

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA**

KRISTOFFER HICKS and MASHEEHA  
HOPPER on behalf of themselves and all  
others similarly situated,

Plaintiff,

v.

NAVY FEDERAL CREDIT UNION and DOES  
1-20,

Defendants.

Case No: 1:23-cv-1798

**CLASS ACTION COMPLAINT**

**JURY TRIAL DEMANDED**

**I. INTRODUCTION**

1. Navy Federal Credit Union (“Navy Federal”) systematically discriminates against African Americans, Latinos, Native Americans and other racial minorities by denying mortgage applications that would have been approved for similarly situated white Americans.

2. As Navy Federal’s *own data* shows, in 2022, it denied African American home loan applications at a rate of 52%, while it only denied 23% of white applicants.

3. Navy Federal denied Latino home loan applications at a rate of 44%, while it only denied 23% of white applicants.

4. Navy Federal denied Native American home loan applications at a rate of 36%, while it only denied 23% of white applicants.

5. In fact, a December 2023 thirty-party analysis of Navy Federal’s data found that:

Navy Federal had statistically significant racial disparities in its mortgage approval rates while holding constant more than a dozen different variables including the applicant’s income and debt-to-income ratio, the loan amount, the property value, and the neighborhood’s socioeconomic makeup.

Even among applicants who were identical among all those variables, the analysis found, Black applicants were more than twice

as likely to be denied as White applicants, and Latino applicants were roughly 85% more likely to be denied than White applicants.<sup>1</sup>

6. Said differently, Navy Federal's own data reflects one clear and unmistakable conclusion: Navy Federal—the nation's largest credit union, with over \$165 billion in assets and 13 million members—systemically and intentionally discriminates against minority borrowers across the United States.

7. With home ownership serving as the traditional foundation of a stable, middle-class life, Navy Federal's practices deny minority borrowers access to the American dream.

8. Compounding these problems, Navy Federal's customer base primarily consists of active-duty military, military families, and veterans, meaning that when Navy Federal discriminates, it's the current and former members of the armed forces—and their families—who are harmed.

9. Plaintiff Kristoffer Hicks's experience with Navy Federal is instructive. Mr. Hicks, who is African American, is active-duty military in the United States Army, and a father of five.

10. He has an annual income of approximately \$90,000, has minimal debt, and a credit score that qualifies him for a VA Loan.

11. Despite this, when Plaintiff Hicks applied for a VA Loan through Navy Federal to purchase a home for himself and his family, his application was denied, when the loan would have been approved by Navy Federal for a similarly situated white applicant.

12. The experience of Masheeha Hopper and members of the putative Class are substantially similar: Navy Federal denied them home loans that they were qualified for because of their race.

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<sup>1</sup> <https://www.cnn.com/2023/12/14/business/navy-federal-credit-union-black-applicants-invs/index.html>, attached hereto as **Exhibit A**.

13. What Navy Federal has done is not just wrong. It is illegal.

14. As further set forth below, Plaintiffs Hicks and Hopper bring this putative class action against Navy Federal to hold it accountable for its unlawful discrimination, to stop the practices, and to ensure that the injured class members receive the actual, punitive, exemplary and statutory damages that they are entitled to under state and federal law, among other remedies.

## **II. JURISDICTION**

15. This Court has federal question jurisdiction over this matter pursuant to 28 U.S.C. § 1331 and § 1343(a)(4) because Plaintiffs assert federal civil rights causes of action.

16. This Court also has diversity jurisdiction over this matter pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d), because there exists minimal diversity between class members and Defendants and because the amount in controversy exceeds \$5,000,000, exclusive of interest and costs.

## **III. VENUE**

17. This Court is the proper venue for this matter pursuant to 28 U.S.C. § 1391(b) and (c) because a substantial part of the events or omissions giving rise to the claims occurred in this District, and Navy Federal has substantial and systematic contacts in the District as alleged within this Complaint, including because its principal place of business and headquarters are located within the District.

18. The case has been properly assigned to the Alexandria Division of this District under Local Rule 3(B)(1) because a substantial part of the events or omissions that gave rise to Plaintiffs' claims occurred in Fairfax County, as alleged within this Complaint, including because Navy Federal's principal place of business and headquarters are located within the Division.

#### **IV. PARTIES**

##### **A. Plaintiffs.**

###### **1. Kristoffer Hicks.**

19. Plaintiff Kristoffer Hicks, who is African American, is a natural person and a citizen of the State of South Carolina and resides in Elgin, South Carolina.

20. Plaintiff Hicks is a victim of Navy Federal's discriminatory lending practices, as further detailed in Paragraphs 58 to 71, below.

###### **2. Masheeha Hopper.**

21. Plaintiff Masheeha Hopper, who is African American, is a natural person and a citizen of the State of Arizona and resides in Buckeye, Arizona.

22. Plaintiff Hopper is a victim of Navy Federal's discriminatory lending practices, as further detailed in Paragraphs 72 to 89, below.

##### **B. Defendants.**

23. Defendant Navy Federal Credit Union is a credit union headquartered in Vienna, Virginia, chartered and regulated under the authority of the National Credit Union Administration. It is the largest credit union in the country, with over \$165 billion in assets, over 13 million members, and over 14,000 employees.

24. Navy Federal primarily serves members of the military, military families, and veterans. According to Navy Federal's website, "[t]o become a member, you or one of your family or household members must have ties to the armed forces, DoD or National Guard."<sup>2</sup>

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<sup>2</sup> <https://www.navyfederal.org/membership/become-a-member.html>

25. Navy Federal provides banking services for its members throughout the United States, including first and second lien residential mortgages, residential mortgage refinancings, and home equity lines of credit.<sup>3</sup>

26. In 2022, Navy Federal issued approximately 50,000 mortgage loans for a total of about \$16.5 billion, and ended 2022 with a mortgage lending portfolio of over \$84 billion.<sup>4</sup>

27. On information and belief, Does 1-20 are individuals and/or entities who engage in the unlawful conduct detailed in this complaint with Navy Federal. The identities of Does 1-20, however, are not presently known to Plaintiffs. Plaintiffs expressly reserve their right to amend this Complaint to name the Doe defendants, once their identities are known.

## **V. FACTUAL BACKGROUND**

### **A. Home Ownership Is the Foundation of the American Dream.**

28. The benefits of homeownership have long been the cornerstone of the American Dream and one of the surest paths to financial security and a middle-class life.

29. As a report from Habitat for Humanity recently explained:

Homeownership promotes wealth building by acting as a forced savings mechanism and through home value appreciation.

Homeowners make monthly payments that increase their equity in their homes by paying down the principal balance of their mortgage. Home value appreciation also helps homeowners build wealth by enabling them to realize greater proceeds if they sell the home or borrow against the additional equity.

In addition, owning a home promotes intergenerational homeownership and wealth building. Children of homeowners transition to homeownership earlier — lengthening the period over

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<sup>3</sup> <https://www.navyfederal.org/loans-cards/mortgage.html>, <https://www.navyfederal.org/loans-cards/equity.html>

<sup>4</sup> <https://www.navyfederal.org/content/dam/nfcu/libs/pdfs/membership/2022-annual-report.pdf>

which they can accumulate wealth — and have homeownership rates 25 percentage points higher than the rate of children of renters.<sup>5</sup>

30. Consistent with these important benefits, the United State government has consistently promoted and subsidized access to home ownership.

