

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Fair Housing and Equal Opportunity

### Fair Housing Activities

#### SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Net Outlays
2023 Appropriation	86,355	65,640	(3,385)	148,610	106,108	92,755
2024 Annualized CR	86,355	42,304	-	128,659	107,495	79,523
2025 President's Budget	86,400	21,164	-	107,564	84,400	82,262
Change from 2024	45	(21,140)	-	(21,095)	(23,095)	2,739

a/ In 2023, approximately \$3,385 thousand of unobligated balances from the American Rescue Plan (P.L. 117-2) was rescinded as part of the Fiscal Responsibility Act (P.L. 118-05).

b/ Total Resources may differ from the Budget Appendix due to rounding.

### PROGRAM PURPOSE

The mission of HUD's Office of Fair Housing and Equal Opportunity (FHEO) is to eliminate housing discrimination and residential segregation, promote economic opportunity, and achieve diverse, inclusive communities by leading the Nation in the enforcement, administration, development, and public understanding of Federal fair housing policies and laws. FHEO carries out its work under several civil rights authorities such as the Fair Housing Act (FHA), including enforcement of FHA's duty to affirmatively further fair housing, Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act, and several others. In addition, FHEO administers four Fair Housing Programs: (1) the Fair Housing Initiatives Program (FHIP); (2) the Fair Housing Assistance Program (FHAP), (3) the Limited English Proficiency Initiative (LEPI); and (4) the National Fair Housing Training Academy (NFHTA). These programs aim to prevent housing discrimination, redress injuries to victims of housing discrimination, and eliminate segregation. The 2025 Budget supports FHEO's statutory duties, the Administration's priorities, and the Secretary's commitment to fair housing with the provision of resources to implement fair housing activities.

### BUDGET OVERVIEW

The 2025 President's Budget requests \$86.4 million, which is \$45,000 more than the 2024 Annualized CR level. This includes:

- **Fair Housing Initiatives Program (FHIP)**: \$56 million will support grants to private fair housing organizations for enforcement, education and outreach on fair housing rights and responsibilities.
- **Fair Housing Assistance Program (FHAP)**: \$26.4 million will support State and local civil rights enforcement agencies with grants, training, and technical assistance.
- **Limited English Proficiency Initiative (LEPI)**: \$1 million will support language assistance services and outreach efforts to increase awareness of fair housing, including HUD program participants' duty to affirmatively further fair housing, and other HUD programs and services to underserved communities.
- **National Fair Housing Training Academy (NFHTA)**: \$3 million will support national training on fair housing investigation and conciliation techniques.

This program aligns with HUD 2022-2026 Strategic Objectives 1A: *Advance Housing Justice*, 1C: *Invest in the Success of Communities*, 2A: *Increase the Supply of Housing*, and 4B: *Strengthen Environmental Justice*.

## JUSTIFICATION

The 2025 Budget for the Fair Housing Activities account reflects Departmental goals that support the efforts of public and private organizations to provide fair housing enforcement and education and outreach services. This Budget makes an investment toward eradicating discrimination based on race, national origin, and other protected characteristics from the housing market. Despite decades of prohibitions against housing discrimination, audits of race and national origin discrimination in the rental and sales market continue to show high occurrence nationwide. Mortgage lenders still reject people of color and other protected class applicants almost twice as often as white Americans.<sup>1</sup> The Interagency Task Force on Property Appraisal and Valuation Equity is engaged in efforts to identify and provide recommendations for biased appraisals in mortgage transactions. Architects, engineers, and builders continue to design and construct housing that is inaccessible for individuals with disabilities,<sup>2</sup> and housing providers and lenders continue to deny reasonable accommodations and modifications that may be necessary for individuals with disabilities to have an equal opportunity to enjoy and use housing.<sup>3</sup> Studies have found that same-sex couples and transgender persons in communities across the country experience less favorable treatment than their heterosexual and cisgender counterparts when seeking housing.<sup>4</sup> In the rental market, many protected class members face source of income discrimination.<sup>5</sup>

