Meeting the needs of limited English speakers

By Monica Steinisch

T
here are approximately 26 million people in the U.S. who speak limited English—16 million of them speak Spanish as their first language. While language barriers may not always hinder limited English proficient (LEP) consumers as they carry out the routine tasks of daily life, a lack of English fluency can make navigating the financial services marketplace difficult and even risky.

The problem

One in five U.S. residents speaks a language other than English at home, yet the financial services market still caters primarily to Fluent English speakers. While many companies market their products and services to LEP consumers in their native languages, subsequent documents and account servicing communications usually are provided only in English. This can pose problems, in particular for homebuyers. Advocates point to cases where homeowners belatedly discovered costly mortgage terms that put their homes at risk of foreclosure because the borrowers didn’t understand the terms and were ineligible for a loan modification. During the recent foreclosure crisis, some LEP borrowers paid thousands to scammers for processing help that never materialized.

Consumer Action, as part of the coalition Americans for Financial Reform (AFR), has called on the Consumer Financial Protection Bureau (CFPB) and other federal agencies to adopt strong language access protections for LEP borrowers and other financial services consumers (bit.ly/2zhogJ3). Consumer Action Action Action has released a related press release into five languages.

The coalition’s issue brief outlines the drawbacks and dangers of an English-centric financial marketplace. These include making it more difficult for LEP consumers to make well-informed decisions about the products and services marketed to them, and making them more vulnerable to fraudulent predatory lending.

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Advocates work to tear down language barriers

By Ruth Susswein

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etting a mortgage is challenging enough without the language barriers that further disadvantage borrowers with limited English skills. Most borrower blanch when faced with a variety of loan offerings and reams of complex paperwork, but consumers with limited English proficiency (LEP) may be even more easily led into traps by unscrupulous lenders.

Advocates who assist these consumers say that a lack of access to documents and assistance in the language they are most comfortable in has led many borrowers with predatory home loans and blocked from the opportunity to modify loans when they have trouble making payments.

After 10 years of timely payments, Mr. and Mrs. A, Spanish-speaking borrowers from New York, learned that their fixed-rate mortgage was in an interest-only loan, and despite 10 years of payments, they owed the same amount they had borrowed a decade earlier. To add insult to injury, their monthly mortgage payment was about to rise from $1,983 a month to $3,350. It turned out that their “friend,” the Spanish-English interpreter for the mortgage documents, did not act in the couple’s best interest.

Unfortunately many homeowners have to rely on friends, family, sometimes even children to interpret important documents when dealing with lenders and servicers. In some cases they have missed out on mortgage modifications—a restructuring of the loan terms to make the monthly payment more affordable for those struggling to save their homes from foreclosure—because they couldn’t understand English-only instructions.

Consumer advocates across the country have found that even when LEP consumers request oral or written translation services, most lenders and mortgage servicers do not provide them.

Mr. & Mrs. A’s vulnerability might have been avoided had their mortgage documents been available in their language.

“Barriers” continues on page 4

Reaching U.S. consumers who don’t speak English

By Lauren Hall

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ultilingual consumer education distinguishes Consumer Action from most of its peers. The organization serves limited-English-proficient (LEP) communities in at least five languages and via multiple channels: through its trilingual complaint hotline, in-language media, extensive multilingual financial education materials and direct outreach to immigrant communities.

In the 1980s, San Francisco-based Consumer Action began to see an influx of low-income immigrants, changing the fabric of the average California consumer. Many of these LEP immigrants were unfamiliar with the U.S. financial marketplace, making them easy prey for scammers and predatory lenders. Consumer Action began to provide financially isolated consumers with free, easy-to-read surveys, guides and fact sheets in Chinese, Spanish, Korean and Vietnamese (as well as English). By the 1990s, its multilingual staff members were able to assist consumers with their complaints in Spanish, Chinese and English via the organization’s phone and email hotlines.

“We’re filling a very critical need,” said Consumer Action’s San Francisco office director, Kathy Li, who works closely with Asian-American consumers and organizations. “Despite the increase in LEP populations in the U.S., few government agencies, corporations or community-based non-profits provide language access. They argue that multilingual staff and talented translators can be costly and hard to come by. While it is a challenge, we have been able to fill that information vacuum.”