31. For example, in the 1800s and 1900s, the Homestead Act (and other similar acts designed to promote the United States’ westward expansion) provided an opportunity for families to acquire between 160 and 640 acres of land for free, provided the family lived on and developed the land.

32. In the 1930s, with the country suffering from the Great Depression, the Federal Housing Administration was created to subsidize and promote the development of additional housing across the nation.

33. After World War II, the Servicemen’s Readjustment Act of 1944—commonly called the G.I.-Bill—provided millions of returning veterans access to cheap, subsidized mortgages to purchase homes.

**B. While White America Benefited from These Policies, Racial Minorities Had the Door to the American Dream Slammed Shut.**

34. These housing policies led to the creation of the modern American middle class. But critically, those benefits left many behind: African Americans, Latinos, Native Americans and other racial minorities were generally excluded from these programs.

35. For example, the Homestead Act (and other similar acts designed to promote the United States’ westward expansion) was only available to free men, generally involved the “settling” of Native American land, and in practice, even after slavery ended, only a small portion of all homesteads were issued to racial minorities.

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<sup>5</sup> [https://www.habitat.org/sites/default/files/Evidence-Brief\\_Wealth-building-for-homeowners.pdf](https://www.habitat.org/sites/default/files/Evidence-Brief_Wealth-building-for-homeowners.pdf)

36. While the Federal Housing Administration was subsidizing the development of new neighborhoods in the 1930s, 40s, and 50s, it did so with the express requirement that “none of the homes be sold to African-Americans.”<sup>6</sup> Further, “the Federal Housing Administration refus[ed] to insure mortgages in and near African-American neighborhoods — a policy known as ‘redlining.’”<sup>7</sup>

37. Similarly, after the end of World War II, while white veterans benefited greatly from the G.I. Bill, “the U.S. was still segregated when the GI Bill became law [and] that meant many Black veterans were left behind.”<sup>8</sup>

38. The passage of the Fair Housing Act of 1968 marked a shift in policy away from this legally sanctioned discrimination, by making it “unlawful for any person or other entity . . . engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such a transaction, because of race, color, religion, sex, handicap, familial status, or national origin.” 42 U.S.C. § 3605(a).

39. But despite the passage of these critical civil rights laws, millions of Americans continue to face discrimination in mortgage lending to this day.

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<sup>6</sup> <https://www.npr.org/2017/05/03/526655831/a-forgotten-history-of-how-the-u-s-government-segregated-america>

<sup>7</sup> *Id.*

<sup>8</sup> <https://www.npr.org/2022/10/18/1129735948/black-vets-were-excluded-from-gi-bill-benefits-a-bill-in-congress-aims-to-fix-th#:~:text=Music%20Of%202023-Black%20vets%20were%20excluded%20from%20GI%20bill%20benefits%20%E2%80%94%20a%20bill,and%20came%20home%20to%20segregation.>

**C. Modern Problems Require Modern Solutions: Using Big Data to Identify Mortgage Lending Discrimination in the 21<sup>st</sup> Century.**

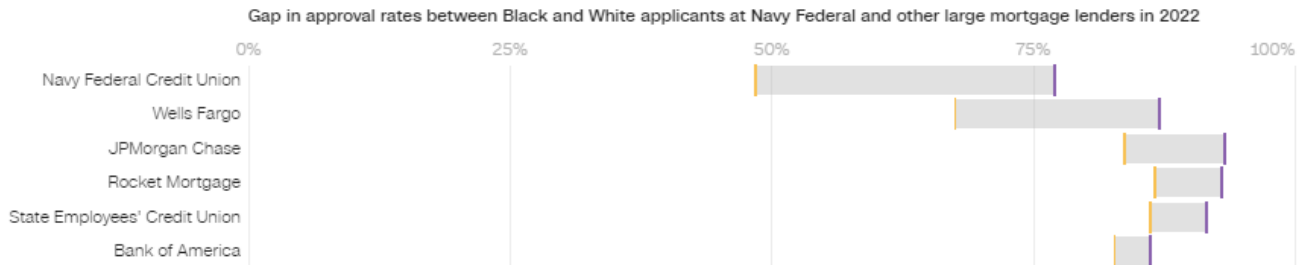
40. In an effort to further combat those discriminatory practices, the Home Mortgage Disclosure Act, as amended by the 2010 Dodd–Frank Wall Street Reform and Consumer Protection Act, requires lenders to provide certain data to the Consumer Financial Protection Bureau (“CFPB”). This data is frequently called “HMDA Data.”

41. Certain fields in the HMDA Data are made publicly available through the CFPB’s website: <https://www.consumerfinance.gov/data-research/hmda/>

42. Navy Federal is one of the thousands of financial institutions that is required to submit its mortgage lending data to the CFPB. Consistent with this requirement, Navy Federal submitted its 2022 data, which was in turn published online by the CFPB.

43. A third-party analysis of HMDA Data reflects that many major lenders are engaged in discriminatory lending practices, but Navy Federal’s practices stand out as by far the worst. *See* Ex. A.

44. For example, here is a chart reflecting the racial gap between African American and white applicants at several major lenders, including Navy Federal:



45. As the data makes clear, Navy Federal’s discriminatory practices put them in a league of their own.



**D. Navy Federal’s Own Data Shows that It Systemically Discriminates Against Racial Minorities in Mortgage Lending.**

46. The HMDA Data clearly and unequivocally shows that Navy Federal rejects a disproportionate number of non-white applicants. Ex. A.

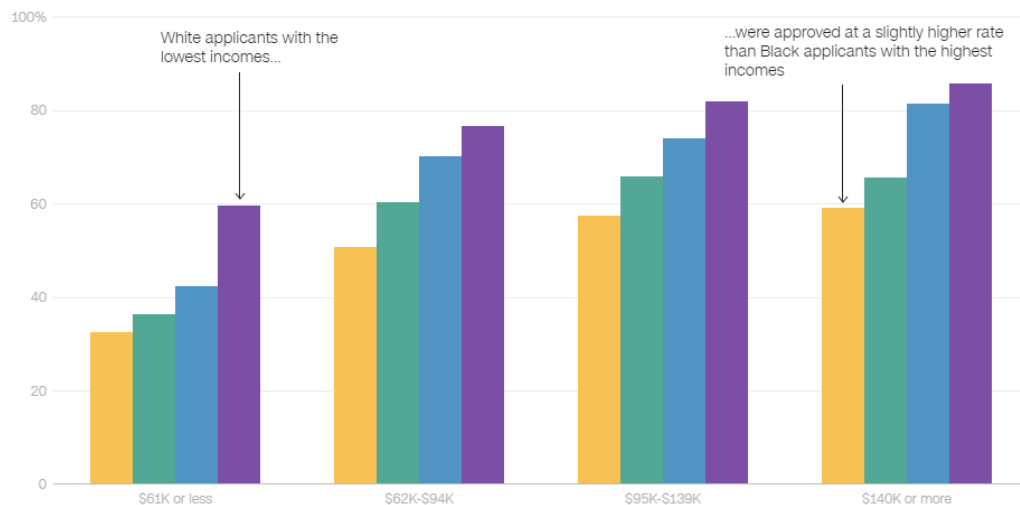
47. According to Navy Federal’s own 2022 data:

