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Liberty Bank Accused of Racial Discrimination in Lending
Connecticut Fair Housing Center and National Consumer Law Center File Federal Lawsuit
Alleging “Redlining” in Hartford and New Haven Metro Areas

The Connecticut Fair Housing Center and the National Consumer Law Center today filed a lawsuit in the U.S. District Court for the District of Connecticut against Liberty Bank, alleging that the bank has violated the Fair Housing Act by engaging in unlawful “redlining” of predominantly African-American and Latinx neighborhoods in the greater Hartford and New Haven metropolitan areas. “Redlining” is the discriminatory practice by banks or other financial institutions of denying or avoiding providing credit services to consumers because of the racial or ethnic demographics of their neighborhoods.

The Fair Housing Act prohibits financial institutions from discriminating on the basis of race and color in their mortgage lending practices. The complaint alleges that Liberty Bank has structured its residential mortgage lending business in such a way as to avoid serving the credit needs of Connecticut neighborhoods where a majority of residents are African-American and/or Latinx.

The bank’s alleged redlining practices include: excluding African-American and Latinx neighborhoods from the area it serves; intentionally locating branch offices and mortgage loan officers in only majority-white neighborhoods; and engaging in differential treatment of prospective loan applicants on the basis of race or ethnicity. An investigation by the Connecticut Fair Housing Center revealed that, going back to at least 2010, Liberty Bank has originated a significantly lower percentage of residential mortgage loans for properties in neighborhoods of color when compared with similar lenders.

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“Redlining systematically denies people who live in neighborhoods of color access to homeownership, therefore denying them the opportunity to build wealth,” **said Connecticut Fair Housing Center Executive Director Erin Kemple**. “Unfortunately, fifty years after the passage of the Fair Housing Act, the practice continues. Liberty Bank is choosing to offer less assistance to communities of color in violation of the state and federal fair housing laws.”

“Liberty Bank's practices and timing are particularly disturbing in light of the continuing impact of the Great Recession on households of color in Connecticut and around the nation,” **said National Consumer Law Center Director of Litigation Stuart Rossman**. “Latinx families lost 66 percent of their wealth and African American families lost 53 percent of their wealth compared to 16 percent loss of wealth for White families. Depriving equal access to mortgage credit exacerbates the continually growing racial economic gaps in our society and perpetuates the very segregation in our neighborhoods that the Fair Housing Act was meant to reduce, if not eliminate.”

[Click here for a copy of the complaint.](#)

The Connecticut Fair Housing Center is a statewide nonprofit civil rights organization dedicated to ensuring that all people have equal access to housing opportunities in Connecticut, free from discrimination. For more about our work, please visit www.ctfairhousing.org.

Since 1969, the nonprofit [National Consumer Law Center](http://www.nclc.org)® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. www.nclc.org

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