

Statement from Navy Federal Credit Union on Conclusion of External Review

Navy Federal Credit Union is committed to expanding economic opportunity and access to credit for our diverse community of members. That is why we hired a leading civil rights lawyer and former Commissioner of the U.S. Commission on Civil Rights, Debo Adegbile of WilmerHale, to review our mortgage lending. That external review confirmed what we at Navy Federal know to be true – we treat our members fairly, regardless of their race or background.

Mr. Adegbile has now completed his review, and found no race-based decision making in our mortgage underwriting. His analysis showed that when all non-public underwriting factors are accounted for – including credit score, income verification, debt-to-income ratio, and incomplete credit applications – any suggestion of discrimination by the CNN article is completely unsupported.

As the largest home lender to Black Americans by percentage of loans successfully made, we continue to work to make home ownership accessible to all.

Navy Federal values each and every one of our members. Black members make up one in four of our members, and we rank first among large lenders in the percentage of mortgage loans made to Black borrowers. We are proud to serve as an industry leader in expanding economic opportunity for our 13 million members, and we are committed to identifying opportunities to further drive homeownership. Working with our internal stakeholders and external partners, we are currently examining initiatives to build on our mission of expanding access to credit for our diverse community of members and continue our efforts to address systemic barriers to homeownership. This is a challenge that requires action across the industry, and we are working to make sure we do our part.

These initiatives will include Navy Federal's newly created Office of Financial Opportunity, led by Executive Vice President of Real Estate Lending Brittani Ivey. These steps are in addition to the many programs Navy Federal has in place as part of our continued work to help members achieve their financial and home-ownership goals, such as free financial counseling and credit-modeling products to help our 13 million members around the world learn how to build and maintain credit, unique support for first-time homebuyers of modest means, educational seminars for members, and more.

Statement from WilmerHale Partner Debo Adegbile

“CNN’s analysis was incomplete, and the article’s suggestion that Navy Federal discriminates against its members is unsupported. In fact, our review found that when all relevant factors are controlled for, which CNN did not do, the difference in approval rates between Black and White borrowers falls to less than 1%. The remaining difference in approval rates is explained by legitimate, non-race factors like income verification and incomplete credit applications. Navy Federal is exploring opportunities to enhance its mortgage lending practices and drive further access to home ownership.”