- a. Navy Federal denied African American home loan applications at a rate of 52%, while it only denied 23% of white applicants. *Id.*
- b. Navy Federal denied Latino home loan applications at a rate of 44%, while it only denied 23% of white applicants. *Id.*
- c. Navy Federal denied Native American home loan applications at a rate of 36%, while it only denied 23% of white applicants. *Id.*

48. In fact, an African American earning \$140,000 or more per year had approximately the same odds of being approved for a home loan by Navy Federal as a white applicant who only earned \$61,000 or less, according to the 2022 data:

**Black applicants had lower approval rates than those of other racial groups, at every income level**

Navy Federal Credit Union’s loan approval rates for **Black**, **Latino**, **Asian** and **White** applicants by income in 2022



49. A December 2023 thirty-party analysis of Navy Federal’s data found that:

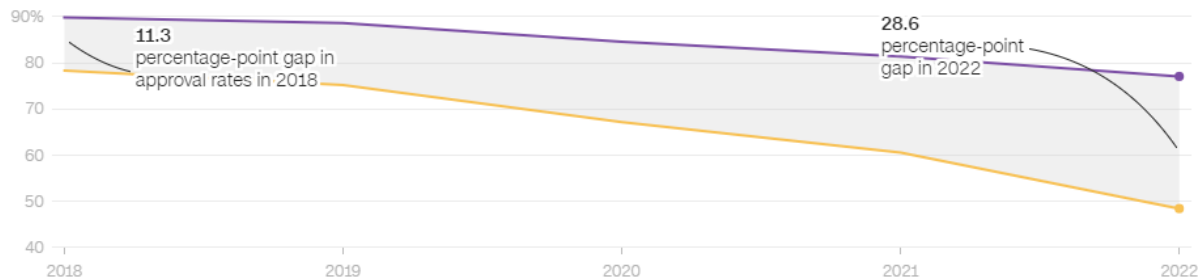
Navy Federal had statistically significant racial disparities in its mortgage approval rates while holding constant more than a dozen different variables<sup>[9]</sup> including the applicant’s income and debt-to-income ratio, the loan amount, the property value, and the neighborhood’s socioeconomic makeup.

Even among applicants who were identical among all those variables, the analysis found, Black applicants were more than twice as likely to be denied as White applicants, and Latino applicants were roughly 85% more likely to be denied than White applicants.<sup>10</sup>

50. And the gap in approval rates has nearly tripled over the past five years:

#### The gap between Black and White mortgage applicants has widened

Navy Federal Credit Union’s loan approval rates for **White** and **Black** applicants from 2018 to 2022



51. Said differently, Navy Federal’s own data reflects one clear and unmistakable conclusion: Navy Federal—the nation’s largest credit union, with over \$165 billion in assets and

<sup>9</sup> These variables included: “the applicant’s income, the applicant’s debt-to-income ratio, the loan amount, the loan term, the loan-to-value ratio, the property value, the presence of a co-applicant, the applicant and co-applicant’s sex, the credit scoring model used to generate the applicant’s credit score, the primary applicant’s age, the minority population percentage of the property’s census tract, the median age of housing units in the property’s census tract, and the difference between the median income of the metro area and the median income of the property’s census tract.” **Ex. A.**

<sup>10</sup> **Ex. A.**

13 million members—systemically and intentionally discriminates against minority borrowers across the United States.<sup>11</sup>

52. Navy Federal is no doubt well aware that properly functioning banks, including some of its competitors, correct for biases within underwriting processes by employing trained underwriters and fair lending teams to prevent systematic discrimination.

53. But as Navy Federal’s own data confirms—Navy Federal failed to take appropriate steps to ensure a fair and unbiased application, review and approval process.

**E. Navy Federal’s Discrimination Harmed Applicants.**

54. Navy Federal’s practices directly harmed non-white applicants by preventing them from obtaining favorable loan terms in order to buy or refinance a home at prevailing market rates, causing them to either accept higher rates throughout their mortgage and/or causing them to fail to obtain a mortgage altogether.

55. These practices were particularly impactful for applicants in the past several years.

56. Before the Federal Reserve’s recent series of interest rate increases beginning in 2022, mortgage interest rates were historically low in the United States. Purchasing (or refinancing) a home during this time period allowed homeowners to pay very low monthly payments, particularly compared to current interest rates.

57. These differences in interest rates can add up to hundreds of thousands of dollars—and in some cases over a million dollars—over the course of a home loan.

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<sup>11</sup> At a bare minimum, it is beyond dispute that the data shows a significant disparate impact in the mortgage application approval rates between white and non-white applicants. On information and belief, Navy Federal will not be able to demonstrate a lawful basis for this disparate impact.

**F. The Impact of Navy Federal’s Discriminatory Lending Practices on Plaintiffs.**

**1. Plaintiff Kristoffer Hicks**

58. Plaintiff Kristoffer Hicks, who is African American, has been a member of Navy Federal since approximately 2010.

59. Plaintiff Hicks was eligible for a Navy Federal membership because he is active-duty military in the United States Army.

60. He is married and has five children.

61. Plaintiff Hicks applied for a loan insured by the Veterans Administration (“VA Loan”) with Navy Federal in March 2023 to purchase a home in Elgin, South Carolina.

62. At the time of application, Plaintiff Hicks was working as a logistician/army recruiter, and had an annual income of approximately \$90,000.

63. Plaintiff Hicks credit score was above 620 as required for a VA Loan, and he had minimal outstanding debt obligations consisting of only a credit card and motorcycle loan.

64. Plaintiff Hicks was qualified for the loan he sought from Navy Federal.

65. Despite this, when Plaintiff Hicks submitted a mortgage application to Navy Federal the application was denied.

66. Because of the denial, Plaintiff Hicks was unable to buy the house for which he sought the loan.

67. Plaintiff Hicks was forced to turn to other lenders.

68. Plaintiff Hicks received approval from Silverton Mortgage, and received a VA loan in June of 2023 for the purchase of a different, smaller home.

69. However, the Silverton loan was for a higher interest rate and lower value than the loan Plaintiff Hicks was qualified for at Navy Federal.

70. Due to the higher interest rate, Plaintiff Hicks's monthly payments are more than they would have been with Navy Federal.

71. Plaintiff Hicks pays more to live in a smaller house because of Navy Federal's racial discrimination.

## **2. Plaintiff Masheeha Hopper**

72. Plaintiff Masheeha Hopper, who is African American, has been a member of Navy Federal since approximately 2015.

73. Plaintiff Hopper was eligible for a Navy Federal membership because her sister served in the United States Army.

74. Plaintiff Hopper is a medical assistant and the caretaker of her daughter, who is disabled.

75. Plaintiff Hopper applied for a mortgage, sought to refinance her mortgage, and applied for a home equity line of credit (HELOC) with Navy Federal between 2021 and 2023.

76. At the time of each application, Plaintiff Hopper, was working as a medical assistant, and had an annual income of approximately \$86,000.

77. Plaintiffs' credit score was approximately 700.

78. Plaintiff Hopper was qualified for each of the loans she sought from Navy Federal.

79. Despite this, Navy Federal denied each and every loan application submitted by Plaintiff Hopper.

80. Specifically, in or about March and April 2021, Plaintiff Hopper applied for a mortgage loan with Navy Federal to purchase a home in Arizona.

81. Navy Federal denied Plaintiff Hopper's mortgage application.

82. Plaintiff Hopper's mortgage application was granted by another lender, NFM Lending. The NFM mortgage required Plaintiff Hopper to pay \$12,000 toward the downpayment, whereas the Navy Federal mortgage that Plaintiff Hopper was qualified for would have required no downpayment.

