

A Forgotten Chapter in U.S. History:

When Women Had To Choose Between Mortgages and Motherhood

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Mar 31, 2021

<https://www.realtor.com/news/trends/untold-history-discrimination-against-women-seeking-mortgages/>

Less than 50 years ago, many mortgage lenders refused to consider a woman's income. Some asked women for letters promising they would return to work if they had a baby. Others requested statements from their doctors that they were on birth control—or worse.

Marjorie and Paul Wintjen had been struggling to raise their two young sons in a 12-by-7-foot mobile home. But by the early 1970s, they had outgrown it. They yearned to own a proper house in a family-friendly community with a yard large enough for their boys to run around in. A three-bedroom ranch went up for sale in a nearby, suburban Delaware neighborhood where their friends lived. The house was three times the size of their trailer, with a hardwood floor and a full basement, and it was perched on a quarter-acre lot.

So in 1972, 25-year-old Marjorie, an operating room technician, and Paul, 27, a fast-food restaurant manager, applied for a mortgage through their local bank. It was the only one Marjorie remembers existing at the time in their small town of Milford.

The Wintjens sought a mortgage reserved for veterans, as Paul had served in the Coast Guard. Together they earned about \$14,000 a year and planned to put 10% down on the modest \$19,900 home.

“We would have something that really was ours,” Marjorie, now 73, recalls to [realtor.com](https://www.realtor.com)®. “We both wanted the American dream.”

But their lending officer didn't want to count Marjorie's income. Finally, the officer agreed to include half of it, which would enable them to qualify for the mortgage, if the Wintjens would agree to one condition: She would have to provide a medical certificate stating that she was sterilized.

This would provide some assurance to the lender that she wouldn't get pregnant again, quit her job to become a stay-at-home mother, and be unable to repay the mortgage.

As shocking as this may seem today, discrimination against women seeking housing and mortgages was rampant until the mid-1970s, manifesting in a variety of punishing, even invasive, indignities. Lenders commonly refused to count a young woman's full income when determining whether to make a mortgage.

Some loan officers asked for “baby letters,” written promises that a woman would continue working if she had a child. It also wasn't unheard of for lenders to require letters from a woman's doctor stating she was on birth control.

Certain private lenders made even more draconian requests in the early 1970s. There was the highly publicized case of the newlyweds who claimed their lender made them promise to remain childless through birth control, an abortion, or a vasectomy. Marjorie's experience of

being forced to choose between sterilization and a mortgage was picked up by the New York Times.

Such demands were far less pervasive than the baby and birth control letters. But they reportedly did happen.

Discriminatory lending practices against women in all forms of credit, especially mortgages, had been common and accepted business strategies for years. But things were reaching an inflection point in the early 1970s, as sweeping societal changes collided with many lenders' outdated stereotypes of women.

Women were entering the workforce en masse. Birth control became widely available in the mid-1960s, and abortion was legalized nationally in 1973. Women were deciding if and when they wanted children, and that control enabled them to earn advanced university degrees and go into professional jobs.

Still, entrenched business practices and sexist attitudes die hard, and there was wide interpretation of lending guidelines when it came to loan officers granting mortgages. Eventually, a groundswell of outrage grew across the nation. Women started fighting back—in the press, the courts, the chambers of government.

“It makes sense that all of these challenges emerge when all these highly educated, professional women are entering the workforce and planning on staying,” says **Chloe Thurston**. She is the author of “At the Boundaries of Homeownership: Credit, Discrimination, and the American State” and a political science professor at Northwestern University in Evanston, IL.

“Women were really, really angry at being told their prospects for homeownership relied on proving they were taking birth control or had a hysterectomy,” says Thurston.

Marjorie Wintjen, now Marjorie Brown, still remembers the humiliation she felt when she was told she'd have to get sterilized to be approved for a mortgage.

“When you grow up female back then, part of you kind of expected you would be treated like that. That was the way of the world,” she says. “I didn't know how to fight them.”

Marjorie had been raised to believe that authority figures knew best. She knew full well that women often couldn't even open credit cards or get car loans without the signatures of their husbands or fathers.

“I was aghast at first, and then thought maybe they're right,” she says. “It didn't seem fair, but it was their house, their rules.”

In 1974, just two years after she tried to get a mortgage, sex discrimination in housing and credit would be widely scrutinized, challenged, and ultimately outlawed. But in 1972, in that small Delaware town, the Wintjens found themselves staring down an unimaginable choice.

