

## JPMorgan Chase to Settle Mortgage Discrimination Complaint for \$55M, Still Faces Sex Discrimination Lawsuit

By Hayley Dardick, J.D. Candidate 2019 | January 29, 2017

JPMorgan Chase & Co. has agreed to pay [\\$55 million](#) to settle with the U.S. government over claims that it racially discriminated against African-American and Hispanic borrowers.

The Department of Justice (DOJ) filed a complaint against JPMorgan, the biggest bank in the United States, alleging that its independent brokers charged minority borrowers higher mortgage interest rates and fees than similarly situated White borrowers. On average, Black and Hispanic borrowers paid about \$1,000 more. These mortgages were then financed by JPMorgan. Between 2006 and 2009, the DOJ claims the bank discriminated against [53,000 mortgage borrowers](#).

JPMorgan spokeswoman Elizabeth Seymour asserts, “We deny any wrongdoing and remain committed to providing equal access to credit.” Despite the bank’s denial of the accusations, however, it still elected to settle. According to the agreement, JPMorgan will create a [settlement fund](#) in order to compensate the more than 50,000 affected minority borrowers and will contract an administrator to oversee the fund and pursue borrowers who may be entitled to damages.

The bank’s \$55 million settlement is significantly less than the [\\$175 million that Wells Fargo paid](#) over similar accusations that its brokers discriminated against minority borrowers.

Also on Wednesday, the government filed a lawsuit against the bank alleging [sex discrimination](#). The U.S. Department of Labor claims JPMorgan has engaged in pay discrimination against its female employees over the last five years. The bank allegedly paid at least 93 women in four different job categories less than men in comparable positions. Additionally, the complaint states JPMorgan failed to conduct required workforce analysis to discover these types of pay disparities based on sex, race, and other factors. The Department of Labor is seeking back pay and salary adjustments for the aggrieved women. JPMorgan spokeswoman Tasha Pelio claims the company is committed to diversity in the workplace and looks forward to “presenting [their] evidence to a neutral decision maker.”

Despite Pelio’s contention, these two lawsuits are not JPMorgan’s first brush with discrimination accusations. In 2009, the bank was accused of discriminating against women at an office in Columbus, OH. The case settled, with JPMorgan agreeing to pay the women \$1.45 million. More recently in 2014, the [city of Los Angeles](#) sued the bank alleging predatory mortgage lending to minority borrowers leading to default and foreclosure during the housing crisis. Los Angeles and JPMorgan ultimately reached an agreement to drop the suit—it is uncertain whether JPMorgan agreed to settlement payments to the wronged borrowers.