

1. Complainant(s):

National Community Reinvestment Coalition (“NCRC”)
740 15th Street NW, Ste. 400
Washington, DC 20005

2. Other Aggrieved Persons:

NONE

3. The following is alleged to have occurred or is about to occur:

42 U.S.C. § 3605 (a) and 24 C.F.R. 100.50(b)(3) –

To discriminate against any person in making available a residential real estate-related 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. 3604 Section 804 (b) and 24 C.F.R. 100.50(b)(2) & 100.65(a) –

To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or national origin.

42 U.S.C. 3604 Section 804 (d) and 24 C.F.R. 100.50(b)(2) & 100.65(a) –

To represent to any person because of race, color, religion, sex, handicap, familial status, or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.

4. The alleged violation occurred because of:

Race

5. Address and location of the property in question (or if no property is involved, the city and stated where the discrimination occurred):

Tacoma/Seattle, WA

6. Respondent(s):

Movement Mortgage LLC
8024 Calvin Hall Road
Indian Land, SC 29707

7. The following is a brief and concise statement of the facts regarding the alleged violation:

The NCRC is organized as a private, tax-exempt, nonprofit charitable organization. The NCRC has 25 years experience in complaint intake, complaint investigation testing for fair housing and fair lending violations and the enforcement of meritorious complaints.

The NCRC’s fair housing and fair lending teams engage in program activities aimed at combatting discriminatory housing practices throughout the United States. This includes training housing providers on the Fair Housing Act and conducting fair housing testing to evaluate housing providers’ policies and practices.

The NCRC used resources to identify and investigate the violations outlined below, and as a result their missions of ensuring economic justice and equal housing opportunities in the Charlotte, NC MSA have been frustrated.

FAIR HOUSING/FAIR LENDING TRAINING CONDUCTED

On October 7, 2019, Lee Rhodes, Corporate Compliance Policy Manager at Movement Mortgage LLC, contacted the NCRC requesting "... a targeted training for a group of [Movement Mortgage] employees specific to Fair Lending (and covering all aspects of the Fair Housing Act)." In response to this request, Rose Ramirez, Sr. Program Manager, provided a 3-hour fair lending compliance training that covered obligations under the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act on December 9, 2019.

TESTING EFFORTS INDICATING DISCRIMINATORY HOUSING PRACTICES

In 2021, NCRC initiated testing of over 20 mortgage lenders in the Tacoma/Seattle metropolitan area, including Movement Mortgage. The results showed that Movement Mortgage was one of the few lenders that treated a White tester significantly better than a tester of color. Sara Oros, Program Coordinator, conducted the initial test of Movement Mortgage in June 2021. Ms. Oros chose to test Movement Mortgage again in Oct. 2021, in order to determine whether these discriminatory results were part of a larger pattern of behavior. Before starting the second matched-pair test but after completion of the first matched-pair test, Ms. Oros learned that Ms. Ramirez had provided training to Movement Mortgage in 2019.

Test PEI-03-113-LT:

On June 18, 2021, the NCRC's fair housing testing program conducted testing in the Tacoma/Seattle MSA to evaluate the practices of lenders. Movement Mortgage was one of the lenders that was tested.

The test conducted was based on the protected class of Race and testers initially inquired about VA home loans. The Protected Tester was Black, and the Control Tester was White. The testers were assigned racially identifiable names, which were chosen based on data regarding which names are most common among Whites and Blacks, and which names are most strongly associated with Whites and Blacks. The testers identified themselves by their assigned names when they first spoke to a Movement Mortgage agent.

Both testers spoke with representative Dave Skow ("Skow"). Skow told the Control Tester ("C") about three products: a conventional loan; a VA loan; and an FHA loan. However, when the Protected Tester ("P") provided Skow similar information, Skow instructed P "right now the VA loan would not be the most competitive offer." Skow instead suggested to P that "with a substantial down payment, a 30-year fixed would be the most competitive." Skow provided no other options to P.

Other noticeable differences in treatment include Skow inquiring into P's credit standing and household debts while inviting C to fill out an application with no inquiry about credit standing or household debts. Moreover, Skow offered to assist C in filling out the application, and sent a follow up email with information on how to begin the pre-approval process – including a list of things needed for a loan application. Skow added C to a general email list and continues to

send C personalized emails inquiring as to whether C is still interested in a pre-approval or updated quotes.

P did not receive any emails from Movement Mortgage.

Test PEI-03-157-LT:

The NCRC conducted follow-up testing on October 1, 2021 that, once again, revealed a difference in treatment based on race. The Protected Tester was African-American, and the Control Tester was White. Skow, once again, provided information and followed up with C but did not provide that same treatment to P.

Both testers were assigned racially identifiable names, which were chosen based on data regarding which names are most common among Whites and Blacks, and which names are most strongly associated with Whites and Blacks. The testers identified themselves by their assigned names when they first spoke to a Movement Mortgage agent.

Both testers spoke with Skow via telephone on October 1, 2021. Skow spoke with C while driving and stated they would follow up via text with lending options later. On October 3, 2021, Skow sent a text message to C thanking them for the call and detailed current rates/fees for a 30-year fixed mortgage. On October 4, 2021, Skow called C when C was unable to answer and left a message with instructions to fill out an application and create an account. Furthermore, Skow requested C text him back.