83. With the loan she received from NFM, Plaintiff Hopper purchased a \$301,000 home. Due to the fact that Navy Federal denied her loan application, Plaintiff Hopper paid \$12,000 out of pocket that she otherwise would not have paid and was thus had drastically fewer options to buy the home she desired for herself and her daughter.

84. In or about October and November 2022, Plaintiff Hopper sought to refinance her mortgage through Navy Federal but was again denied by Navy Federal, despite being qualified for the refinance.

85. Plaintiff Hopper's request to refinance was granted by NFM Lending, who had provided the underlying mortgage. The refinance provided by NFM Lending was costlier for Plaintiff Hopper than the Navy Federal refinancing terms would have been.

86. In or about April and May 2023, Plaintiff Hopper applied for a HELOC with Navy Federal, but was denied by Navy Federal for a third time despite being qualified.

87. Plaintiff Hopper's HELOC application was granted by another lender.

88. The HELOC Plaintiff Hopper ultimately obtained has a variable interest rate, whereas the Navy Federal HELOC that Plaintiff Hopper was denied would have had a fixed interest rate.

89. Due to the fact that Navy Federal denied her HELOC application, Plaintiff Hopper has been saddled with payments that have ballooned with rising rates and has experienced acute stress and financial hardship as a result.

## VI. CLASS ALLEGATIONS

90. Plaintiffs bring this action on behalf of themselves and all other similarly situated racial minority mortgage applicants<sup>12</sup> who had a mortgage application denied or approved on less favorable terms as compared to similarly situated white applicants by Navy Federal.

91. Class certification is authorized under Federal Rule of Civil Procedure 23, including under subsections 23(b)(2), 23(b)(3), and 23(c)(4).

92. Plaintiffs reserve the right to amend the definitions of the Class (provided below) and/or to seek the certification of additional and/or different Classes and/or Subclasses.

93. Each and every claim alleged in this Complaint is also alleged on behalf of every member of the Class, which consists of:

All Applicants in the United States who, from 2018 through the present (the “Class Period”), submitted an application for a home mortgage loan (including home refinancing) to Navy Federal that was either denied or approved on less favorable terms as compared to similarly situated white applicants.

94. The Class is represented by Plaintiffs.

95. The following people are excluded from the Class: (1) any Judge or Magistrate presiding over this action, members of their staffs (including judicial clerks), and members of their families; (2) Defendants, Defendants’ subsidiaries, parents, successors, predecessors, and any entity in which the Defendant or its parents have a controlling interest and their current or former employees, officers and directors; (3) persons who properly execute and file a timely request for exclusion from the Class; (4) persons whose claims in this matter have been finally adjudicated on the merits or otherwise released; (5) Plaintiffs’ counsel and Defendants’ counsel, and non-attorney

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<sup>12</sup> Specifically, all mortgage loan applicants falling within any one of the ethnic or racial aggregate categories and subcategories set forth in 12 C.F.R. §§ 1003, *et. seq.*, other than “White” and “Not Hispanic or Latino” (“Applicants”).

employees of their firms; and (6) the legal representatives, successors, and assigns of any such excluded persons.

**G. The Rule 23 Elements.**

96. **Ascertainability.** Plaintiffs are informed and believe that the identities of members of the Class are ascertainable through Defendants' records, because, among other reasons, Navy Federal is required to keep records for each mortgage loan application it receives.

97. **Numerosity.** Plaintiffs are informed and believe that there are tens of thousands of members of the Class. For example, a third-party analysis of Navy Federal's data found that there were approximately 3,700 African American home loan applications rejected in 2022 alone. Ex. A.

98. **Commonality.** Defendants have acted or refused to act on grounds that apply generally to the Class. Absent certification of the Class, the relief sought herein creates the possibility of inconsistent judgments and/or obligations imposed on Defendants. Numerous common issues of fact and law exist, including, without limitation:

- a. Whether the Class's residential loan applications were denied when a similarly situated white applicants would have been or were approved;
- b. Whether Defendants systematically discriminated against Class Members on account of their race or ethnicity;
- c. Whether Defendants' lending policies and practices had an unlawful disparate impact against the Class;
- d. Whether Defendants' underwriting programs were racially biased and led to unfairly discriminatory credit policies that harmed the Class;



- e. Whether the disparate impact of Defendants' underwriting programs on the Class was known to Defendants during the relevant time period;
- f. Whether residential loans to members of the Class were made at higher interest rates as compared to similarly situated white applicants;
- g. Defendants' internal loan approval processes; and
- h. Whether Defendants engaged in discriminatory practices with malice or reckless indifference to the legally protected rights of the Class.

99. **Predominance.** These common issues predominate over individualized inquiries in this action because Defendants' liability can be established as to all members of the Class as discussed herein. Plaintiffs are not aware of any potential difficulty in the management of this litigation that should preclude its maintenance as a class action.

100. **Typicality.** Plaintiffs' claims are typical, if not identical, to the claims that could be asserted by all members of the Class. Plaintiffs' claims arise from Defendants' practices applicable to all such class members.

101. **Adequacy.** Plaintiffs will fairly and adequately represent and protect the interests of the Class and have retained counsel competent and experienced in complex litigation and class actions. Plaintiffs' claims are representative of the claims of the other members of the Class, as Plaintiffs and each member of the Class had their home loan mortgage applications denied by Navy Federal (or approved on materially worse terms than of a similarly situated white applicant). Plaintiffs also have no interests antagonistic to those of the Class, and Defendants have no defenses unique to Plaintiffs. Plaintiffs and their counsel are committed to vigorously prosecuting this action on behalf of the Class and have the financial resources to do so. Neither Plaintiffs nor their counsel have any interest adverse to the Class.

102. **Superiority.** There are substantial benefits to proceeding as a class action that render proceeding a class action superior to any alternatives, including that it will provide a realistic means for members of the Class to recover damages; it would be substantially less burdensome on the courts and the parties than numerous individual proceedings; many members of the Class may be unaware that they have legal recourse for the conduct alleged herein; and because issues common to members of the Class can be effectively managed in a single proceeding. Plaintiffs know of no difficulty that could be encountered in the management of this litigation that would preclude its maintenance as a class action.

103. Plaintiffs reserve the right to revise each of the foregoing allegations based on facts learned through additional investigation and in discovery.

## VII. CAUSES OF ACTION

### A. **First Cause of Action: Race Discrimination in Violation of the Fair Housing Act of 1968, 42 U.S.C. §§ 3601, *et seq.* (On Behalf of Plaintiffs and the Class)**

104. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 103, inclusive, of this Complaint.

105. The Fair Housing Act makes it “unlawful for any person or other entity . . . engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such a transaction, because of race, color, religion, sex, handicap, familial status, or national origin.” 42 U.S.C. § 3605(a).

106. Plaintiffs and others similarly situated are “aggrieved persons” under the meaning of that term in 42 U.S.C. § 3613.

107. Plaintiffs and others similarly situated sought to engage in residential real estate transactions with Defendants.

108. Plaintiffs and others similarly situated are members of a protected class under the Fair Housing Act.

109. Plaintiffs and those similarly situated were qualified for the residential mortgages (including refinancing and/or HELOCs) they sought from Navy Federal.