### Fair Housing Initiatives Program (FHIP)

The Budget requests \$56 million for FHIP to support fair housing enforcement. FHIP supports more than 118 fair housing enforcement organizations and other organizations that help enforce and raise awareness about fair housing laws. This amount is spread to three major initiatives: (1) the Private Enforcement Initiative (PEI) which supports multi-year grants to carry out complaint intake, testing, investigative activities, and legal fees for systemic investigations; (2) the Fair Housing Organization Initiative (FHOI) to build capacity of fair housing enforcement organizations; and (3) the Education and Outreach Initiative (EOI) to fund education campaigns and activities to inform

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<sup>1</sup> Bhutta, Neil, Aurel Hizmo, and Daniel Ringo. "How Much Does Racial Bias Affect Mortgage Lending? Evidence from Human and Algorithmic Credit Decisions" (2022). Finance and Economics Discussion Series 2022-067. Board of Governors of the Federal Reserve System, <https://doi.org/10.17016/FEDS.2022.067>.

<sup>2</sup> "HUD Rental Assistance: Serving Households with Disabilities" (2023). U.S. Government Accountability Office, GAO-23-106339. See also, HUD "FY22 State of Fair Housing Annual Report to Congress," Consent Decrees of Design and Construction Discrimination Cases, U.S. Department of Justice.

<sup>3</sup> "HUD Did Not Have Adequate Policies and Procedures for Ensuring That Public Housing Agencies Properly Processed Requests for Reasonable Accommodation" (2022). HUD Office of Inspector General, Audit Report Number: 2022-BO-0001. See also, HUD "FY22 State of Fair Housing Annual Report to Congress," Consent Decrees of Rental and Sales Discrimination based on Disability, U.S. Department of Justice.

<sup>4</sup> Friedman, Samantha, Angela Reynolds, Susan Scovill, Florence R. Brassier, Ron Campbell, and McKenzie Ballou. "An Estimate of Housing Discrimination Against Same-Sex Couples" (2013). HUD, Office of Policy Development and Research.

Levy, Diane, Doug Wissoker, Claudia L. Aranda, Brent Howell, Rob Pittingolo, Sarale Sewell, and Rob Santos. "A Paired Testing Pilot of Housing Discrimination Against Same-Sex Couples and Transgender Individuals" (2017). The Urban Institute.

<sup>5</sup> 14-1 Advancing Tenant Protections: Source-of-Income Protections (2023). National Low Income Housing Coalition and The White House Blueprint for a Renters Bill of Rights (2023). The Domestic Policy Council and the National Economic Council.

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the public about the rights of individuals and families and the responsibilities of housing providers, lenders, and State and local governments under the Fair Housing Act.

FHIP also funds the Fair Housing Accessibility FIRST contract. FIRST provides a comprehensive training curriculum, toll-free information line, and a resource website to promote compliance with the Fair Housing Act’s design and construction requirements for people with disabilities.

Many large cities and rural areas have no FHIP organizations. The Department’s efforts to reduce homeownership gaps based on race, color, national origin, and other protected characteristics are frustrated by persistent systemic discrimination. To address these major issues, the Department will continue to carry out a targeted, coordinated strategy for enforcement, education, and outreach. FHIP supports critical fair housing enforcement work throughout the United States with PEI, and seeks to expand its coverage to additional areas with underserved communities by building capacity through FHOI. EOI further addresses these goals by supporting awareness and empowerment. Earlier studies of segregation found that Black Americans and other members of protected classes who reported being subject to discrimination in the housing market did not file complaints or take legal action. One of the key reasons for the lack of action had to do with the belief that such actions would not remedy the discrimination. One EOI component is a national media campaign to educate the American public regarding the forms of discrimination in the rental, sales, mortgage, insurance, and appraisal markets and how to file a housing discrimination complaint. Other EOI components include a regional or local component and a targeted component on priority needs, e.g., law school curriculum development, or specialized topics e.g., preventing discrimination based on sexual orientation and gender identity.

(Dollars in Thousands)

Fair Housing Initiatives Program (FHIP)	2023 Enacted	2024 Annualized CR	2025 President’s Budget
Private Enforcement Initiatives (PEI)	41,300	41,300	42,300
Education Outreach Initiatives (EOI)	10,000	10,000	10,000
Fair Housing Organization Initiatives (FHOI)	3,700	3,700	2,700
FIRST	1,000	1,000	1,000
<b>Total</b>	<b>\$56,000</b>	<b>\$56,000</b>	<b>\$56,000</b>

Performance Indicators

FHEO measures success by monitoring: (1) grantee financial management techniques; (2) quality and timeliness of grantee deliverables; (3) number of enforcement actions initiated; and (4) number of people reached through education and outreach efforts. FHEO requires grantees to report quarterly and annual outcomes to gauge grantee performance against target goals. For example, in 2023 HUD-processed cases involving a FHIP agency were less likely to be dismissed than other cases. FHIP-assisted complaints resulted in higher conciliation rates (53 percent) than non-FHIP complaints (34 percent).