Conversely, Skow mentioned an FHA and a conventional loan as options to P. Skow requested P's work history, current household income, and savings. After collecting the information, Skow told P they would run the numbers and follow up via text message. Skow did not provide P quotes or rates.

As of October 11, 2021, P has not received any additional information from Movement Mortgage.

HOME MORTGAGE DISCLOSURE ACT DATA REVEALS DISCRIMINATORY LENDING PRACTICES

Home Mortgage Disclosure Act (HMDA) data reveals lending behaviors consistent with discriminatory practices in the Seattle/Tacoma/Bellevue, WA MSA in 2020. Home Mortgage Disclosure Act (HMDA) data reveals Movement Mortgage, LLC's lending patterns were discriminatory in the Seattle-Tacoma-Bellevue, WA MSA in 2020. The data¹ reveals two different disparate impact behaviors. There are discrepancies based on the race and national origin of the applicants and redlining discrepancies based on the location of the home.

Origination and Denial Discrepancies Based Upon the Race and National Origin of the Applicant

National Level Origination and Denial Discrepancies
Origination Disparity:

¹ There are no filters on this data, thus the data includes all lending.

Movement Mortgage, LLC had an origination rate for their Black applicants of 68.14% and a rate of 68.13% for Hispanic applicants, which is a 7% lower origination rate than for their White applicants (75.33%).

Denial Disparity:

Movement Mortgage, LLC is almost three times as likely to deny a loan to Black applicants. The denial rate for Black applicants is 6.54% and for White applicants is 2.55%. Hispanic applicants are almost twice as likely to be denied a loan by Movement Mortgage, LLC as the denial rate for Hispanic applicants is 4.42%. Asian applicants had a denial rate of 3.64%.

Seattle/Tacoma/Bellevue, WA MSA Origination and Denial Discrepancies

The discrepancies that the data reveals at the national level are also present at the Seattle MSA level where we conducted the testing.

Origination Disparity:

In the Seattle MSA there is a 10% difference in origination rates between White and Black applicants. This rate increases to 14% when comparing origination rates for White and Hispanic applicants. Movement Mortgage, LLC has an origination rate of 78.52% for White applicants, 68.28% for Black applicants, and 64.65% for Hispanic applicants.

Denial Disparity:

In the Seattle MSA, Hispanic applicants are more than twice as likely to be denied a loan by Movement Mortgage, LLC. Movement Mortgage, LLC has a 2.07% rate of denial for White applicants while Hispanic applicants had a 7.07% rate of denial. Asian applicants were also twice as likely to be denied a loan as their denial rate is 4.66%.

Redlining – Discrepancies Based Upon the Location of the House

The HMDA data detailed below reveals that Movement Mortgage's application withdrawals are statistically significantly higher in majority-minority census tracts than in majority White census tracts. Movement Mortgage also has a statistically significant lower amount of application approvals in majority minority census tracts than in majority White census tracts.

NCRC asserts that this data is a direct reflection of Movement Mortgage's discriminatory lending behavior. NCRC's testing data showed that Movement Mortgage agents engage and facilitate an inviting application process for prospective White applicants but fail to extend those same services to prospective Black applicants. This behavior results in fewer prospective Black borrowers filing applications and further impacts the number of approvals in majority-minority census tracts

2020 HMDA Data

Application Withdrawals Based on Census Tracts:

This table shows Movement Mortgage's application withdrawals:

Tract Majority Race	# of Lender Applications	# of Withdrawals	Difference (vs White)	P-Value ²
Majority Minority Census Tracts	817	106	3.99	0.0003

Movement Mortgage's HMDA data reveals that there is a statistically significant higher number of withdrawals from applicants located in majority minority census tracts compared to applicants located in majority White census tracts demonstrated by the p-value of 0.0003.

Application Approvals:

This table shows Movement Mortgage's approvals in majority minority census tracts:

Tract Majority Race	# of Lender Applications	# of Approvals	Difference (vs White)	P-value
Majority Minority Census Track	817	575	-5.44	0.0009

The data reveals that the Movement Mortgage statistically significantly approves applications from applicants located in majority minority census tracts at a lower rate $p=0.0009$ than applications from applicants located in majority White census tracts.

8. **The most recent date on which the alleged discrimination occurred:**
October 3, 2021
9. **Types of federal funds identified:**
PEI FHIP Funding

² P-value is a statistical tool to demonstrate the probability that a null hypothesis is false. The null hypothesis in that actions by a financial institution are random and not the result of disparate treatment or impact. The lower the p-value (in particular a $p\text{-value} < 0.05$), the stronger the evidence that the null hypothesis is false and disparate impact/treatment exists.

10. The acts alleged in this complaint, if proven, may constitute a violation of the following:

The Fair Housing Act, 42 U.S.C. § 3605(a) and 24 C.F.R. 100.50(b)(3).

The Fair Housing Act, 42 U.S.C. § 3604(b) and 24 C.F.R. 100.50(b)(2) & 100.65(a)

The Fair Housing Act 42 U.S.C. § 3604 (d) and 24 C.F.R. 100.50(b)(2) & 100.65(a)

I declare under penalty of perjury that I have read this complaint (including any attachments) and that it is true and correct.

Jesse Van Tol
President and CEO
National Community Reinvestment Coalition

Date