Fairway Independent Mortgage Corporation to Pay Nearly $10 Million for Redlining Black Neighborhoods in Birmingham

The settlement is part of the Justice Department's Combating Redlining Initiative, which has now secured over $150 million in relief for communities of color nationwide.

By Stacy M. Brown, NNPA Newswire Senior National Correspondent

Fairway Independent Mortgage Corporation has agreed to pay $8 million and an additional $1.9 million civil penalty to resolve allegations of redlining predominantly Black neighborhoods in Birmingham, Alabama. This settlement is part of the Justice Department's Combating Redlining Initiative, which has now secured over $150 million in relief for communities of color nationwide.

Redlining, an illegal practice where lenders avoid providing credit services based on race, has historically limited financial access and homeownership opportunities in Black and minority communities. "This case is a reminder that redlining is not a relic of the past, and the Justice Department will continue to work urgently to combat lending discrimination wherever it arises and to secure relief for the communities harmed by it," said Attorney General Merrick Garland.

The Justice Department, in conjunction with the Consumer Financial Protection Bureau (CFPB), accused Fairway of focusing its marketing efforts solely on majority-white areas. At the same time, its retail loan offices were similarly located in majority-white neighborhoods. Fairway's practices allegedly discouraged Black residents from applying for loans, with the company originating loans in Black neighborhoods at a rate far below that of its peers.

As part of the settlement, Fairway agreed to establish a $7 million loan subsidy fund to provide affordable home purchase, refinance, and home improvement loans for Black residents in Birmingham. Additionally, the company will invest $1 million in programs designed to support this fund, including financial education initiatives and community partnerships to help address the long-standing impacts of discriminatory lending.

"This settlement will provide Birmingham's Black neighborhoods with the access to credit they have long been denied and increase opportunities for homeownership and generational wealth," remarked Kristen Clarke, Assistant Attorney General for the Justice Department's Civil Rights Division.

In addition to the financial commitments, Fairway will also open a new loan office in a majority-Black neighborhood in Birmingham and invest heavily in local advertising and outreach programs aimed at Black communities.

Fairway's $1.9 million penalty will be paid into the CFPB's Civil Penalty Fund, which provides restitution to victims of financial misconduct. "The CFPB and Justice Department are holding Fairway accountable for redlining Black neighborhoods," offered CFPB Director Rohit Chopra.

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stituencies in what looks to be a razor-tight election. Harris, a daughter of Jamaican and Indian immigrants, hopes to maintain her party's traditional advantage with voters of color, while Trump is showing modest signs of momentum among Black men in particular.

A small shift among any group could swing the election.

Harris told Charlamagne that despite the persistence of racial bias, no one has a pass to sit out the election.

"We should never sit back and say, 'OK, I'm not going to vote because everything hasn't been solved,'" she said. "This is a margin-of-error race. It's tight. I'm going to win. I'm going to win, but it's tight."

The vice president took questions that listeners called in, but also from a series of people who joined in-studio, including Pastor Solomon Kinloch Jr., pastor of Detroit's Triumph Church.

When asked about reparations, or potential government payments to the descendants of enslaved people, Harris said the notion "has to be studied, there's no question about that." It's a position she's taken before, but which Trump's campaign immediately pounced on, saying the vice president was "open" to payments that could cost billions.

Trump has called for a return to "proven crime fighting methods, including stop and frisk." The tactic, deployed by the New York City Police Department, involved stopping, questioning and sometimes frisking people deemed "reasonably suspicious." It disproportionately affected Black and Hispanic men, and in 2013 the policy was found to have violated the U.S. Constitution.

Harris said part of her challenge is that Trump's campaign is "trying to scare people away because otherwise they know they have nothing to run on. Ask Donald Trump what is his plan for Black America. Ask him."

Trump did not respond to Harris' criticism during multiple stops Tuesday, including a Fox News town hall with an all-female audience and a nighttime rally in Atlanta, where he railed against Democrats and the media and focused especially on immigrants in the country illegally.

He insisted that immigrants are "devastating" people of color by taking their jobs. He called President Joe Biden and Vice President Harris' border policies a "complete and total betrayal of African American communities and Hispanic communities."

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