Reaching out to LEP consumers in the language in which they are most fluent also matters because the fundamentals of sound financial decision-making sometimes vary depending on one’s country of origin.

According to Consumer Action’s Joe Ridout, who does media and consumer complaint handling in Spanish as well as English, “If you come from a country with a history of hyperinflation, currency devaluation or bank failures, keeping your money out of financial institutions may have been a wise financial decision. Frequently withdrawing your investments in the U.S., however, is often an unwise decision.”

One of Consumer Action’s goals has been to educate both corpora
tions and government agencies on the value in prioritizing language access materials for underserved populations.

Consumer Action Executive Director Ken McEl Downey summed up the organization’s strategy: “While our early efforts emphasized working with companies that providing such access was the ‘right thing to do,’ we quickly found more success stating up front that failure to do so was limiting their customer base.” As for government agencies, McEl Downey added that language access “should be a requirement.”

To foster language access in the public sector, McEl Downey has partnered with a multitude of government agencies to provide cost-effective translations for publications and outreach campaigns: the Consumer Financial Protection Bureau (CFPB) on remittances and mortgages, the Federal Trade Commission on identity theft, the Federal Reserve on home loans, mortgage payments and other financial matters and the U.S. Dept. of Housing and Urban Development (HUD) on homeownership and housing discrimination. Consumer Action also took on Spanish translation services for the Securities Investors Protection Corporation website. Consumer Action also reaches consumers with limited English proficiency through in-language media and community outreach.

Ridout, who is consumer services
Consumer Action
www.consumer-action.org

Consumer Action has been a champion of underrepresented consumers nationwide since 1971. A non-profit 501(c)(3) organization, Consumer Action focuses on financial education that empowers low- and moderate-income and limited-English-speaking consumers to financially prosper. By providing financial education materials in multiple languages, a free national hotline and ongoing financial research, Consumer Action helps consumers assert their rights in the marketplace and make financially savvy choices.

Advice and referral hotline
Submit consumer complaints to our hotline: hotline@consumer-action.org (415) 777-9848 Email info@consumer-action.org

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What’s in the works?

By Ruth Sunsewicz

A new estimated 26 million U.S. speakers of limited English, and some face serious challenges in managing important financial transactions in English.

To help address the needs of this growing population, federal regulators are beginning to turn their attention to language-based access for those with limited English proficiency (LEP).

Mortgages

Policy makers will consider whether new rules are needed to protect LEP consumers. Currently, the federal Fair Housing Act protects against intentional and unintentional discrimination against anyone renting, buying or getting financing for housing based on race, color, religion, sex, disability, familial status and national origin (all considered “protected classes”). National origin is generally considered to include protections for those with language barriers. Advocates argue that it can be considered discrimination if LEP consumers’ access to housing is restricted based on limited English skills.

The Consumer Financial Protection Bureau (CFPB) is expected to examine current mortgage lend-

ing and servicing practices to ensure that discrimination—intended or unintended—is not part of the home-loan process.

The Federal Housing Finance Agency (FHFA) plans to direct mortgage backers Fannie Mae and Freddie Mac to find new ways to help consumers with limited English get access to mortgages. As part of its annual priorities Scorecard, FHFA will ask how it can leverage its authority to help improve language access in the mortgage market.

Some lenders are seeking to enhance the tools they offer limited English speakers—like Bank of America and Wells Fargo’s mobile apps with Spanish language settings—to help meet the needs of those who are most comfortable managing their finances in another language, and to build customer loyalty outside of their traditional base.

Without providing specifics, the Mortgage Bankers Association (MBA) recently publicly committed its intentions to help identify language access gaps and train mortgage lenders’ staff to serve consumers and borrowers in non-English languages.

While every state and agency has its own needs and objectives, the goals of improving language access to the courts

Language access to the courts

A vital as language access in financial transactions and consumer contracts, it is perhaps even more vital in the justice system, where the stakes can be as high as one’s freedom. Even civil cases—from guardianship disputes to the enforcement of a contract—can have a devastating impact on the outcome of their cases. If a limited English speaker or limited English speaker in a legal setting is hindered in communicating with their attorney, or is denied access to justice altogether, the result can be a complete loss of freedom.

