

COMPLAINT NARRATIVE

JPMorgan Chase Bank, N. A.'s Twelve-Year History of Disparate Conventional Home Mortgage Lending Practices against African American Consumers. JPMorgan Chase Bank, N. A. (JPMCB) was formed in 2004 after JPMorgan Chase and Company purchased the Bank One Corporation. The HMDA-LAR Public Disclosures that we obtained from the National Archives and Records Administration (NARA) show that between the twelve-year period from 2004 through 2015, African American consumers submitted approximately three hundred and thirty thousand conventional home mortgage loan applications and that the annual rate at which these applications were submitted exhibited a gradually-decreasing trend during this period. These rates ranged from an all-time high of 10.3% in 2004 down to 4.2% in 2015. HMDA-LAR public disclosures also show that African Americans submitted approximately seventy-five thousand FHA/VA/FSA-RHS home mortgage loan applications for African American consumers during the same period; however, the annual rate at which these applications were submitted remained at a relatively constant rate of approximately 13% during this twelve-year period. (Coincidentally, Census Department estimates show that the African American population of the US remained in the 12.9% to 13.6% range during this period.) We analyzed the following residential home mortgage loan dimensions within both conventional and FHA/VA/FSA-RHS home mortgage applications: - Average amount of home mortgage applications by race. - Average amounts of loan originations by race. - Percentage of loan originations by race. - Average amounts of loan denials by race. - Percentage of loan denials by race. - Percentage of subprime loan originations by race. The results of our in-depth analysis of HMDA-LAR public disclosures show that JPMCB's disparate home mortgage lending practices were systemic and institution-wide; and were predicated upon Racial Disparity Indicator (RDI) dimensions that resulted in a discernible gap between conventional home mortgage loans originated for African Americans versus those originated for Whites, Asians, and even applicants included in the Race Not Available (RNA) category. Our analysis proves beyond a shadow of a doubt that these RDI dimensions were used to purposefully and systematically denied the same conventional home mortgage lending opportunities to African Americans that were available to White and Asian consumers between 2004 and 2015. To this point, sixty-nine of the seventy-two conventional home mortgage lending RDI dimensions (i.e., 95.8%) were unfavorable to African Americans. (The results of our RDI analysis are shown in intuitive, non-technical graphical formats on pages 12 through 15.)

ATTACHMENTS

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