



# BANK OF AMERICA TO PAY \$12M FOR REPORTING FALSE DATA - THE MORTGAGE NOTE

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The second largest bank in the country will pay a \$12 million penalty after it was found that hundreds of loan officers routinely falsified forms about mortgage applicants in violation of federal law.

Officials at the Consumer Financial Protection Bureau say that for at least four years, loan officers at Bank of America did not ask mortgage applicants required demographic questions and then falsely reported that the applicants chose not to respond.

They say this violates the Home Mortgage Disclosure Act, enacted in 1975, which requires mortgage lenders to report information about loan applications and originations to the CFPB and other federal regulators. Data collected under the act is used to monitor whether financial institutions serve their communities' housing needs and identify potential cases of discriminatory lending practices, according to a [press release](#).

Officials claim that leaders at the bank turned a blind eye to the problem for years, saying they knew that loan officers receiving applications by phone were failing to collect the required data as early as 2013.

CFPB Director Rohit Chopra said in a statement that Bank of America "violated a federal law that thousands of mortgage lenders have routinely followed for decades."

"It is illegal to report false information to federal regulators, and we will be taking additional steps to ensure that Bank of America stops breaking the law," Chopra said.

The \$12 million fine will go to the CFPB's victims relief fund.

In a statement, [leaders at BOA said](#) they properly collected demographic information more than 99% of the time and that they notified the government after receiving a complaint in 2020. As of June, the North Carolina-based bank had \$2.4 trillion in assets.