

In this issue:

- Assistant Secretary's Message
- HUD Releases Phase II of Housing Discrimination Study
- Predatory Lending with a Happy Ending
- HUD Launches New PSAs
- Anti-Flipping Rule
- MOU with National Jobs Partnership
- National Homeownership Month
- FHIP NOFA
- M.O.U. with National Real Estate Groups
- Promoting Fair Housing: BET

Our Mission

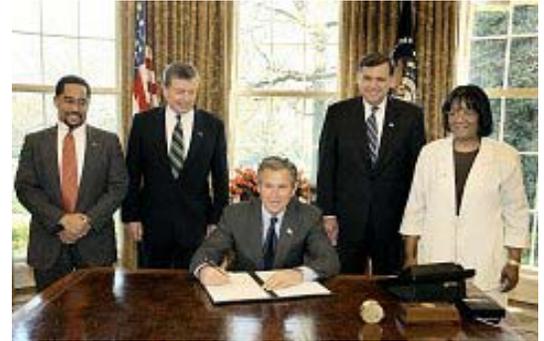
To create equal housing opportunities for all persons in America by administering laws that prohibit discrimination in housing on the basis of race, color, religion, sex, national origin, disability, and familial status.

Message From the Assistant Secretary

In April, we celebrated the 35th Anniversary of the passage of the Fair Housing Act. We marked this celebration in many different ways throughout the country. Headquarters sponsored four programs, which included the awarding of the first Samuel Simmons Lifetime Achievement Award, recognizing the pioneers of fair housing, and recognizing the former Assistant Secretaries for the Office of Fair Housing and Equal Opportunity.

The month concluded with the signing of a proclamation by President Bush in the White House.

For more information on our other activities, visit our Fair Housing Month web site at www.hud.gov/offices/fheo/FHMonth/fhm2003.cfm.



Signing of Fair Housing Proclamation, left to right: Assistant Attorney General Ralph Boyd, Attorney General John Ashcroft, President Bush, HUD Secretary Mel Martinez, and HUD Assistant Secretary for Fair Housing and Equal Opportunity Carolyn Peoples

HUD Releases Phase II of Housing Discrimination Study

In June, HUD issued its first rigorous national estimates of discrimination against Asians and Pacific Islanders (APIs) in the residential rental and sales markets.

The study, *Discrimination in Metropolitan Housing Markets: Phase II - Asians and Pacific Islanders*, used 889 paired-tests conducted in 11 metropolitan areas to measure housing discrimination experienced by APIs. The study found that API prospective renters experienced consistent adverse treatment relative to comparable whites in 21.5 percent of tests, about the same rate experienced by African Americans and Hispanics. API homebuyers experienced consistent adverse treatment 20.4 percent of the time.

The paired-tests involved matching two individuals, one white and one API, with similar education, employment, financial status, and family characteristics. The testers each inquired about advertised housing units and independently recorded their experience.

An API tester was considered to have experienced adverse treatment if they were denied assistance on all 14 rental treatment indicators or all 15 sales indicators, while the white tester received assistance on at least one of these indicators.

Significantly, API homebuyers experienced systematic discrimination in four areas: housing availability, inspections, financing assistance, and agent encouragement. In other words, whites were significantly more likely to be told about similar for-sale units that met their housing needs and were told about more available units than their API counterparts. Whites testers were also more often able to inspect the advertised unit or a similar unit and were able to inspect a greater number of units than comparable APIs.

Whites were also more likely to be offered help with financing and told that

(Article continued on last page)

Fair Housing News

HUD Launches Public Service Announcements to Fight Housing Discrimination

In April, Secretary Martinez premiered HUD's new multimedia campaign at an annual conference of hundreds of fair housing professionals in Atlanta.

Through a grant from HUD, the Leadership Conference on Civil Rights Education Fund, the Ad Council and the National Fair Housing Alliance partnered to create the public service announcements.

The PSAs, which will begin airing nationwide in July, are in English and Spanish and are designed to raise public awareness of the various forms of housing discrimination by depicting situations in which it occurs.

More than 35 years after the passage of the federal Fair Housing Act, it is estimated that more than two million instances of housing discrimination still occur annually. However, the number of persons per year who file complaints alleging housing discrimination is less than one percent of this estimate.

The PSAs provide viewers with HUD's toll free hotline, 1-800-669-9777, and encourage persons who feel they have experienced or witnessed unlawful housing discrimination to report it.

The PSAs can be viewed at www.hud.gov/news/campaign.cfm.



This PSA, titled "Do you still like me?" depicts persons of different races, religions, and physical abilities as they search for housing, asking the question "Would you rent to me?"

Memorandum of Understanding with National Real Estate Groups

On April 2, at a special ceremony at HUD, a Joint Memorandum of Understanding was signed to create more homeownership opportunities for minorities and to reduce the barriers to open and free housing choice. The signatories to this MOU were:

[Mel Martinez, Secretary, U.S. Dept of Housing and Urban Development](#)

[Edward London, President/CEO Nat'l Assoc of Real Estate Brokers](#)

[Al Mansell, CEO, National Association of Realtors](#)

[John Yen Wong, President, Asian American Real Estate Professionals](#)

[Gary Acosta, Vice Chairman & CEO National Association of Hispanic Real Estate Professionals](#)

[Carolyn Y. Peoples, Assistant Secretary, HUD Office of Fair Housing & Equal Opportunity](#)

HUD Issues Final Rule Prohibiting Property Flipping in its Single Family Mortgage Insurance Program: New Rule holds Lenders, Sellers, and Appraisers Accountable

On May 1, Secretary Martinez announced that a new rule designed to curb predatory lending practices by property flipping was published in the Federal Register.