110. Defendants refused to transact business with Plaintiffs and those similarly situated because of their race and at the same time did transact business with similarly qualified white applicants.

111. Plaintiffs and those similarly situated were injured by Defendants' refusal to transact business with them as set forth in this Complaint, including, without limitation, because they paid application fees for residential loan applications that were improperly denied, because they were charged higher interest rates than similarly qualified white applicants, and/or because their applications were denied as a result of racial discrimination.

**B. Second Cause of Action: Race Discrimination in Violation of 42 U.S.C. § 1981 (On Behalf of Plaintiffs and the Class)**

112. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 103, inclusive, of this Complaint.

113. Under 42 U.S.C. § 1981(a), “[a]ll persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts. . . as is enjoyed by white citizens.”

114. Section 1981(a) confers a private right of action on the victims of discrimination by private entities in, inter alia, the making and enforcement of contracts.

115. The term “make and enforce” contracts includes the making, performance, modification, and termination of contracts, as well as all other aspects of a contractual relationship, including in residential mortgage lending.

116. By seeking residential mortgages with Defendants (including by attempting to refinance their home loans), Plaintiffs and others similarly situated sought to “make and enforce” contracts with Defendants.

117. Plaintiffs and those similarly situated were qualified for the residential mortgages (including refinancing and/or HELOCs) they sought to contract with Defendants for.

118. Despite being qualified, Defendants denied Plaintiffs and those similarly situated their right to make and enforce contracts because of their race by rejecting their mortgage applications and/or offering them terms less favorable than those offered to similarly situated white applicants.

119. Plaintiffs and those similarly situated were harmed by Defendants’ denial of their rights to make and enforce contracts with them as set forth in this Complaint, including, without limitation, because they paid application fees for residential loan applications that were improperly denied, because they were charged higher interest rates than similarly qualified white applicants, and/or because their applications were denied as a result of racial discrimination.

**C. Third Cause of Action: Violation of the Equal Credit Opportunity Act 15 U.S.C. §§ 1691, *et seq.* (On Behalf of Plaintiffs and the Class)**

120. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 103, inclusive, of this Complaint.

121. The Equal Credit Opportunity Act, 15 U.S.C. §§ 1691(a)(1), makes it “unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction . . . on the basis of race, color, [or] national origin.”

122. The Equal Credit Opportunity Act applies to applications for residential loans for original purchase mortgages and mortgage refinancing, like those of the Plaintiffs and others similarly situated.

123. Plaintiffs and those similarly situated are “aggrieved applicants” under the meaning of that term in 15 U.S.C. § 1691e(a).

124. Plaintiffs and those similarly situated applied for credit by seeking to finance their home purchases or refinance their existing home loans.

125. Plaintiffs and those similarly situated were qualified for the residential mortgages (including refinancing and/or HELOCs) they sought from Defendants.

126. Defendants are creditors with the meaning of the Equal Credit Opportunity Act because they regularly extend, renew, and continue issuances of credit.

127. Defendants denied the mortgage applications submitted by Plaintiffs and members of the Class because of their race while approving mortgages (including refinancing and/or HELOCs) for similarly situated white applicants.

128. Plaintiffs and all those similarly situated were harmed by Defendants’ conduct including, without limitation, because they paid application fees for residential loan applications that were improperly denied, because they were charged higher interest rates than similarly qualified white applicants, and/or because their applications were denied as a result of racial discrimination.

**D. Fourth Cause of Action: Declaratory Judgment, 28 U.S.C. § 2201 (On Behalf of Plaintiffs and the Class)**

129. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 103, inclusive, of this Complaint.

130. The Declaratory Judgement Act, 28 U.S.C. § 2201, provides that “any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.”

131. As alleged above, Plaintiffs and the Class seek a declaration that Defendants' practices unlawfully discriminate in mortgage lending (including refinancing and/or HELOCs).

132. An actual, present and justiciable controversy has arisen between Plaintiffs and the Class on the one hand and Defendants on the other hand concerning Defendants' practices.

133. Plaintiffs and the Class seek declaratory judgment from this Court that Defendants' mortgage lending practices (including refinancing and/or HELOCs) violate 42 U.S.C. §§ 3601, *et seq.*, 42 U.S.C. § 1981, and 15 U.S.C. §§ 1691, *et seq.*

### **VIII. PRAYER FOR RELIEF**

134. WHEREFORE, Plaintiffs respectfully request that this Court:

- a. Find that Defendants have engaged in a pattern and practice of racial discrimination resulting in the harm to Plaintiffs and the Class as described above;
- b. Declaring Defendants' practices of to be unlawful;
- c. Enjoining Defendants' unlawful practices;
- d. Awarding Plaintiffs and the Class actual damages;
- e. Awarding Plaintiffs and the Class compensatory damages;
- f. Awarding Plaintiffs and the Class statutory damages, where permitted by applicable law;
- g. Awarding Plaintiffs and the Class treble damages, where permitted by applicable law;
- h. Awarding Plaintiffs and the Class exemplary and/or punitive damages, where permitted by applicable law;

- i. Awarding Plaintiffs and the Class restitution of the amounts unlawfully taken from them by Defendants;
- j. Disgorging Defendants of the amounts unlawfully taken from Plaintiffs and the Class;
- k. Awarding Plaintiffs and the Class attorneys' fees and costs;
- l. Awarding Plaintiffs and the Class pre- and post-judgment interest, as applicable; and
- m. All further relief as the Court deems just and proper.

Date: December 28, 2023

/s/ Peter Silva

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*Counsel for Plaintiffs and the Putative Class*

**IX. DEMAND FOR TRIAL BY JURY**

Plaintiffs, on behalf of themselves and the putative Class, hereby respectfully demand a trial by jury on all claims.

Date: December 28, 2023

/s/ Peter Silva

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*Counsel for Plaintiffs and the Putative Class*



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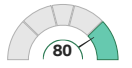
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## The nation's largest credit union rejected more than half its Black conventional mortgage applicants

By Casey Tolan, Audrey Ash and Rene Marsh, CNN

🕒 14 minute read · Published 10:44 AM EST, Thu December 14, 2023



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Navy Federal Credit Union denied over 50% of Black loan applicants in 2022

04:22 · Source: [CNN](#)

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**(CNN)** — The largest credit union in the US has the widest disparity in mortgage approval rates between White and Black borrowers of any major lender, a trend that reached new heights last year, a CNN analysis found.

Navy Federal Credit Union, which lends to military servicemembers and veterans, approved more than 75% of the White borrowers who applied for a new conventional home purchase mortgage in 2022, according to the most recent data available from the Consumer Financial Protection Bureau. But less than 50% of Black borrowers who applied for the same type of loan were approved.

While many banks also approved White applicants at higher rates than Black borrowers, the nearly 29-percentage-point gap in Navy Federal's approval rates was the widest of any of the 50 lenders that originated the most mortgage loans last year.

The disparity remains even among White and Black applicants who had similar incomes and debt-to-income ratios. Notably, Navy Federal approved a slightly higher percentage of applications from White borrowers making less than \$62,000 a year than it did of Black borrowers making \$140,000 or more.

A deeper statistical analysis performed by CNN found that Black applicants to Navy Federal were more than twice as likely to be denied as White applicants even when more than a dozen different variables – including income, debt-to-income ratio, property value, downpayment percentage, and neighborhood characteristics – were the same.