Federal and state laws require that all agencies, courts and government offices must provide language services to the public. The California courts plan can serve as a model for other states and agencies attempting to improve their language access services. The CFPB runs a consumer complaint phone hotline at 855-411-CFPB (2372) that assists consumers in over 180 languages.

As one communications professor put in the Columbia Journalism Review’s explore of the future of in- language media, “In a media landscape that is increasingly fragmented and niche, the mainstream media is realizing that there’s no clear mainstream anymore.”

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Despite the challenges, more organizations and media outlets are adopting in-language materials and services. The CFPB runs a consumer complaint phone hotline at 855-411-CFPB (2372) that assists consumers in over 180 languages.

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California, a state in which roughly 20 percent of residents have English language limitations, is addressing this challenge via a California Judicial Council language access plan that seeks to provide consistency and guid-

ance to court users with limited English skills. Among the plan’s eight top level goals are to provide qualified language access services in all judicial proceedings so that non-English speakers can understand and communicate with court language access services. The plan is in the implementation phase.

Included in the plan are 75 specific ideas to address the needs of LEP court users at all points of contact with the courts. In addition to phasing in language interpretation services for individual court translators to have a “court or legal specialization.” Learn more about the plan online (bit.ly/2h2q5SB). California’s Judicial Branch also maintains a language access webpage (www.courts.ca.gov/languagaccess.htm).

While every state and agency has its own needs and objectives, the goals of the California courts plan can serve as a guide for other entities attempting to meet the needs of LEP communities.

— Monica Steinich
Access resources for limited English speakers

By Alegra Howard

Language access is needed beyond the point-of-sale, for complaint handling, legal redress and many forms of customer service. From government to non-profit and for-profit services, the number and types of resources available for consumers with limited English proficiency (LEP) are growing. Here’s a breakdown of what’s available and how to get it. Please send us any resources you know of to add to our growing list.

Government resources

The Consumer Financial Protection Bureau’s (CFPB) website is a standout for non-English speakers: There is a Spanish subsite (www.consumerfinance.gov/es) that includes static and interactive maps of the LEP population at the national, state and local levels to help users find the concentration of languages spoken by LEP individuals. It also explains the difference between an interpreter and a translator.

HUD, the U.S. Department of Housing and Urban Development (www. hud.gov/foia/ftp ogłosigo/ open governo/department programs, community development and fair housing complaints. HUD offers publications in 14 languages on disaster recovery, community residents’ rights, buying a home, multifamily homes, etc. It also offers model lease forms for a renter’s fact sheet in various languages.

HUD helps those who receive housing assistance gain access to language interpreters, and it accepts complaints in 14 languages (Spanish, Arabic, Chinese, Russian, Vietnamese, Korean, and English). You can also request a written online (bit.ly/2kgym) or by calling the Housing Discrimination Hotline at 800-669-9777.

The U.S. Department of Agriculture (USDA) has translated its Federal Emergency Management Agency (FEMA) website (www.fema.gov) into 23 languages, including Arabic, Dutch, Polish, and Yiddish. Click on “Languages” on the left side of the homepage for access to recovery resources and safety tips.

The Consumer Product Safety Commission (CPSC) posts consumer product safety guides, recall alerts and safety tips on its website (bit.ly/2yco29p) on topics such as home goods, children’s products and common household hazards. The site’s “Creating a Safer Workplace” section helps businesses that make, import or distribute consumer products comply with government safety regulations, and is available in Spanish, Chinese and Vietnamese.

The CPSC occasionally produces materials in other languages on its safety guide pages (bit.ly/2wAsJZ). Spanish speakers can report an unsafe product or related injury and learn about product recalls by calling 800-638-2772.

The Equal Employment Opportunity Commission (EEOC) conducts compliance inquiries and enforces federal non-discrimination laws in the workplace. EEOC also maintains dynamic employment assistance and education, and can be found in Spanish (bit.ly/2g0QP).

