CONSTRUCTIVE TOOLKIT

The Constructive

THE HOMEBUYER'S JUSTICE TOOLKIT

PROTECT YOURSELF FROM LENDING DISCRIMINATION AND PREPARE FOR FAIR HOMEOWNERSHIP

BY THE CONSTRUCTIVE HOUSE

The Homebuyer's Justice Toolkit

Protect Yourself from Lending Discrimination and Prepare for Fair Homeownership

By: The Constructive House

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INTRODUCTION

Welcome to The Homebuyer's Justice Toolkit

Buying a home should be a moment of pride—not a maze of hidden discrimination and bias. At The Constructive House, we believe in fair housing for all, especially for those communities historically left out due to redlining, predatory lending, and systemic injustice.

This toolkit was created to:

- Prepare you for the homebuying process
- Arm you with knowledge of your rights
- Give you templates and tools to fight back if you experience discrimination

Whether you're a first-time buyer or assisting someone on their journey, this toolkit is for you.

1 - MORTGAGE READINESS CHECKLIST

Are You Ready to Buy a Home?

Here's what lenders typically look for:

Documents to Gather:

- Government-issued ID
- Pay stubs (last 30 days)
- W2s or tax returns (last 2 years)
- Bank statements (last 2 months)
- Proof of down payment source
- Employment verification

Credit Score Benchmarks:

- **FHA:** 580+ (with 3.5% down); 500–579 requires 10% down.
- **VA:** No official minimum, but most lenders require 580–620+
- **USDA:** 640+ for streamlined approval.
- **Conventional:** 620+ (higher scores get better rates).

Loan-to-Value (LTV) Ratio Benchmarks

The LTV is your loan amount divided by the home's value. Lower LTV = less risk to lenders.

- **FHA**: Up to 96.5% (3.5% down).
- **VA**: 100% financing (no down payment needed).
- **USDA**: 100% financing (no down payment needed)
- **Conventional**: Usually up to 95% (5% down), but 80% LTV (20% down) avoids mortgage insurance.

Debt-to-Income (DTI) Ratio Benchmarks

- **DTI** = total monthly debt ÷ gross monthly income.
- **FHA**: Up to 43–50% (with compensating factors).
- **VA**: Typically 41%, but higher may be approved.
- **USDA**: Max 41% total DTI.
- **Conventional**: Generally up to 43–50%, depending on credit score and assets.

Assets / Reserves (After Closing)

Reserves are savings left after paying down payment and closing costs — measured in months of mortgage payments.

- **FHA**: Usually 0–1 month of reserves (some lenders may ask for more).
- **VA**: None required, unless rental income is used to qualify.
- **USDA**: No formal reserve requirement.
- **Conventional**: Typically 2–6 months reserves for stronger approval, especially for investment properties or lower credit scores.

Other Tips:

- Keep your DTI (Debt-to-Income) ratio under 43%.
- Avoid opening new credit lines during the mortgage process.
- Keep your credit usage low and avoid large purchases during the process.
- Don’t open or close credit accounts until after closing.
- Save more than just the down payment — closing costs and reserves matter.
- Consider getting pre-approved to identify your max budget and lock in a rate.

2 - LENDER INTERVIEW SHEET

Ask Your Lender These Questions:

1. What types of loans do I qualify for?

2. Can I see a Loan Estimate with all fees upfront?

3. Do you offer any down payment assistance programs?

4. Are your rates competitive with other lenders?

5. Will you keep or sell my loan after closing?

6. Have you worked with clients in my community?

Red Flags to Watch For:

- Pushing high-cost loans despite good credit.
- Refusing to explain terms in writing.
- Discouraging you from shopping around.

3 - KNOW YOUR RIGHTS

Federal Laws That Protect You

1. Equal Credit Opportunity Act (ECOA):
You cannot be denied a loan based on race, sex, religion, national origin, marital status, age, or public assistance status.

2. Fair Housing Act:
Lenders cannot refuse to offer a mortgage or set different terms based on race, color, religion, sex, disability, family status, or national origin.