Women had enough—and began fighting back

The kind of injustices faced by women like Marjorie were helping to fuel the second wave of the feminist movement. Women spoke out about their experiences in the media and filed

complaints with federal officials. Government officials, academics, and feminist leaders testified in congressional hearings about women's lack of access to credit.

All the while, the discrimination against women seeking mortgages was having a devastating impact on couples.

In 1972, newlywed magazine editor **Carol Lewicke** and Navy officer **Martin Lewicke** were living in a one-bedroom apartment when they found the home they hoped to purchase in Arlington, VA. Carol's father thought homeownership would be a good investment for the childless couple, both in their 20s, now that they were married.

That year, the Lewickes applied for a loan through the Veterans Administration (now known as the U.S. Department of Veterans Affairs) through the Floyd E. Davis Mortgage Corp., in Falls Church, VA, to buy the two-bedroom brick house.

However, Martin's roughly \$6,000-a-year salary wasn't enough to qualify for the mortgage. The lender was nervous that Carol would quit her magazine job, a position that paid \$11,000 annually, if she became pregnant. If she wasn't working, the lender feared her husband couldn't make the mortgage payments on his lower salary.

So their loan officer offered to make them a deal.

The Lewickes would promise not to have children, through birth control, an abortion, or Martin getting a vasectomy, according to the couple's version of the story. In exchange, they would get the loan.

The Lewickes submitted a letter from Carol's gynecologist affirming she was practicing birth control and was unlikely to become pregnant. They were granted a mortgage and bought the home they wanted.

However, once the loan closed, the Lewickes filed a federal complaint against the mortgage company. The VA investigated the charges. Their story appeared on the front page of the Washington Post on Feb. 24, 1973.

"The whole thing was just unreal," Carol told the Post. "I didn't believe something like this could happen in this country."

The loan officer at the Floyd E. Davis Mortgage Corp. denied suggesting abortion or vasectomy. He did admit to asking for evidence that Carol was using birth control. However, he claimed Carol had been the one who wanted to promise an abortion or a vasectomy if she stopped taking the pill.

"If her income stopped, they would not be able to make the payments," the mortgage company's vice president, **Leon A. Graybill**, told the Post.

"I didn't believe something like this could happen in this country," said Carol Lewicke.

The VA didn't appear to directly request these baby and birth control letters that lenders asked for on the agency's behalf in the early 1970s. The Post report quoted an unnamed VA official who said the agency would prefer lenders "not submit these damned statements to us."

The VA's policies on qualifying wives for mortgages left a lot open to interpretation by lenders. Many loan officers likely thought they were being prudent by soliciting additional documentation and promises.

For example, a Feb. 2, 1973, VA bulletin for mortgage lenders doesn't dissuade lenders from submitting medical statements.

"In a case where a married veteran's income is not sufficient to qualify him for a loan, consideration may be given to his wife's income," read the VA bulletin. "In certain instances, a veteran and his wife may be unable to have children and supporting medical evidence may be submitted to the lender for transmittal to VA to establish the likelihood of the wife continuing to work. If such a medical statement is voluntarily submitted by the veteran to the lender, it cannot very well be refused upon receipt in VA."

It's unclear what happened with the VA investigation into the Lewickes' complaint against their mortgage company.

The couple lived in the brick home they bought with the loan they received from the Floyd E. Davis Mortgage Corp. for three years before moving to the Detroit area. The Floyd E. Davis Mortgage Corp. became Permanent Mortgage Co., which no longer exists. The Lewickes divorced, and Martin Lewicke no longer remembers the details of the investigation. Realtor.com was unable to locate Carol.

But Martin, now in his 70s, does recall his shock and outrage over the incident.

"We were pretty upset at the time, to say the least," Martin, a retired United Parcel Service deliverer, tells realtor.com. "How would you like it if someone really wanted to control you?"

Other women fought back in court

While some women waged a war for public opinion in the press, others battled the injustices in court.

In 1973, **Elsa Wigandt** and her boyfriend applied for a mortgage from the Manufacturers Hanover Trust Co. to purchase a three-bedroom, 1.5-bathroom home in Great Neck, NY. The public school teachers chose the lender because it had advertised lower interest rates than its competitors.

However, the lender refused to consider Wigandt's income and denied their application. Her annual salary of \$15,350 was nearly \$1,000 more than that of her boyfriend, a fellow teacher with less seniority. So despite their setting aside \$25,000 for a down payment on the \$75,000 house, they couldn't qualify for the loan.

Wigandt was incensed. At 29, she had a master's degree and tenure as an elementary school teacher in Queens, NY, where she had worked for the last eight years. She also didn't have any children.

