



We build homes and communities in rural America

December 15, 2025

Submitted via regulations.gov

Legal Division Docket Manager
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: Equal Opportunity Act (Regulation B)
Docket No. CFPB-2025-0039
RIN 3170-AB54

To whom it may concern:

The Housing Assistance Council (HAC) appreciates this opportunity to comment on the proposal from the Consumer Financial Protection Bureau (CFPB) to amend provisions related to disparate impact, discouragement of applicants or prospective applicants, and special purpose credit programs under its Regulation B, which implements the Equal Credit Opportunity Act (ECOA).

HAC is a national nonprofit organization that helps build homes and communities across rural America. Since 1971, HAC has provided below-market financing for affordable housing and community development, technical assistance and training, research and information, and policy formulation to enable solutions for rural communities across the country. In our work, HAC places a special focus on high-needs rural regions where poverty has persisted for decades. With well over 50 years as a thought leader and voice for rural America, HAC grounds its comments in the need for strong, consistent fair lending enforcement in rural places.¹

HAC does not support the proposed rule changes and strongly urges CFPB to retain and enforce its current rule. CFPB has a responsibility to ensure equal opportunity and freedom from discrimination of all types, intentional or not. Discrimination is not limited to instances when a lender announces an intent to treat someone differently than others. Facially neutral actions may have discriminatory effects. Disparate impact liability and limitations on discouragement are critical to protect people against such discriminatory impacts, while special purpose credit programs are vital in helping to counteract the effects of historical discrimination.

¹ Except where otherwise specified, data in this comment is drawn from Housing Assistance Council, *Taking Stock: Rural People, Rural Places, Rural Housing* (Washington, DC: HAC, 2023), <https://ruralhome.org/information-center/taking-stock-rural/>.

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HAC is an equal opportunity provider, employer, and lender.

Rural America needs fair access to mortgage credit. Decent, affordable housing is essential for American families to thrive, and fair access to mortgage credit is essential to obtain decent, affordable housing. Yet rural places are economically worse off than the rest of the country and experience the deepest and most persistent poverty due to stagnating incomes, job loss, outmigration, and historic patterns of discrimination and disinvestment.

In 2020, the rural poverty rate was nearly 3 percentage points higher than the national average. Rural communities are three times as likely as urban areas to have at least 20 percent of their population living in poverty. The disparity is not new. Many rural counties have experienced prolonged poverty over the past 40 years. While rural counties account for just 70 percent of all counties, they make up 89 percent of those with a sustained poverty rate above 20 percent over the past 40 years.

Eighteen percent of U.S. residents live in rural areas, but in the past decade just 14 percent of new homes were built there. Between 2013 and 2023, rural counties experienced an estimated 1 percent overall increase in their housing stock compared to a 10 percent increase for non-rural counties. The rural shortfall resulted from a substantial reduction in the existing rural housing stock that could not be offset by the relatively minor increase in new homes constructed there.²

Despite the need, mortgage credit is not available on the same basis in rural places as in cities and suburbs. Quality credit and affordable mortgage sources are often more difficult to find in rural areas. The smaller size and remoteness of many rural communities tend to raise lender costs and lenders tend to have fewer competitors than in urban markets. The number of rural headquartered FDIC-insured lenders fell by over 3,600 institutions, a 57 percent decline, from 1995 to 2022. In addition, because rural banks are smaller, they held only 6 percent of all federally insured bank assets in 2023.

The impacts of bank consolidation are evident in concentrations of home mortgage activity within rural communities. In 2022, one-quarter of all rural home purchase loans reported under the Home Mortgage Disclosure Act were made by just 20 lenders. The CFPB's own data shows similar effects in the southern region of the U.S., finding most mortgages in the rural South are made by just a handful of non-depository lenders. Twenty of the 314 large banks making mortgages in the region's

² Keith Wiley and Lance George, "Housing Production in Rural America," *Rural Voices* 30, no. 1 (Fall 2025):8-12, <https://ruralhome.org/rural-voices-time-to-build-how-do-we-develop-more-affordable-in-rural-america/>.



rural areas made more than 1,000 loans in these communities in 2021. Another 66 large banks made between 100 and 1,000 rural loans.³

Rural home purchase mortgage originations between 2005 and 2022 consistently represented between 14 and 17 percent of all U.S. mortgage activity annually. Yet about 21 percent of homes in the nation are in rural places. Again, the CFPB's findings on the rural South are similar: "[Even] though 23 percent of the population lives in a rural county, only 14 percent of home purchase loans in 2021 went to those areas."⁴

A variety of efforts to improve credit access by incentivizing private investment have been less successful in rural places than in cities and suburbs. Large banks' Community Reinvestment Act assessment areas generally do not include rural areas, so little CRA-motivated capital is available there. Low Income Housing Tax Credit investments have focused on larger complexes in more densely populated areas.⁵ Lower property values reduce the appreciation and profit available for rural real estate investments, so rural areas have benefited less from the Opportunity Zones program.⁶

Rural borrowers more often receive loans with more costly terms. These "high-cost loans" comprised nearly 10 percent of rural mortgage originations in 2022, compared to 6.6 percent nationally. CFPB found that in 2021, "the mean interest rate for a home purchase loan in rural southern persistent poverty counties was 3.942 percent, and 3.512 percent in the rural southern region, compared to 3.127 percent nationally."⁷ In the same year in rural Appalachian persistent poverty counties, the mean home purchase interest rate was 3.857 percent.⁸ Generally, the rate of high-cost lending has been higher in rural areas than suburban and urban areas for more than a decade.

