

**Remarks of Yeshimabeit Milner
Founder & CEO of Data for Black Lives
At the White House Roundtable on Data Brokers
Washington, DC**

AUGUST 15, 2023

Good afternoon, everyone. Thank you, Chair Khan, Director Prabhakar, Director Chopra and Deputy Assistant Attorney General Boynton, for your remarks.

Thank you, Deputy Chief Mulligan, for the invitation and to my co-panelists. It is an honor to be amongst such an esteemed group of organizers, policymakers and advocates committed to achieving racial justice and advancing civil and human rights in the age of big data.

My name is Yeshimabeit Milner, and I am the Founder and CEO of Data for Black Lives, a movement of scientists and activists working to make data a tool for a social change instead of a weapon of political oppression.

I started Data for Black Lives in 2017 because, for far too long, data has been weaponized against Black communities. There is no place where this is more evident than in the current credit scoring system. Today, in the time I have, I will uplift our ongoing demand to Abolish FICO and dismantle the structures that have given data brokers Experian, Equifax and Transunion immense power over people's lives and futures.

As the Founder of a movement committed to making sure that big data systems are not used to extend the shelf life of racist policies of the past, **I am here to declare that we are in a state of emergency** – and that ending the undue power these data brokers have over people's lives is a question of economic justice, but also has significant implications for national security and the very brand of democracy we promote.

I also stand before you as someone who knows what it means to suffer at the hands of our country's most ubiquitous and powerful black box algorithm: the FICO scoring model. Growing up in Miami, FL, I witnessed my mother, Donna, a single mother of 6, pursue nursing school while being constantly denied safe, clean, and affordable housing because of a three-digit number.

Even as a child, I noticed that the people who also homeless, were usually Black. Today, **Black Americans with children are twice as likely to be homeless than white Americans** and although **Black people are 13% of the population, we represent nearly 50% of the unhoused people nationally¹.**

While so many other millennials, especially those with my education and income, are celebrating closing on their first homes – I am confronting a mortgage industry where in **2021, Black women under the age of 34 were given the highest median interest rate of any demographic group** (I am 33), in a housing market where between **2018 and 2021 Black homebuyers between the age of 25-44 received higher median interest rates than White, Hispanic, or Asian homebuyers².** The explanation for Black Americans being made to pay millions more in interest for the same loans: credit scores.

It is an honor to speak at the White House today- the world's most powerful house. But because the FICO algorithm knows I am Black and a woman, I am deemed more risky and less worthy of owning a home – one of the last remaining lifeboats of economic stability.

A plethora of research has shown that Black people, even with higher income and similar levels of debt report much lower credit scores on average than white people. FICO has said they do not use race, or any proxies of race such as zip code to calculate scores – but because their algorithm is proprietary, and our data is also privately sold to them by Experian, Equifax and Transunion without our consent, we have no way of knowing for sure.

A scoring model becomes a weapon of political oppression when used under the veil of democracy but acts bereft of all accountability. While it violates federal law to deny people housing, employment, and education based on race - you can't sue an algorithm.

Data brokers are the gatekeepers of social mobility and the decider of economic winners and losers in this economy. The FICO scoring model has become a legal loophole for landlords, mortgage lenders, auto-loan, and insurance agents to racially discriminate and deny people housing, credit and loans with no repercussions. The restrictive racial covenants and white mob violence of the past aren't needed when we have the FICO scoring models of the present to lock Black people out of opportunities and resign entire communities to the social death of generational poverty.

By definition, an algorithm is a set of step-by-step instructions to solve a problem. A recipe is an algorithm: a list of instructions or a process to make the dish, the ingredients that make up the dish, and a result - based on what we define from the beginning of the recipe as success. Whether we want to focus on making something healthy or something that tastes good, regardless of health benefits - these decisions are determined by a question: what are we optimizing?



Obviously, for the computational algorithms we are discussing it is much more complex, but the objective function remains the same. Today, I ask all of you: are we optimizing for a future where data is promoted as a tool for empowering communities of color – or a techno feudalist society where a machine learning model doles out mass suffering?

When we say Abolish FICO or Abolish Big Data, we don't want to abolish giving people the resources they need to secure safe and affordable permanent housing, start businesses, or receive higher education - the exact opposite. We want to abolish a system that is predatory and racist at its core, that has made lending humiliating and bloodsucking. And that has lined the pockets of FICO, Experian, Transunion, and Equifax.

The fact that many people are still unaware that FICO isn't a government agency, but the Fair and Isaac Corporation, started by a mathematician and engineer 25 years ago and remains amongst the first companies ever to use machine learning, shows how much of a mythology surrounds these data brokers that have made them more powerful than our government.

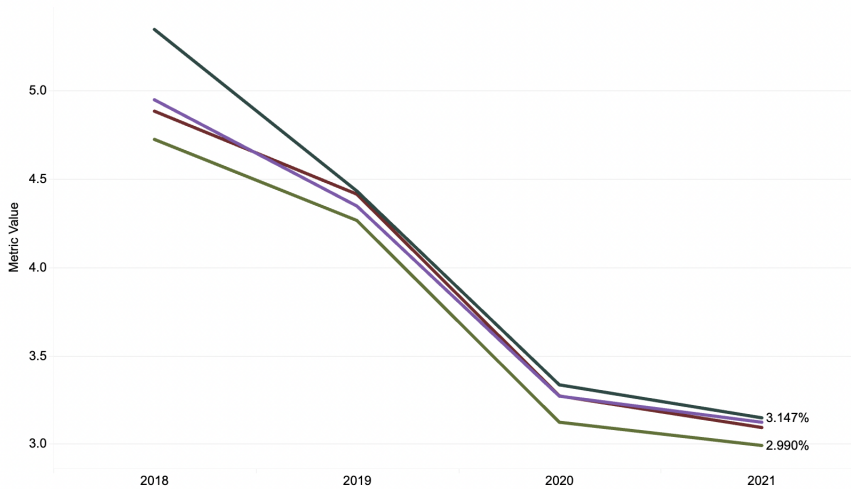
We commend the Consumer Protection Financial Bureau for taking a bold stance today and recognize the Federal Trade Commission for its persistent work to dismantle Big Tech monopolies. **Data for Black Lives will continue to push to Abolish FICO, but until this demand is realized, we fully support the establishment of a Public Credit Registry³.** A nationalized credit bureau would be a significant first step towards a just transition of our economy out of a Jim Crow Credit system once and for all.

There is no better time to act than now. We thank you.

¹ “The 2022 Annual Homelessness Assessment Report (AHAR) to Congress 2022. The U.S. Department of Housing and Urban Development. 2022.” <https://www.huduser.gov/portal/sites/default/files/pdf/2022-AHAR-Part-1.pdf>.

² “Chart: Average Interest Rate by Race/ Ethnicity .” 2022. Blackwealthdata.org. January 2022. <https://blackwealthdata.org/explore/homeownership#HOM-01>.

Average interest rate by Race/Ethnicity
(Nationwide, 2018-2021)



Data source: Black Wealth Data Center calculations from Federal Financial Institutions Examination Council, Home Mortgage Disclosure Act (HMDA), 2018-2021. All financial data is presented in current year dollars, data is reported by lending institutions and subject to revision with approved institution resubmission, certain measures are only available upon successful completion of a loan action and will not be reflected for all action types.

Legend

- Race or Ethnicity
- Asian
 - Black
 - Hispanic
 - White

Parameters

Metric Type

- Average
- Median

Measure

- Interest rate
- Loan amount
- Property value

Filters

Action Taken

Loan originated ▼

Applicants' Sex

Female ▼

Applicants' Age

25-34 ▼