Property flipping occurs in real estate transactions when a recently acquired property is resold for a considerable profit with an artificially inflated value. Unsuspecting homebuyers become the victim of property flipping when lenders, sellers, and appraisers work together to inflate the sale price of the property far above the fair market value.

For more information or to view the rule in its entirety, go to www.hud.gov.

HUD Signs Memorandum of Understanding with National Jobs Partnership

On April 4, HUD and the National Job Partnership (NJP) established a formal partnership to facilitate the planning and implementation of a nationwide series of training initiatives to assist faith-based and community-based organizations in their outreach in keeping with the requirements of Section 3. Both organizations are committed to helping low and very-low income residents find employment, training, and business-contracting opportunities as mandated through the Section 3 program of the Housing Act of 1968.

For more information on the Memorandum of Understanding go to www.hud.gov/fairhousing.

Fair Housing News

National Homeownership Month

June marked the second observance of National Homeownership Month at the U.S. Department of Housing and Urban Development. Homeownership week was first launched in June 1997, as a weeklong national observance. However, for the second year in a row, the Bush Administration is highlighting the entire month of June to underscore the importance of homeownership and to focus national attention on initiatives to expand the American Dream to even more people.

This year the message of empowering families through homeownership was spread nationwide by the "Homeownership Express" bus tour. The tour was launched to deliver vital information regarding housing counseling, down-payment assistance flexible mortgage financing, and other resources to local communities across the country.

Assistant Secretary Peoples participated in homeownership month activities aboard the Homeownership Express'



Members of Congress, HUD staff, and others pose in front of the Homeownership Express at an event on Capitol Hill in Washington, DC

stops in Philadelphia and Chicago. At each location the Assistant Secretary emphasized the importance of eliminating discriminatory practices, which create barriers to homeownership for millions of Americans. During this month, as always, she challenged community partners to continue to



Assistant Secretary Peoples joins the Homeownership Bus in Chicago along with Congressmen Danny Davis and Bobby Rush (to her right)

provide fair housing and equal opportunities for all Americans. For more on the Homeownership Express bus tour visit <http://www.hud.gov/initiatives/homeownership/homeownershipexpress.cfm>.

Predatory Lending with a Happy Ending

Let's call her Mrs. X. She and her late husband had managed, after many years, to pay off the mortgage on their home in Gary, Indiana. But in 1998, medical bills from her husband's final illness caused Mrs. X, a 60 year old with diabetes and limited eyesight, to take out a new mortgage. That is when the trouble began. The new mortgage payment, based on an interest rate of nearly 16 percent, was too much for her to handle on her modest Social Security income.

Mrs. X filed for bankruptcy, but she also filed a discrimination complaint with the Chicago HUD office, alleging that the lender, Bank One, and Loan Servicer, Liberty Lending, had discriminated against her based

upon race. It was during the investigation by HUD and the Gary Human Relations Commission that HUD investigator Robert P. Sullivan, discovered that the family was about to lose its home to foreclosure.

Sullivan negotiated with Bank One and Liberty Lending to find a way to keep Mrs. X in her home. They agreed to reduce the loan's principal by \$10,000, reduce the interest rate to 6 percent, forgive overdue interest charges, and waive fees on the new mortgage.

Mrs. X remains a homeowner today because of the work of HUD, the Gary Human Relations Commission, and the willingness of the lenders to take another look and do the right thing.

Promoting Fair Housing: Black Entertainment Television

On April 12, Assistant Secretary Peoples appeared on Black Entertainment Television (BET). She discussed the statistics concerning discrimination and the importance of education and outreach to make the public aware of housing discrimination. During the interview HUD's new public service announcement was shown and BET anchor Jacque Reid advertised HUD contact information for those who suspect that they have been victims of housing discrimination.

HUD's Office of Fair Housing and Equal Opportunity

451 7th Street SW
Washington, DC
20410

If you feel your housing rights have been violated, you can file a fair housing complaint by:

Calling: 1-800-669-9777
TTY: 1-800-927-9275

OR

Fill out an online form at:
www.hud.gov/fairhousing



Fair Housing Initiatives Program NOFA

On April 25, the Fair Housing Initiatives Program Notice of Funding Availability (NOFA) was published in the Federal Register. Approximately \$17.6 million was made available on a competitive basis to eligible fair housing organizations. FHIP funds are designated to assist in furthering the goals of fair housing.

An additional \$2.5 million will be used for the continuation of Fair Housing Accessibility FIRST (formerly referred to as PATTG) and for the awarding of a new contract to promote fair housing outreach and education efforts in partnership with law schools located at historically black colleges and universities.

For a complete description of this year's NOFA please call the Super NOFA clearinghouse at (800) HUD-8929 or visit www.hud.gov/fairhousing. The deadline for FHIP applications was June 5. We have received over 200 grant applications.

(HDS II Continued from first page)

they were qualified to purchase a home more often than API testers, while APIs were more likely to be told that they needed to be pre-qualified.

This report is the second in a four-phase study measuring housing discrimination experienced by blacks and Hispanics (Phase 1), Asians and Pacific Islanders (Phase 2), Native Americans (Phase 3), and persons with disabilities (Phase 4). Copies of the Phase 1 and Phase 2 reports are available at www.huduser.org or by calling (800) HUD-USER.

Upcoming Events

Aug 10-12 Montego Bay: Nat'l Assoc of Real Estate Brokers Conference

Aug 25-29 San Diego: FHIP/FHAP Conference

Sept 15-Oct 15 Austin, TX: Hispanic Heritage Month

HUD OFFICE OF FAIR
HOUSING AND EQUAL
OPPORTUNITY

451 7th Street SW
Washington, DC 20410