³ Consumer Financial Protection Bureau (CFPB), *Banking and Credit Access in the Southern Region of the U.S.* (Washington, DC: CFPB, 2023), https://files.consumerfinance.gov/f/documents/cfpb_ocp-data-spotlight_banking-and-credit-access_2023-06.pdf.

⁴ CFPB, *Banking and Credit Access*.

⁵ Kristina E. Smith, "Incentivizing LIHTC Development in Rural CRA Deserts," *North Carolina Banking Institute* 29, no. 1 (2025):480-516, <https://scholarship.law.unc.edu/ncbi/vol29/iss1/17>.

⁶ Benjamin Glasner, Adam Ozimek, and John Lettieri, *The Impact of Opportunity Zones on Housing Supply* (Washington, DC: Economic Innovation Group, 2025), https://eig.org/wp-content/uploads/2025/02/The_Impact_of_Opportunity_Zones_on_Housing_Supply.pdf.

⁷ CFPB, *Banking and Credit Access*.

⁸ Matthew Liu, Cooper Luce, Michael Orevba, Shawn Sebastian, and Cortnie Shupe, *Consumer Finances in Rural Appalachia* (Washington, DC: CFPB, 2022), https://files.consumerfinance.gov/f/documents/cfpb_consumer-finances-in-rural-appalachia_report_2022-09.pdf.



High interest rate lending is particularly acute in certain segments of the rural housing market – notably for manufactured home loans and products.

Manufactured homes are far more common in rural places than in cities and suburbs. Approximately 66 percent of manufactured home loans in 2022 were classified as high-cost, which is more than five times the level of high-cost lending for all homes nationally. And for manufactured home loans secured by the manufactured home only (without land), that figure jumps to a staggering 90 percent high-cost loan rate. Exacerbating these finance issues, manufactured homes are typically sold at retail sales centers where salespersons or “dealers” receive commissions. In some cases, salespersons resort to high-pressure sales tactics, trapping consumers in unaffordable loans.

Among those most impacted by the shortage of mortgage credit in rural places are members of protected classes under ECOA.

ECOA prohibits discrimination based on race, color, religion, national origin, sex or marital status, age, or the fact that all or part of an applicant’s income derives from public assistance.⁹ Rural Americans include disproportionate numbers of people in some of these categories. For example, the median age in rural communities is 41 compared to 38 nationally, and 19 percent of rural residents are over the age of 65, compared to 16 percent in the entire U.S. Younger residents are, of course, also protected by the law. Disability rates are higher in rural places than in urban,¹⁰ indicating a potential need for source-of-income protections. The rural population includes a higher proportion of white Americans than the country as a whole, and more than half (53 percent) of American Indians and Alaskan Natives live in rural places. While rural areas are less diverse than the entire country, 7.4 percent of the rural population is Black and 10 percent is Hispanic (of any race), and those proportions are much higher in some rural regions.

Focusing solely on intentional discrimination will not address rural credit needs.

Rural places’ lower numbers of lenders, lower success at attracting private investment, and higher proportion of high interest lending result from structural issues and facially neutral policies, not intentional discrimination. Yet these factors prevent rural Americans from accessing credit they need, and among the few tools available to help address the issue are disparate impact enforcement and special purpose credit programs. The CFPB’s proposal to eliminate these tools will make credit access more difficult for rural borrowers, particularly those in classes protected by the ECOA.

⁹ ECOA, 15 U.S. Code § 1691(a).

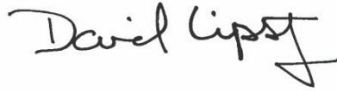
¹⁰ Katrina Crankshaw, “Disability Rates Higher in Rural Areas Than Urban Areas: The South had Highest Disability Rate Among Regions in 2021,” U.S. Census Bureau, June 26, 2023, <https://www.census.gov/library/stories/2023/06/disability-rates-higher-in-rural-areas-than-urban-areas.html>.



CFPB has a direct responsibility to ensure equal opportunity and freedom from discrimination of all types, intentional or not. Enforcing the ECOA against discrimination, both intended and incidental, helps our nation move towards inclusive and equitable rural, urban, and suburban communities, where all residents can thrive.

Thank you for your consideration of these comments. Please do not hesitate to contact me if you need additional information.

Sincerely,



David Lipsetz
President & CEO

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