



Your Legal Rights in the Mortgage Process

Buying a home can be an intimidating process. You may have heard stories about other buyers getting scammed by shady mortgage lenders, or about people getting rejected for home loans because of small things. While you will have to be cautious as you choose a lender and the right loan program, you should be glad to know that you do have certain guaranteed rights in the loan application process. Thanks to two laws, the Fair Housing Act and the Equal Credit Opportunity, you can feel protected against discrimination as you apply for a mortgage loan.

These laws prohibit mortgage lenders from discriminating against your application because of your race, color, national origin, religion, sex, marital status, age, receipt of public assistance funds, familial status (having children under the age of 18, being pregnant at the time of application), or handicap. Lenders can have legal action taken against them if they use any of these factors to determine your ability to qualify for a home loan. It is also illegal for lenders to refuse to lend to you based on any of those factors, after they have made you an offer for a loan.

You always have the option to shop around for the best lender, but by law all lenders you deal with should freely supply you with an application form and any other pertinent information about the application process. They should also freely divulge information about the loan programs offered at their company. Once you start the application process, you should expect the lender to work in a timely fashion on your application after you have delivered all the necessary paperwork. Because of the law, lenders should not discriminate against your application based on the racial and ethnic composition of the area where you want to buy.

If you do feel like a lender has used any of the above named factors in deciding to reject your loan application, there are several agencies you can turn to for redress. First you can try working with a private fair housing group. These are available to help you understand both the mortgage process and whether or not you have truly experienced discrimination. Sometimes due to your lack of experience, you may interpret some legitimate action as discrimination. These groups can help you determine what the truth is and can help you file a claim if necessary.

Another valuable resource in the matter could be your attorney. They will be familiar with legal jargon and will also be adept at determining the difference between discrimination and legitimate rejection. They will also be able to start the necessary preparations should you decide to file a claim.

When you begin the home loan process, make sure you know your rights. Fortunately these mortgage discrimination laws have been in place for quite some time, and most lenders are interested in lending to any and every qualified borrower. If you shop around for the best lender and the best deal you will likely avoid any problems with discrimination.