"You feel kind of neglected in society, like you're not as important as a man," says Wigandt, 77, whose name is now Elsa Drettler. "[I got] a kick in the head at the same time I seemed to be rising in the education field. You're treated like someone who can't add 2 and 2 together and get the right number."

The couple refused to give up. They secured a mortgage from a different lender that year and bought the home. However, they were penalized financially.

The Manufacturers loan offered a 7% mortgage rate over 25 years. The mortgage they got had a 7.5% rate over 30 years. That difference would cost them about \$20,000 over the life of their 30-year loan, assuming they didn't refinance.

So when Drettler saw a commercial on TV for a feminist law firm looking for women to join a class-action lawsuit against Manufacturers Hanover Trust, she jumped on board.

"I said, 'This is perfect for me,'" she says.

The National Organization for Women was behind the lawsuit, which was being handled by the firm of Bellamy, Blank, Goodman, Kelly, Ross & Stanley, in New York City.

"Women were treated as suspicious candidates that were not financially secure," says **Mary F. Kelly**, a former partner at the firm, which no longer exists. When women applied for loans, unless they had a male guarantor or deep assets, "they weren't considered viable candidates."

In 1972, just 28% of the larger savings and loan associations said they would count all of a working wife's income, according to a United States Savings and Loan League survey of 421 institutions.

The same year, about 10% of lenders said they asked both male and female potential borrowers about birth control, according to a survey of 40 commercial banks, savings and loan institutions, and mortgage bankers making loans on single-family homes in the Washington, DC, area. The survey was administered by the D.C. Commission on the Status of Women and the Women's Legal Defense Fund.

"The thinking at the time [was] that women were not reliable for loans," says Kelly. "It was the '50s image of the woman continuing into the '70s: wearing high heels and a fancy dress, vacuuming the house, and taking care of babies."

The law firm won the case in 1975. Wigandt received about a \$10,000 settlement, half of which went to NOW. She spent the rest on a brand-new, silver car.

Lending discrimination against women had a long, hurtful history

Discrimination against women in lending had a long, painful history. It was a byproduct, at least in part, of the federal mortgage programs that emerged in the aftermath of the Great Depression, according to author Thurston. These programs required much lower down payments, a departure from the 50% to 60% buyers had typically put down beforehand, and much longer loan terms. With more money to lose, making loans became riskier. That's why women and even single men were deemed dicier applicants.

Communities of color were typically hurt the worst, as couples who were earning less than their white counterparts would struggle to meet the income requirement on a single salary. Widows, divorcees, and single women, even those making good money, were often refused mortgages or required to have male co-signers.

“You could have been a well-regarded member of your [profession] with a high income, and it wouldn’t be unusual for a lender to ask for your retired father, who is no longer employed, to co-sign a loan for you,” says Thurston.

By 1968, the Federal Housing Administration allowed lenders to count a woman’s entire income if she had a long enough work history and the loan officer believed she would continue to remain employed.

Young wives’ salaries were taken into account in 89% of FHA applications by 1970, testified **Quinton Wells** at the 1972 National Commission on Consumer Finance hearings. He was the director of the Office of Technical and Credit Standards at the U.S. Department of Housing and Urban Development.

In 1971, Fannie Mae, then called the Federal National Mortgage Association, repealed its policy of counting only half of a married woman’s income due to public opposition. The Federal Home Loan Mortgage Corp., aka Freddie Mac, was created in 1970 and generally considered a woman’s full income from its inception.

Still, many private lenders lagged behind.

Laws were enacted outlawing sex discrimination in lending and housing

There was no one injustice, court case, or article that ended gender discrimination in credit. Instead, it was a loose coalition of feminist organizations, researchers, government committees and agencies, along with the lawsuits and public opposition, that took on the sexist practices, according to author Thurston.

Individual women also played a large part.

After being denied two credit cards and a mortgage, Senate fellow **Emily Card** persuaded her boss, U.S. Sen. **William Brock**, to take up the fight. (Card was the primary breadwinner in her marriage as her husband was still in school, and the lenders wouldn’t consider her full income.) She worked on drafting the Equal Credit Opportunity Act for the Tennessee Republican. The law was enacted in 1974, making it illegal for lenders to consider sex or marital status when issuing credit such as mortgages.

This outlawed discounting a woman’s income or asking a young wife to provide a baby letter—or worse.

“People didn’t talk about it. It was an invisible problem,” Card says of the discrimination. But after passage of the law, “almost overnight, people could suddenly get credit cards.”