**Fair Housing Assistance Program (FHAP)**

The Budget requests \$26.4 million for FHAP. This funding enables State and local FHAP agencies to cover costs associated with increased salaries and expenses and competitive employee recruitment and retention. FHAP agencies continue to report high staff turnover due to retirements, retention

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challenges, and inflationary strains. The level proposed for FHAP also funds Capacity Building, which will support the admission of 2 to 4 new agencies into FHAP pending review and certification. The 2025 Budget also addresses the rise in complaint processing stemming from the Department’s enforcement authority in light of the decision rendered in *Bostock v. Clayton County* and the end of supplemental pandemic related funding.<sup>6</sup>

FHAP agencies investigate approximately three-quarters of the administrative complaints filed under the Fair Housing Act. Currently, there are 77 FHAP agencies in the program, including 35 States (including the District of Columbia) and 42 localities. FHAP agencies investigate fair housing complaints to ensure compliance with fair housing laws and, where necessary, litigate complaints to address violations. FHAP agencies plan and conduct investigations, interview parties and witnesses, gather and analyze evidence, facilitate resolution, render determinations, and ensure compliance with settlement agreements. FHAP agencies also conduct education on fair housing and fair lending at events throughout their jurisdictions. In 2023, FHAP agencies processed over 6,200 fair housing complaints and obtained monetary relief totaling \$4.7 million, in addition to public interest relief such as adoption/revision of nondiscrimination policies, education and outreach efforts, and fair housing training.

(Dollars in Thousands)

Fair Housing Assistance Program (FHAP)	2023 Enacted	2024 Annualized CR	2025 President’s Budget
Complaint Processing	17,750	17,750	18,830
Administrative Costs	5,090	5,090	5,410
Training	1,200	1,200	1,400
Special Enforcement (SEE)	100	100	100
Partnership Activities	1,500	1,500	200
Capacity Building	360	360	460
<b>Total</b>	<b>\$26,000</b>	<b>\$26,000</b>	<b>\$26,400</b>

Performance Indicators

FHEO measures success by monitoring: (1) FHAP agency financial management techniques; (2) FHAP agency ability to meet the nine performance standards and program requirements at 24 CFR §§ 115.206 and 115.307; and (3) number of cases processed by FHAP agencies each year and number of cases FHAP agencies resolved through recommendation of a legal charge of discrimination or a conciliation. FHEO monitors agency performance and conformity with regulatory requirements at least once every 24 months, and in connection with recertification every five years.

<sup>6</sup> <https://www.hudexchange.info/programs/fair-housing/lgbtqia-fair-housing-toolkit/lgbtqia-protections/case-law-executive-orders-and-guidance/>

**Limited English Proficiency Initiative (LEPI)**

The Budget requests \$1 million for the Limited English Proficiency Initiative (LEPI). LEPI is a direct initiative to ensure HUD's compliance with Executive Order 13166, which requires Federal Agencies to assess and address the needs of otherwise eligible persons seeking access to federally funded programs and activities who, due to limited English proficiency (LEP), cannot fully and equally participate in or benefit from those programs and activities. FHEO manages the HUD-wide Language Assistance Services program. This program provides translation and interpretation services for HUD materials, services, activities, and programs at no cost to the public. The funding will allow the Department to continue providing language assistance services to the public while improving awareness of fair housing and HUD services to underserved LEP communities.

(Dollars in Thousands)

Limited English Proficiency Initiative (LEPI)	2023 Enacted	2024 Annualized CR	2025 President's Budget
LEPI	\$1,355	\$1,355	\$1,000

Performance Indicators

FHEO measures success by: (1) the number of instances of multi-lingual document translations; and (2) the number of instances of multi-lingual interpretation. FHEO uses data from the contracted vendor’s monthly and ad hoc reports to assess the quantity and quality of the services rendered in the program.

