

# Credit discrimination is illegal

Under federal law, lenders are not allowed to discriminate against you. When you apply for credit or borrow money, it is against the law to discriminate because of:

- Race
- Color
- Religion
- National origin
- Sex (including sexual orientation and gender identity)
- Marital status
- Age
- Receiving money from public assistance

The list above shows protected characteristics under the Equal Credit Opportunity Act (ECOA). Lenders are sometimes allowed to ask you about the items on the list, mainly because it helps the lender show they are following the law. But lenders can't steer you away from applying for credit, or reject your application, based on how you might be described using that list (for example, your sex or religion). Lenders are not allowed to charge higher costs, like a higher interest rate or higher fees, because of the factors on the list. And, they can't reject your application because you exercised your rights under certain consumer protection laws.

Within limits, lenders are allowed to consider other factors, such as your income, debt, and credit history, when they decide whether to offer you credit and what terms to offer you.

**The ECOA applies to loans and credit including:**

-  Car loans
-  Credit cards
-  Home loans
-  Student loans
-  Business loans
-  Personal loans

## You are protected under the Equal Credit Opportunity Act (ECOA)

ECOA is a federal law, enacted in 1974. It makes credit discrimination illegal and holds lenders responsible if they break the law. Many parts of the U.S. government enforce the law—including the CFPB.

## Warning signs of discrimination

You can more easily spot credit discrimination if you are prepared and aware of warning signs. Credit discrimination doesn't only happen in a face-to-face situation, which means it can be hard to spot. Pay attention to whether you are:

- Treated differently in person than on the phone or online
- Discouraged from applying for credit

- Encouraged or told to apply for a type of loan that has less favorable terms (for example, a higher interest rate)
- Hearing the lender make negative comments about race, national origin, age, sex (including sexual orientation or gender identity), or other protected statuses
- Refused credit even though you qualify for it based on advertised requirements
- Offered credit with a higher interest rate than you applied for, even though you qualify for a lower rate based on advertised requirements

### Get legal help if you believe you have been discriminated against

- For legal resources listed state by state, visit: [lawhelp.org](http://lawhelp.org)
- To find out about eligibility for assistance from a Legal Services program funded by the Legal Services Corporation, visit: [lsc.gov/what-legal-aid/find-legal-aid](http://lsc.gov/what-legal-aid/find-legal-aid)
- Locate your state attorney general's office: <https://www.naag.org/find-my-ag/>

## Ways to prepare before taking out a loan

If you are struggling financially, disaster relief and other government programs may help you avoid taking out high-cost loans or falling victim to a scam.

## Do your research

Shop around. Learn about the benefits and risks of the loan or credit card you want. Research current interest rates. Compare offers from several lenders.

## Know your credit history

Be sure there are no mistakes or missing items in your credit reports. You have the right to request one free copy of your credit reports each year, from each of the three biggest consumer credit reporting companies, by visiting [AnnualCreditReport.com](http://AnnualCreditReport.com). When you visit the site, you may see steps to view more frequently updated reports online. This gives you a greater ability to monitor changes in your credit.

If needed, you can ask whether your credit report is available in your preferred language.

## Ask questions about total costs

Look beyond the monthly payment. Be sure you understand your interest rates and the total amount of interest and fees paid over the long run. Ask about which fees and charges may be negotiable.

## Stay in control

Lenders shouldn't make you feel rushed or unnecessarily delay action on your application. You have a right to receive information in writing – and in most cases, that means you get timely information on the decision a lender has made about your application for credit.

## Be sure before signing

You shouldn't ever feel pressured to sign. You should take the time to make sure the credit product and terms work for you. If needed, ask the lender whether help is available in your preferred language.



## Steps for resolving a dispute

Problems with financial products and services sometimes happen, and often they can be fixed if you work directly with the company. Even if you later submit a complaint to the CFPB or hire a lawyer, it can help to take the first steps yourself.

Most companies can be reached by telephone, e-mail, online chat, mail, or social media. Tips that can help:

- Never post your personal data on social media or review sites
- Avoid angry, sarcastic, or threatening language
- Keep notes as you go—who you spoke with, when, and what they said

Before you contact the company, be prepared and have information on hand:

- Your name, address, phone number, and account number or transaction number
- What happened—as clear and to-the-point as you can
- What you want to fix the problem
- Documents or screen shots that show what happened

## Submit a complaint

Have an issue with a financial product or service? We'll forward your complaint to the company and work to get you a response—generally within 15 days.

Learn more at [consumerfinance.gov](https://consumerfinance.gov)

## Contact us



Online

[consumerfinance.gov](https://consumerfinance.gov)



By phone

(855) 411-CFPB (2372)

(855) 729-CFPB (2372) TTY/TDD



By mail

Consumer Financial Protection Bureau

P.O. Box 2900

Clinton, IA 52733-2900



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[consumerfinance.gov/complaint](https://consumerfinance.gov/complaint)