The same year, the Housing and Community Development Act of 1974 amended the Fair Housing Act to make it illegal to discriminate based on sex. (Many states already had laws on the books to outlaw various forms of discrimination against women by then.)

It was also around this time that the VA amended its own policies.

“In consideration of present day social and economic patterns, the Veterans Administration will hereafter recognize in full both the income and expenses of the veteran and spouse in determining ability to repay loan obligations,” read a VA circular distributed to mortgage lenders on July 18, 1973. “VA regional offices have been instructed that there shall not be

any discounting of income on account of sex or marital status in making such determination.”

Unfortunately, these changes came too late for Marjorie Wintjen, now Marjorie Brown. The Delaware operating room technician balked at her mortgage lender’s demand she get sterilized to get a loan. She refused to have the procedure done and never got the mortgage that would have enabled her and her then husband to buy that single-family home.

“It was diminishing,” she says of the humiliation she experienced. “I felt like it was my fault that we couldn’t get the house we wanted.”

The couple lived in their cramped mobile home until they separated several years later. She eventually remarried and moved into a house she owned with her new husband, with whom she’d have two daughters.

She went on to become active in the women’s movement, earn two college degrees and a master’s degree, and start a shelter for battered women before becoming a nurse. She and her husband now live in a rental property in Asheville, NC.

“All of those adverse things that happened to me made me stronger,” says Marjorie. “Nowadays, I’d have 10 or 20 people picketing outside the bank. ... I would raise a fuss. They would know Marjorie Wintjen existed in the world, and I wasn’t going to take it.”

Unintended Consequences

As a result of the change in lending laws (needed though they were), banks began to consider both incomes when home buyers applied for a loan, rather than just the husband’s income. The following year the price of homes nearly doubled, putting housing out of reach for most single earner households. Inflation began to soar; mortgage rates for a 30-year fixed mortgage reached 18.5% in Oct 1981.

Wives who opposed Women’s Liberation, and delighted in being stay-at-home moms, were forced into the workplace in order to obtain a home. *Latchkey kids* became a common phrase. Divorce rates increased. The number of single moms increased. Gang violence increased. Abortions increased. Daycare Centers became a growth industry. Unemployment for men increased as they competed with women for available jobs.

Arbitrary, malicious, and unfair loan practices, led to a correction that had more devastating and lasting effects than the evil which gave rise to them.

William H. Gross
www.onthewing.org Jan 6, 2023.

A BRIEF HISTORY OF DISCRIMINATION AGAINST WOMEN IN LENDING

Many mortgage lenders refused to consider a younger woman's full income when making loans until laws were passed in 1974 to outlaw this common practice. Loan officers assumed wives in their 20s and 30s would eventually quit their jobs to raise children. It was common for loan officers to ask female applicants for letters promising not to have children or statements from their doctors asserting they were on birth control.

1955

The **Federal Housing Administration's** 1955 Underwriting Manual encouraged lenders not to count the incomes of wives under age 32. It also urged them to look at her family size and length, nature, and necessity of work, among other things.

1960S AND 1970S

Women are entering the workforce en masse.

1965

The U.S. Supreme Court ruled birth control was legal for married women in **Griswold v. Connecticut**. It was legalized in 1960, but doctors in some states were barred from prescribing it.

1965

The **FHA** began counting the partial income of young women toward mortgages.

Freddie Mac, the Federal Home Loan Mortgage Corp., is created.

1968

The **FHA** begins counting the full income of women who had a long employment history and, lenders believed, would remain employed.

1970

Abortion is legalized in several states.

1971

Fannie Mae, the Federal National Mortgage Association, repealed its policy of counting only half of a married woman's income.

1972

The U.S. Supreme Court legalized birth control for all women, even unmarried women, in **Eisenstadt v. Baird**.

1972

Marjorie and Paul Wintjen claim their mortgage lender offered to count half of Marjorie's income if she gets sterilized.

Carol and Martin Lewicke say their lender wouldn't provide a mortgage unless they promised not to have children through birth control, abortion, or a vasectomy.

1973

The U.S. Supreme Court legalizes abortion nationally in the landmark case **Roe v. Wade**.

1973

Teacher **Elsa Wigandt** joins a class-action lawsuit against a lender that refused to count her income toward a mortgage.

The **Veterans Administration** begins counting the full incomes of female applicants.

1974

The **Equal Credit Opportunity Act** outlawed discrimination in lending on the basis of sex or marital status.

The **Housing and Community Development Act of 1974** was signed into law. It amended the Fair Housing Act to outlaw discrimination in housing and mortgages based on sex.

