

**SUPPORT [S.J.Res. 154](#) to Preserve Anti-Discrimination Protections for Borrowers**

In 2022, the Consumer Financial Protection Bureau (CFPB) cracked down on discriminatory lending practices and issued guidance that lenders must follow the Equal Credit Opportunity Act (ECOA), which prohibits discrimination in lending, for both credit applicants and existing borrowers. But in a rule submitted to Congress, the Trump CFPB rescinded that guidance, increasing the risk of borrowers facing discrimination after the initial credit application period ends.

Senator Booker's joint resolution of disapproval would undo the Trump CFPB decision and restore the earlier rule: "Equal Credit Opportunity (Regulation B); Revocations or Unfavorable Changes to the Terms of Existing Credit Arrangements."

Endorsers: National Consumer Law Center (on behalf of its low-income clients), Consumer Federation of America, Center for Responsible Lending, Protect Borrowers, Americans for Financial Reform, National Community Reinvestment Coalition

Key Points

- **Discriminatory lending continues to widen the wealth gap and create barriers to economic advancement and financial inclusion.** This shameful practice has perpetuated the historical legacy of discrimination. For example, recent [research has shown](#) that, when applying for a car loan, better qualified people of color were offered more expensive financing than less qualified white borrowers. [Research](#) has also indicated that lenders are more likely to deny lower-income people of color with the same level of access to prime mortgage loans and instead steer them to high-cost, risky loans.
- **The Equal Credit Opportunity Act (ECOA) prohibits discrimination in lending.** The ECOA protects people from discrimination in obtaining and using credit—a “virtual necessity of life” for most people. It was enacted to reverse the historical exclusion and mistreatment of many people and communities in the consumer credit marketplace.
- **The Biden CFPB issued guidance to crack down on discriminatory lending.** In 2022, the CFPB issued an [advisory opinion](#) clarifying that the ECOA protects borrowers from discrimination even after credit is granted, meaning that lenders must ensure fair treatment for borrowers throughout the lifecycle of their credit agreement. Existing borrowers are therefore also protected by anti-discrimination laws and are entitled to notice if the lender makes unfavorable changes to their existing terms.
- **The Trump Administration withdrew this commonsense guidance, and this JRD seeks to restore it.** Although underlying statutes like the ECOA continue to bar discrimination in lending, including for existing borrowers, the Trump Administration's rescission of guidance meant to clarify specific obligations that persist after credit is initially granted signals to bad actors that they may have additional leeway to engage in anti-discriminatory lending practices without fear of facing any real consequences from the current CFPB. It is therefore critical for Congress to restore the earlier guidance.