The Virginia-based Navy Federal, which was originally founded in 1933 to serve Navy employees, is now open to all members of the armed forces, Department of Defense personnel, veterans, and their relatives. It has about 13 million members and more than \$165 billion in assets.



CNN

Bob Otondi, whose application for a mortgage from Navy Federal was denied, speaks to CNN last month.

Bob Otondi, a Black business owner in Texas who was denied a mortgage by Navy Federal in 2021 – and then approved by another lender in about two weeks – said the rejection “didn’t make any sense at all.”

“I thought it could have been racial discrimination,” he told CNN, “but I could never prove it.”

In total, the credit union rejected about 3,700 Black applicants for home purchase mortgages last year, potentially blocking them from homeownership

just as interest rates spiked. And Navy Federal also approved Latino borrowers at significantly lower rates than White borrowers.

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**Navy Federal Credit Union's lending disparity between Black and White applicants is greater than that of other large mortgage lenders**



In a statement, Navy Federal spokesperson Bill Pearson defended the credit union's lending practices.

"Navy Federal Credit Union is committed to equal and equitable lending practices and strict adherence to all fair lending laws," Pearson said. "Employee training, fair lending statistical testing, third-party evaluations, and compliance reviews are embedded in our lending practices to ensure fairness across the board."

Pearson said that CNN's analysis "does not accurately reflect our practices" because it did not account for "major criteria required by any financial institution to approve a mortgage loan." Those factors included "credit score, available cash deposits and relationship history with lender," he said.

But that information is not available in the public mortgage data. Navy Federal declined to release additional data about its loans to CNN that included borrowers' credit scores or other variables. In addition, most of the Navy Federal applications that were denied are listed as being rejected for reasons other than "credit history."

By some measures, Navy Federal has been successful at lending to minority borrowers: A fourth of its conventional mortgage applicants are Black, and about 18% of the conventional loans it originated went to Black borrowers – a larger portion than almost any other large lender.

But because of the large racial disparity in Navy Federal's approval rates, even though more Black borrowers are applying for conventional mortgage loans from the credit union, most of them are getting denied.

Experts in mortgage lending and advocates for fair housing said that the racial gaps in Navy Federal's approval rates were surprisingly large and raised questions about the institution's lending practices. Lisa Rice, the president and CEO of the National Fair Housing Alliance, an advocacy group, said the racial gaps in Navy Federal's lending identified by CNN were "some of the largest I've seen."

"That is a quite stark disparity," Rice said. "It's unusual for us to see instances where the lender denies more loans than it approves."

Experts said that Navy Federal's racial disparities appeared to be an especially extreme example of a larger national problem. The credit union's gap between White and Black approval rates has jumped significantly in recent years – and among all lenders, the racial approval rate gap has also grown.

More broadly, the gap in homeownership rates between White and Black Americans is larger today than it was before the Civil Rights era – and it's a key driver of wealth disparities between White and Black families.



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Bob Otondi's home in a Dallas suburb.

## Navy Federal member says rejection left him feeling shocked and hurt

When Bob Otondi went house hunting in the summer of 2021, he immediately knew when he found his “dream house.” The three-bedroom home in a lakeside neighborhood of a Dallas suburb had an open kitchen, an expansive backyard with a pool, and – most importantly – it was in a great school district where Otondi’s son had long aspired to attend high school.

Otondi was thrilled when his bid for the home was approved, and expected that his mortgage application with Navy Federal would be smooth sailing. The relative of Navy servicemembers, Otondi had been a Navy Federal customer for years. The credit union had pre-approved him, he said he’d successfully paid off several previous Navy Federal vehicle loans, and he had budgeted a downpayment of more than 20% of the home’s value.

But then, just weeks before he was scheduled to close on the purchase, Otondi got bad news: Navy Federal was denying his application. The credit union told him in a form letter that it had concluded his income was not high enough to account for his debts.

Otondi said the last-minute denial didn’t make sense. According to documents he provided to CNN, he was making more than \$100,000 a year from his logistics business and had a credit score above 700. He said he didn’t have significant debts.

In the heat of the pandemic-era housing market, Otondi feared he would lose the home. “I was stunned, I was shocked, I was hurt,” he said. He had been driving by the house with his son and daughter every week, and the kids had already planned out decorations for their rooms. “To go back home and tell them, ‘guys, we lost the house?’ I mean, devastating,” Otondi said.

But Otondi’s realtor, Angela Crescini, connected him with another mortgage lender who approved him for a loan in about two weeks – and the purchase went through.

“There was no real reason he shouldn’t have gotten the loan” from Navy Federal, Crescini said. “How can one lender get a loan done within 15 days and this other one couldn’t at all? It didn’t ring right to me.”



CNN

Bob Otondi, a Texas business owner whose mortgage application was denied by Navy Federal, working at home.

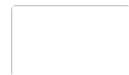
Pearson, the Navy Federal spokesperson, declined to comment on Otondi’s denial, saying that “our members’ personal and account information are private and confidential.”

As he sat in the airy living room of the three-bedroom home last month, Otondi said he was still frustrated by the mortgage denial. He said he submitted complaints to the Consumer Financial Protection Bureau – the federal agency that oversees consumer lending – as well as a Texas state agency, both of which went nowhere.

Hearing about the larger racial disparities in Navy Federal’s mortgage approvals made him think the credit union was “inhibiting veterans and their families from just uplifting themselves,” Otondi said. x



**RELATED ARTICLE**  
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CNN’s analysis doesn’t prove that Navy Federal discriminated against any borrowers. But it does show significant disparities in the credit union’s approval rates for borrowers of different races – and that it has larger racial gaps than many other large financial institutions.

The analysis was based on data collected under the [Home Mortgage Disclosure Act](#), which requires most financial institutions to report anonymized information on mortgage applications to the government, including applicants’ race. CNN’s analysis focused specifically on conventional home purchase mortgages for homes intended to be used for a primary residence, and not intended to be used for a business or commercial purpose. CNN only analyzed loan applications that were ultimately approved or denied by lenders, not those that were withdrawn by borrowers before a decision was made.

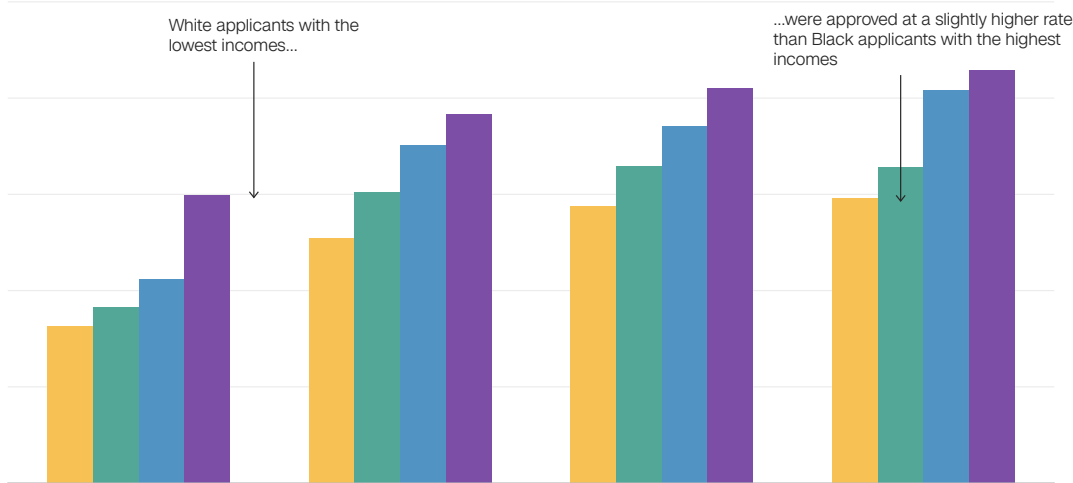
In 2022, according to the data, Navy Federal approved 77.1% of White applicants, 55.8% of Latino applicants, and 48.5% of Black applicants. The 28.6-percentage-point gap between Black and White applicants was by far the largest gap among the 50 financial institutions that originated the most conventional home purchase loans last year, which includes Navy Federal.