3. Community Reinvestment Act:
Encourages lenders to meet the credit needs of low- and moderate-income neighborhoods.

4. Consumer Financial Protection Bureau (CFPB)
Enforces fair lending laws like ECOA. Accepts complaints about mortgage discrimination, unfair lending terms, and other financial issues.
Website: consumerfinance.gov/complaint

5. U.S. Department of Housing and Urban Development (HUD)
Enforces the Fair Housing Act and investigates discrimination in housing and lending.
Website: hud.gov/fairhousing

6. State Attorney General
Many states have housing or civil rights divisions that investigate discriminatory lending.
Search: “[Your State] Attorney General housing discrimination complaint”

Tip: If a lender treats you differently than someone of another race or zip code with similar qualifications—document it.

4 - COMPLAINT TEMPLATES

If You Suspect Discrimination, Speak Up

Use these templates to file a complaint. Be clear, factual, and keep all documentation.

Complaint Template Includes:

- Subject line
- Incident summary
- Lender name and contact
- Date of incident
- Attachments (Loan Estimate, emails, etc.)

Sample Templates are included below*

Email Complaint Template

Subject: Mortgage Discrimination Complaint – [Your Full Name]

To: [Agency or Organization Email Address]
CC: [Optional – trusted advisor, legal aid, or personal email for records]

Dear [Agency or Officer Name],

My name is [Your Full Name], and I am writing to file a formal complaint regarding possible mortgage discrimination I experienced while attempting to secure home financing through [Lender/Institution Name].

Summary of the Incident:

- Date of incident: [MM/DD/YYYY]
- Lender or loan officer involved: [Name, if known]
- Location or branch (if applicable): [City/Branch]
- What happened: [Brief description—e.g., denied a loan despite good credit, offered a predatory rate, treated differently than others]

I believe this treatment may violate the Equal Credit Opportunity Act and/or the Fair Housing Act, which protect buyers from discrimination based on race, national origin, gender, or income source.

📎 **Attached Documents:**

- My Loan Estimate
- Email correspondence with the lender
- Credit report
- Income documents

- Screenshots or notes (if applicable)

I request an investigation into this matter and would appreciate a confirmation that my complaint has been received.

Thank you for your attention and support in protecting fair housing access.

Sincerely,
[Your Full Name]
[Your Phone Number]
[Your Email Address]
[Your Mailing Address, optional]

Phone Call Script – Filing a Complaint

Who to Call:

- **CFPB:** 1-855-411-2372
- **HUD Fair Housing:** 1-800-669-9777
- **State Housing Agency / Attorney General's Office**

Hello, my name is [Your Name]. I'd like to report what I believe may be mortgage discrimination under the Equal Credit Opportunity Act or Fair Housing Act.

I was recently working with [Lender or Institution Name], and I was [brief summary of treatment—e.g., denied a loan, offered worse terms, or treated differently despite similar qualifications]. This occurred on [Date] at [Location].

I have my Loan Estimate, income and credit documentation, and notes from the incident. I'm requesting guidance on how to proceed with filing a formal complaint and ensuring my situation is properly reviewed.

(Pause for their instructions. Take down their name and contact info if possible.)

Thank you for helping protect fair housing access.

5 - Where to File:

CFPB: consumerfinance.gov/complaint

HUD Fair Housing: hud.gov/fairhousing

State Attorney General: Search "[Your State] + Attorney General Housing Complaint"

U.S. Department of Housing and Urban Development (HUD): hud.gov/fairhousing

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6 - DISCRIMINATION LOG

- Track Any Suspicious Behavior.
- Use this chart to track any suspicious or discriminatory encounters.
- Date Lender Description of Incident Outcome Witnesses.
- Keep screenshots, emails, and notes to support your claims.

See Page 16 for Full Log Template

Date	Lender	Description of Incident	Outcome	Witnesses

7 - RESOURCE DIRECTORY

Where to Get Free Help

- HUD Housing Counselors: hud.gov/counseling
- CFPB Consumer Help: consumerfinance.gov
- National Fair Housing Alliance: nationalfairhousing.org
- NACA (Neighborhood Assistance Corporation of America): naca.com

BONUS: COMMUNITY ACTION TIPS

- Take Action Beyond Your Loan.
- Report unethical lenders to local housing boards.
- Share this toolkit with your community.
- Attend city planning meetings.
- Support local Black and brown real estate agents and loan officers.
- Start a community housing justice coalition.

