how homeowners with LEP are faring. In fact, the data on forbearance rates for LEP and homeowners of color are extremely limited.† The CFPB is unable to track the success or difficulties of borrowers with LEP in accessing forbearance.‡ Improving language access across the board, including in loss mitigation options and foreclosure proceedings, is a step towards creating accountability within the industry.

Inadequate language assistance for homeowners with LEP effectively blocks many Latinos from accessing adequate loss mitigation resources. Without in-language paperwork and notices, Latino homeowners lack the most basic information needed to pursue foreclosure alternatives. This time-sensitive process should be accessible to *all* Latino homeowners. Many Latinos only receive information about avoiding foreclosure in English and thus cannot fully participate or engage in the loss mitigation process.

Although we applaud the Bureau for its affirmative steps to encourage the industry to provide language assistance, such as providing translated model documents and issuing guidance, we find that the industry remains resistant to these efforts and has done little to provide meaningful changes.

We urge you to use Regulation X rulemaking to set a minimum standard for language accessibility in mortgage servicing, beginning with setting out standards for a clearly delineated set of documents that must be provided to borrowers in-language as part of the loss mitigation process.

Given the urgent need to avoid unnecessary foreclosures, this letter focuses on improving the loss mitigation processes for homeowners with limited English proficiency. However, actions to implement comprehensive language services across the homeownership journey are

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\* Hayes, Rob, "Group Warns About Scam Targeting Spanish-Speaking Homeowners," ABC7 Los Angeles, December 10, 2018. <https://abc7.com/spanish-speakers-scam-spanish-speaking-homeowners-los-angeles-homeowner/4875060/>.

† Urban Institute, "Black and Hispanic Mortgage Borrowers Are More Likely to Be in Forbearance but Represent a Small Share of Borrowers," Housing Finance Policy Center, Urban Institute, October 2020. [https://www.urban.org/sites/default/files/2020/10/26/1023\\_webinar\\_102021.pdf](https://www.urban.org/sites/default/files/2020/10/26/1023_webinar_102021.pdf).

‡ Barragan, Susana, "The CFPB's New Data on Mortgage Servicing During the Pandemic Shows the Perils of Ignoring the Most Vulnerable Homeowners," UnidosUS (blog), August 23, 2022. <https://unidosus.org/blog/2022/08/23/the-cfpbs-new-data-on-mortgage-servicing-during-the-pandemic-shows-the-perils-of-ignoring-the-most-vulnerable-homeowners/>.

indispensable for sustained gains in Hispanic participation in the housing market. As the Bureau charts the path forward, we call for a broader response and look forward to collaborating with stakeholders to advance language access and ensure full inclusion for limited-English proficient borrowers across all phases of homeownership.

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