In comparison, Wells Fargo had a roughly 19.5-percentage-point gap between its Black and White approval rates, US Bank had a 10-point gap, and Bank of America had a 3.5-point gap. The second-largest credit union in the country, State Employees’ Credit Union, had a 5.4-point gap.

Navy Federal’s racial disparities remain even when comparing only applicants with the same incomes or debt-to-income ratios. The credit union approved 59.3% of applications from Black applicants making \$140,000 or more – those in the top quarter of applicants by income – and 59.8% of White applicants making less than \$62,000 – those in the bottom quarter.

**Black applicants had lower approval rates than those of other racial groups, at every income level**

Navy Federal Credit Union's loan approval rates for Black , Latino , Asian and White applicants by income in 2022



\$62,000-\$140,000

Note: Analysis covers approval rates for conventional, conforming, home purchase mortgage loans for one-to-four unit properties that were intended to be used for a primary residence, and not intended to be used for a business or commercial purpose. Only applications that were fully submitted and then approved or denied are included.

Source: Home Mortgage Disclosure Act  
Graphic: Rachel Wilson, CNN

CNN’s analysis found that Navy Federal had statistically significant racial disparities in its mortgage approval rates while holding constant more than a dozen different variables including the applicant’s income and debt-to-income ratio, the loan amount, the property value, and the neighborhood’s socioeconomic makeup. Even among applicants who were identical among all those variables, the analysis found, Black applicants were more than twice as likely to be denied as White applicants, and Latino applicants were roughly 85% more likely to be denied than White applicants.

The analysis did not take applicants’ credit scores into account because the public data released under the Home Mortgage Disclosure Act does not include credit scores due to privacy concerns. That means that at least part of the racial disparity could possibly be explained by differences in credit scores between White and minority borrowers. Black borrowers in particular tend to have lower credit scores, in part due to the impact of historical discrimination and a continuing lack of access to traditional financial institutions in Black neighborhoods, according to researchers.

The data does, however, include information on the reasons that applicants were denied. Of the Navy Federal applications from Black applicants that were rejected, less than a fourth were listed as being denied because of “credit history.”

Notably, the racial disparities in Navy Federal's approval rates have increased over time. In 2018, the difference between the White and Black approval rates was only 11.5 percentage points – far smaller than the 28.6-percentage-point gap in 2022. RELATED

José Loya, a UCLA professor who has studied racial gaps in mortgage approvals and reviewed CNN's analysis, called the disparities in Navy Federal's lending "alarming."

"It does surprise me that they're doing significantly worse than other big lenders," because of Navy Federal's status as a credit union, he said.

## What may be widening the gap

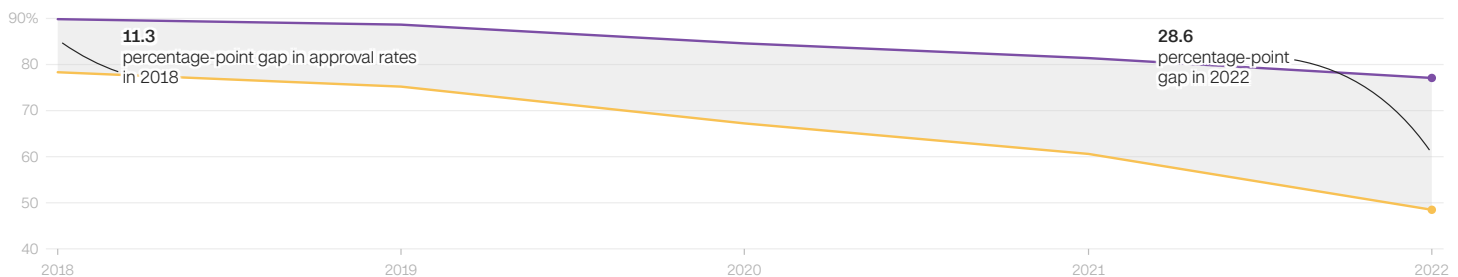
The decision to approve or deny a mortgage application is largely made by automated underwriting systems, and advocates have been pushing lenders like Navy Federal to improve those systems to reduce racial disparities.

In recent years, some banks have changed their underwriting systems to take into account additional data that can reduce those racial disparities – such as including an applicant's history of paying rent in a calculation of their creditworthiness. Pearson, the Navy Federal spokesperson, said rental history was "incorporated" into the credit union's underwriting process, but did not provide additional details.

Some experts pointed out that Navy Federal's member base of servicemembers, veterans, and their families may have a different financial picture than the general public that large banks serve, which could explain some of the racial disparities.

## The gap between Black and White mortgage applicants has widened

Navy Federal Credit Union's loan approval rates for **White** and **Black** applicants from 2018 to 2022



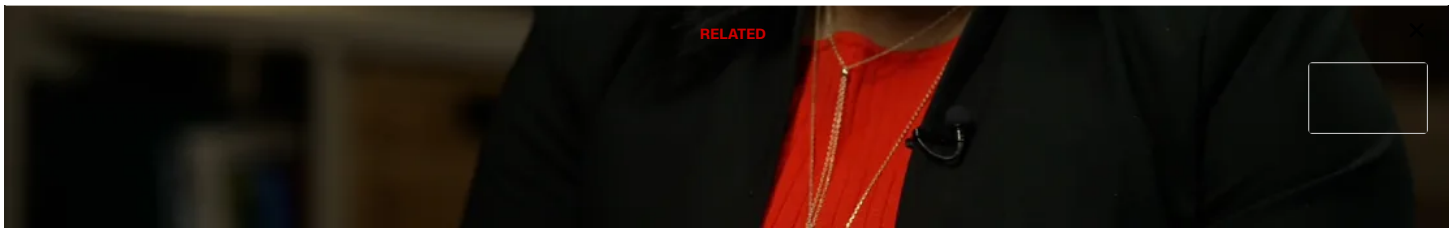
Note: Analysis covers approval rates for conventional, conforming, home purchase mortgage loans for one-to-four unit properties that were intended to be used for a primary residence, and not intended to be used for a business or commercial purpose. Only applications that were fully submitted and then approved or denied are included.

Sources: Home Mortgage Disclosure Act  
Graphic: Rachel Wilson, CNN

In addition, unlike large banks, Navy Federal isn't subject to the Community Reinvestment Act, which encourages lenders to make loans in low and middle-income neighborhoods. While federal regulators review banks' lending under the act, they don't do so for credit unions and other non-bank lenders.

Some advocates and banking groups have been calling for years for revisions to the law to require credit unions to follow the same rules. "Our legislators have given a huge pass to credit unions, on the assumption that they're serving and meeting the needs of their members," said Rice, the fair housing advocate.