Conclusion: You Have the Right to Buy with Dignity

Buying a home is one of the most meaningful investments you can make—but for too many, it's still filled with unnecessary barriers, biased treatment, and unequal opportunities. This toolkit exists because **you deserve better.**

With the knowledge, checklists, templates, and legal protections outlined in this guide, you are now equipped to:

✅ **Recognize unfair treatment**
✅ **Push back with clarity and confidence**
✅ **Document and report discrimination**
✅ **Advocate for yourself—and your community**

If someone tries to tell you "no," when your profile says "yes," you now have the tools to demand transparency. If a lender tries to steer you toward more expensive or predatory terms, you have questions to ask, red flags to spot, and laws on your side.

💬 Need Help or Want to Share Your Story?

We believe in collective power. If you've experienced discrimination, want to share your story, or are working on local housing justice efforts—**we want to hear from you.**
📧 **theconstructivehouse@gmail.com**

📚 Stay Connected for More Resources

This is part of a growing library of tools from **The Constructive House**, including:

- *Fair Lending Self-Defense Toolkit*
- *Redlining Case Files*
- *The Appraisal Bias Survival Guide*

Visit our channels, sign up for updates, and keep building power through education, advocacy, and community support.

youtube.com/@TheConstructiveHouse

Remember: You're not just buying a home—you're claiming your place in a system that too often tries to exclude you. With the right tools and support, that system can be challenged, changed, and made fairer for all.

Stay informed. Stay ready. Stay constructive.

— The Constructive House Team

Constructive Templates

Essential tools to building your Constructive Household.

Presented by Constructive House

Lending Discrimination Log

Date	Lender	Description of Incident	Outcome	Witnesses

Mortgage Milestone Tracker

☐ Checked my credit score

☐ Calculated DTI & LTV

☐ Collected income + asset docs

☐ Got pre-approved

☐ Interviewed 2+ lenders

☐ Submitted full loan application

☐ Home appraisal completed

☐ Underwriting complete

☐ Final walk-through

☐ Closed on home! 🎉

Notes:

Open House / Property Visit Log

Date: ____

Address:____

Asking Price:____

Condition (1-5):____

Neighborhood

Notes:____

Pros: ____

Cons: ____

Agent/Rep Name:____

Notes from Lender Meetings

Lender Name & Contact: ____________________________________

Date of Meeting: ____________________________________

Loan Products Discussed: ____________________________________

Pre-Approval Offered? Yes ☐ No ☐

Key Takeaways:

____
____
____
____

Questions I Still Have:

____
____
____

Prep a Home Fact Sheet

Attach this sheet to your appraisal rebuttal or share it with your real estate agent/appraiser ahead of time.

🔢 Property Basics

- **Property Address:** ________________________________
- **Year Built:** _______________
- **Square Footage:** _______________
- **Lot Size:** _______________
- **Number of Bedrooms:** _______________
- **Number of Bathrooms:** _______________
- **Garage / Parking Info:** ________________________________

🛠️ Renovations & Upgrades (Past 5–10 Years)

Upgrade	Year Completed	Cost	Notes
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________

(Attach receipts/photos if possible)

🧱 Exterior Improvements

- New Roof
- New Siding / Paint
- Landscaping / Hardscaping
- Fencing
- Driveway / Walkway
- Patio / Deck

Details:

🧼 Interior Improvements

- ☐ Kitchen Remodel
- ☐ Bathroom Remodel
- ☐ Flooring Replacement
- ☐ HVAC / Plumbing / Electrical
- ☐ Smart Home Features
- ☐ New Appliances

Details:

____

____

____

💵 Energy Efficiency Features

- ☐ Solar Panels
- ☐ Insulation Upgrades
- ☐ Energy-Efficient Windows
- ☐ Energy Star Appliances

Estimated Savings or Rebates:

____

____

📸 Optional Attachments

- Photos of key upgrades (before & after)
- Receipts or contractor estimates
- Permits or inspection approvals

🧾 Notes or Additional Information

(Use this space to mention any factors you believe affect your home's value positively)

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✍️ Owner Contact Info

- **Name:** ______________________________
- **Phone/Email:** ______________________________