

NAACP To File Subprime Suits Against Wells Fargo and HSBC

March 13, 2009

The latest class action complaints alleging improper subprime lending practices are due to be filed against two banks today. The NAACP plans to file separate class action lawsuits today against Wells Fargo and HSBC. According to [news reports](#), the suits, which will be filed in district court in California, allege that those banks engaged in deliberate discriminatory practices that forced minority borrowers into loans with higher interest rates than non-minority borrowers with similar credit histories. These actions follow, and appear to be an extension of, an NAACP lawsuit filed against HSBC, Countrywide, and at least 17 other mortgage lenders in 2007. That suit, which is still under way and recently [survived a motion to dismiss](#), alleges broad discriminatory lending practices by mortgage lenders. These NAACP actions are just a few in a growing number of cases filed by private individuals and state and local governments relating to subprime lending.

All of those suits presumably support Congress' aggressive financial system reform agenda, including legislation to address mortgage lending practices. Yesterday, the House Committee on Financial Services held a major [hearing](#) to review mortgage lending practices and legislation to reform those practices. The chairman of that committee, Barney Frank (D-MA), announced that he plans to move that legislation out of committee this month, with the goal of a full House vote some time in April.