Financial services

Bank websites

Bank of America (bit.ly/1T48yjJ) and Wells Fargo (www.wellsfargo.com/espanol) offer these extra languages for access to their sites in Spanish.

Chase (www.chase.com/espanol) and U.S. Bank (bit.ly/2Be2Eo) offer web pages with several Spanish-speaking services, including opening and maintaining checking and savings accounts, credit cards and home mortgages in Spanish. (Click the wheel icon on the upper right corner of the homepage to translate to Spanish.) You don’t need to be a Key Bank customer to use the free tutorials.

Mortgage industry

Fannie Mae provides lenders with Spanish translations of loan application, loan estimate, verification forms, closing disclosures, and other consumer action notice (bit.ly/2m7T7).

Freddie Mac offers first-time homebuyer videos in Spanish and government websites on mortgage customers phone subsidies, consumer privacy and identity theft. Download the free guides (udap.org/es) by entering your name, company and email address. Wells Fargo (www.wellsfargo.com/espanol) also offers a mortgage customer’s legal rights in Spanish (bit.ly/2m7T7).

ATMs

Bank of America offers ATM lan- guage options in English, Spanish, Chinese, French, Korean, Portuguese and Russian.

Chase offers Chinese, French, German, Greek, Italian, Japanese, Korean, Polish, Portuguese, Russian, Spanish, Tagalog and Vietnamese.

Citib offers Chinese, Greek, Polish, Spanish and Hangul (Korean).

TD Bank offers English, French, Chinese, Spanish, Italian and Portuguese.

Wells Fargo offers Spanish, Chinese, Korean, Vietnamese, Hmong, Russian and French.

U.S. Bank offers English, Chinese, Korean and Spanish.

Once you select a language, all of these banks will save your preference for the next time you use an ATM.

Mobile banking

Bank of America and Wells Fargo allow customers to select Spanish as their preferred language on their mobile app. (Choose “Language settings” under the app’s profile settings.)

Chase’s Spanish option language requires users to set the language preference on their phone.

In-language tutorials

Though not advertised on their website, the bank does have interactive, online tutorials (kryebank.org/es) in Spanish that cover topics like cash management and borrowing and credit. Under four general categories, there are tutorials on opening and savings accounts, prepaid cards, credit scores, and car and student loans. (Click the wheel in the upper right corner of the homepage to translate to Spanish.) You don’t need to be a Key Bank customer to use the free tutorials.

The Federal Communications Commission (FCC) posts consumer guides and letters in Spanish (www.consumer.gov/espanol) on topics such as its Lifeline low-income phone subsidies, consumer privacy and internet safety. Spanish speakers can file a fraud complaint by calling 888-225-5322. American Sign Language users may file at 844-432-2277.

The Federal Trade Commission (FTC) fights fraud and provides consumer protection tips for avoiding scams. The site is available in 13 languages on topics including debt relief, shopping, scams, credit and loans, making money, online security and mortgage lending. The agency’s entire website is available in Spanish (www.ftc.gov) including a blog and helpful videos (www.consumer.ftc.gov/research). Spanish speakers can register free of charge and call phone numbers on the national “Do Not Call” list (bit.ly/2egjJh7) and report complaints or scams (www.fecomplaintassistant.org). Click “Spanish” to change the page to Spanish.

The National Labor Relations Board (NLRB) protects the rights of private-sector employees, with or without a union, to improve their wages and working conditions. Federal protections of employees’ rights are available in Spanish at (www.nlrb.gov/espanol).

The Occupational Safety and Health Administration (OSHA) ensures safe working conditions for employees. Its website is available in Spanish, and Spanish speakers can call OSHA at 800-321-6742 to report unsafe working conditions, safety and health violations or to file a complaint. Several OSHA safety guides, including its Guide for Small Nondiscriminating Employers, are available in Korean, Vietnamese and other languages (bit.ly/2g0QJ).

The Federal Citizen Information Center provides its free Consumer Action Handbook (bit.ly/28NwA2) in Spanish. Use the handbook to find contracts for housing, food, clothing, trade associations, government agencies and consumer organizations. Publications on a multitude of subjects that range from retirement, employment and education, can be found in Spanish (bit.ly/2g09P).