CNN

Lisa Rice, the president and CEO of the National Fair Housing Alliance, said that the racial disparities in Navy Federal's lending were concerning.

In other cases, racial disparities in mortgage lending have been linked to loan officers helping White borrowers more than Black ones, said Sara Pratt, a lawyer at the law firm Relman Colfax who previously led the U.S. Department of Housing and Urban Development's civil rights enforcement efforts.

"A particular loan officer might make exceptions or just work harder for some peoples' loans," such as telling applicants to pay down credit cards or increase their downpayment if they're on the edge of getting approved, Pratt said. "Loan officers might give this advice to a White borrower, and with a Black borrower, they're less likely to do that."

She noted that she had no evidence that Navy Federal employees were doing that but said the disparities in Navy Federal's approval rates should "require a lender to offer justifications for how the disparity occurred."

According to federal law, lenders don't have to be intentionally engaging in racism to break fair lending rules. A "disparate impact" on minorities can also lead to discrimination claims.

"It's bad business to discriminate because if people are genuinely qualified – as in many cases they are – then lenders are missing the opportunity to make loans," said Pratt. "Lenders who look more carefully at these issues can see they're losing business that somebody else is getting."

Pearson said that the credit union was proud of the large portion of its loans that went to Black borrowers, and that more than half of its branches in the US are located in "minority communities."

"As a not for profit, member centric, membership organization, we are focused on expanding awareness and access to home ownership across the country," he said. "Navy Federal is a trusted financial partner for all its members and advises each member based on their unique financial needs."

## 'I thought we were going to lose the house'

CNN's analysis found that Navy Federal had larger racial disparities in its approval rates for conventional mortgages than for VA home loans, which each account for about half of the loans it originated last year. VA loans, which are backed by the federal government, are designed to allow veterans to get mortgages that they might not qualify for in the conventional market.

But racial disparities still existed among Navy Federal's VA loan business. Last year, Navy Federal approved 84.2% of its white home purchase VA loan applicants, compared with 73.8% of Latino applicants and 71.6% of Black applicants. Its Black-White approval rate gap was larger than all but one of the 50 lenders that originated the most VA home purchase loans. Like in Navy Federal's conventional business, the racial differences were statistically significant even when accounting for factors like income, property value, debt-to-income ratio, and downpayment percentage.

Ted Spencer, 42, applied for a Navy Federal mortgage in 2019 as he purchased a home in Raleigh, North Carolina. Spencer, who is Black, had been banking with Navy Federal since he joined the Navy two decades earlier and had good experiences with the credit union, so it was an obvious choice for a loan. He was preapproved for a VA loan with no downpayment.



### RELATED ARTICLE

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On his first weekend house hunting, Spencer toured a four-bedroom home in North Raleigh with a woodsy yard big enough for his dog and space for the kids he and his girlfriend would later adopt. "We walked through the house, and we were both like, yeah, this was the one," he said. Their offer was accepted right away.

After Spencer submitted his paperwork to Navy Federal, he ended up waiting weeks. He said he repeatedly emailed, called, and messaged his loan officer without any response. Then, finally, he heard back that the mortgage was denied, with a letter from the credit union that he showed CNN citing his credit history and debts.

"It was pretty much the 11th hour," Spencer said. "I really thought we were going to lose the house."

But like Otondi, Spencer found another mortgage lender who quickly approved him for a new loan, at a lower interest rate than Navy Federal was going to charge him – and he and his girlfriend were able to close on the loan only a week late.

Spencer said he never thought the denial had anything to do with his race, and that the data CNN showed him about racial disparities in the credit union's lending practices "blew my mind." He said it made him think about family stories he'd heard about his grandfather's experience dealing with redlining as he tried to buy a home after returning from the Korean War.



Some realtors who specialize in serving minority and veteran homebuyers ~~said that~~ Spencer and Otondi's experience of being denied by Navy Federal and then easily approved by another lender wasn't uncommon.

"If a client calls and says 'I was disapproved by Navy Federal,' the first thing we say is 'let's get you in with another lender,'" said Anthony Reanue, a California-based realtor. "In the military community, many people know that Navy Federal is not the best when it comes to mortgages."

The credit union has previously faced scrutiny over racial disparities. An analysis by the nonprofit news outlet The Markup using 2019 data found that Navy Federal was among the large lenders with the biggest racial gaps in approval rates – and CNN found that the gap has only grown since then. Navy Federal said at the time that The Markup's analysis did not accurately reflect its practices.

Navy Federal has also faced legal action over allegations of aggressive lending practices and other banking violations. In 2016, it paid about \$28.5 million in redress and fines after the federal government found it had falsely threatened borrowers over debt collection and froze them out of their accounts.



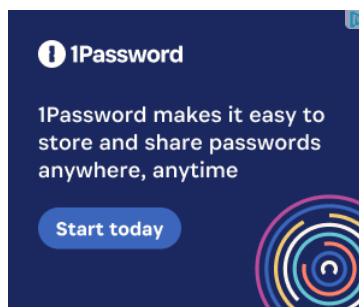
AudioLive TV



CNN

Bob Otondi's neighborhood in Grand Prairie, Texas. Navy Federal rejected his application for a mortgage when he bought a home in the area.

Some of the Black borrowers denied by Navy Federal said they saw homeownership not just as a financial accomplishment but as a larger life goal. As an immigrant from Kenya, Otondi said that buying his house felt like living "the American dream right here."



But after his rejection from Navy Federal, he said he couldn't help but think about other Black borrowers who weren't able to get another loan.

"What about the ones who are denied? What about the ones who now can't get their own dream house?" Otondi asked. "It's something that's going to affect generations, all the way down to their kids."

#### HOW WE REPORTED THIS STORY

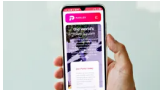
CNN analyzed data on millions of mortgage applications to evaluate racial disparities in lending at Navy Federal Credit Union and other lenders. The data was released by the Consumer Financial Protection Bureau under the Home Mortgage <sup>RELATED</sup> Disclosure Act, and CNN used the snapshot data for 2022 and prior years. ✕

Reporters analyzed conventional, first lien, one-to-four-unit, conforming, home purchase loan applications. The review only included mortgages for homes intended to be used for a primary residence, and not intended to be used for a business or commercial purpose. Applications that were not fully submitted and acted upon were excluded.

CNN's statistical analysis evaluated the likelihood of applicants of each racial and ethnic group being denied when more than a dozen other variables were held constant. The other variables, all of which are included in the HMDA dataset, were: the applicant's income, the applicant's debt-to-income ratio, the loan amount, the loan term, the loan-to-value ratio, the property value, the presence of a co-applicant, the applicant and co-applicant's sex, the credit scoring model used to generate the applicant's credit score, the primary applicant's age, the minority population percentage of the property's census tract, the median age of housing units in the property's census tract, and the difference between the median income of the metro area and the median income of the property's census tract.

The analysis classified applicants as Latino if they reported Latino ethnicity, no matter their race. Mixed-race applicants and applications from co-applicants of different races or ethnicities were excluded from the racial categories. Alternate methods of defining race and ethnicity – such as looking only at the demographics of the primary applicant and not any co-applicants – did not substantially change the results.

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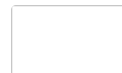
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This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Lawsuit Alleges Navy Federal 'Systemically' Discriminates Against Minority Mortgage Borrowers](#)

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