“Resources” continues on page 4
Community. Some key mortgage industry leaders (For more information, see “What’s in translation or face increased scrutiny. Companies also worry about the cost of having to translate an unlimited number of documents into countless languages, and worry that if, for example, they provide oral translation for one transaction, they might be required to offer all their services in-language, which could be expensive. Companies also do not want to allow the legal liability of providing translations in one foreign language but not another.

Apart from state laws on certain financial loan documents, currently companies can choose how much to invest in language access efforts— which programs and products to offer in certain languages, which websites, documents and tools to translate, and which populations (languages) to serve. Expansion of language access in private industry is not a given, but it is likely that companies serving LEP communities will continue to develop tools and programs, both to avoid government scrutiny and to improve their bottom line.

Language access

Despite the absence of a federal law around language access, several states mandate certain practices when offering financial products and services to LEP populations. California requires that if certain types of credit, fee, rental and home ownership agreements are already underway. Discussions continue about how to make key financial documents in a borrower’s language but not another.

Real progress has been made in recent years to begin to fill the gaps for LEP consumers. The CFPB has been demonstrating its commitment to improving language access. The Bureau launched its Spanish language website (“CFPB en español”) in 2013, and has proposed a plan to provide LEP consumers with greater access to its programs and services, including translating hundreds of key documents and five sample action letters on how to communicate with a debt collector in Spanish: http://bit.ly/2jFy1Yr. The Bureau also offers assistance in 180 languages via its complaint hotline.

These activities by the nation’s consumer financial watchdog signal to financial services providers that the time has come to meet the needs of the country’s diverse population. The federal financial industry is already moving to meet the needs of LEP consumers. The National Association of Realtors is one example of a group committed to improving translation efforts in the real estate industry. For example, the Bureau has provided oral translation for one transaction, and the CFPB has conducted a regular 10-year review of its Uniform Residential Loan Application (URLA), which its consumer’s standard form used by most mortgage lenders, advocates from 126 housing, consumer and civil rights groups urged FHFA to add a question about the mortgage applicant’s preferred language.

The advocates’ goal, beyond a way to collect data about the language needs of mortgage applicants, was to ensure that the borrower’s language preference would be duly noted in loan documents and travel with the loan if it were transferred or sold. Unfortunately, FHFA did not agree to include the question this time around, but has said it is seeking other, so far undefined, ways to assist LEP consumers.

Advocates also are urging the Consumer Financial Protection Bu- reau (CFPB) and Department of Housing and Urban Development (HUD) to require lenders and providers to accept key financial documents in a borrower’s preferred language. Regulators are expected to start looking for signs of unintended discrimination based on “national origin,” which would violate the Fair Housing Act.

Consumer and housing groups are surveying lenders and meeting with financial counselors to see what language access efforts are already underway. Discussions are underway to determine if financial documents and services lenders can provide and accept to accommodate consumers whose primary language is not English. Advocates say a willingness to work with LEP consumers can help lenders avoid costly problems with bad loans and legal leverage.

The organizations collaborating on the language access policy include Americans for Financial Reform, Consumer Action, Empire Justice Center, MEY Legal Services, Inc., National CAPACD, the National Consumer Law Center (on behalf of the California Legal Aid, the National Council of La Raza, the National Fair Housing Alliance and the National Housing Resource Center. ■

Resources

Continued from page 3

Non-profit resources

Consumer Action helps consumers find direct answers through its free advice and referral hotline (bit.ly/CA热线 at 415-777-9635). Leave a message in Chinese, English or Spanish, and a bilingual case worker will return your email or call. Its mobile app is in English, Spanish, Tagalog or Vietnamese, and can be downloaded from the Apple or Android store. (For Spanish, click “español” on the homepage.) Its support team offers non-legal assistance in English and Spanish for free, and will contact your legal help if needed. Its mobile app provides information about naturalization, study tools for required exams, and calculators to help users with the citizenship process. The mobile app is in English, Spanish, Chinese and Korean. •