**National Fair Housing Training Academy (NFHTA)**

The Budget requests \$3 million for NFHTA. These funds will allow HUD to continue to provide comprehensive on-the ground training for our FHIP and FHAP partners to support and build competencies on fair housing laws and emerging issues that align with the President’s civil rights agenda and HUD’s 2022 – 2026 Strategic Objective 1A: *Advance Housing Justice*. Furthermore, it squarely aligns with the Department’s program office efforts to meaningfully embed civil rights in their programs and advance housing justice to those who are underserved. At the requested \$3 million funding level, NFHTA will develop curricula and deliver advanced regionalized courses on executive leadership and governance, fair lending, appraisal biases, accessibility and architectural design, cultural competency courses on systemic racism, LGBTQI+, and the relevance and use of data. Investment in NFHTA means investment in fair housing practitioners’ capacity to enforce the Fair Housing Act and implementing regulations in a thorough, timely and comprehensive manner.

(Dollars in Thousands)

National Fair Housing Training Academy	2023 Enacted	2024 Annualized CR	2025 President's Budget
NFHTA	\$3,000	\$3,000	\$3,000

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Performance Indicators

FHEO evaluates the effectiveness of NFHTA’s offerings through a variety of short and long-term measures. FHEO has determined the core competencies needed to conduct quality, timely, and comprehensive investigations that include knowledge of fair housing law and policies, data analysis, knowledge and application of investigative techniques, and conciliation and mediation techniques and application. In the short term, FHEO evaluates the quality of the training. Over the long term, based on the core competencies, FHEO evaluates the gaps between current and needed proficiency levels to effectively support quality investigations.

User Fees

Fee	Statute	Where and How the Fee Is Collected	2025 Fee Schedule	Estimated Collections (dollars in thousands)
User Fee	Authorized in Appropriations language	The Secretary may assess and collect fees to cover the costs of the National Fair Housing Training Academy and may use such funds to develop on-line courses and provide such training.	None.	-

**SUMMARY OF RESOURCES BY PROGRAM**

(Dollars in Thousands)

Budget Activity	2023 Budget Authority	2022 Carry over Into 2023	2023 Total Resources	2023 Obligations	2024 Annualized CR	2023 Carry over Into 2024	2024 Total Resources	2025 President's Budget
Fair Housing Assistance Program (FHAP)	26,000	3,633	29,633	27,982	26,000	1,609	27,609	26,400
Fair Housing Initiative Program (FHIP)	56,000	55,150	111,150	71,541	56,000	39,454	95,454	56,000
Act)	-	3,385	[(3,385)]	-	-	-	-	-
(LEPI)	1,355	472	1,827	585	1,355	1,241	2,596	1,000
National Fair Housing Training Academy	3,000	3,000	6,000	6,000	3,000	-	3,000	3,000
<b>Total</b>	<b>86,355</b>	<b>65,640</b>	<b>148,610</b>	<b>106,108</b>	<b>86,355</b>	<b>42,304</b>	<b>128,659</b>	<b>86,400</b>

Note: In 2023, \$148,462 of 2022/2023 FHAP funding was recaptured. In addition, approximately \$3.39 million of unobligated balances from the American Rescue Plan (P.L. 117-2) were rescinded as part of the Fiscal Responsibility Act (P.L. 118-05). Further, \$198.4 thousand of expired funds (\$42.3 thousand FHAP, \$155 thousand FHIP, and \$1 thousand LEPI) was excluded from carryover into 2024.

## LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

### General Provisions

The 2025 President's Budget re-proposes the following General Provision:

Fair Housing Act Investigations and Prosecutions: This section makes clear that the Department will not use its authority under the Fair Housing Act to investigate or prosecute legal activity. (Sec. 202)

### APPROPRIATIONS LANGUAGE

The 2025 President's Budget includes the appropriations language listed below.

*For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), and section 561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a), \$86,400,000, to remain available until September 30, 2026: Provided, That notwithstanding section 3302 of title 31, United States Code, the Secretary may assess and collect fees to cover the costs of the Fair Housing Training Academy, and may use such funds to develop on-line courses and provide such training: Provided further, That none of the funds made available under this heading may be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant, or loan: Provided further, that of the funds made available under this heading, \$1,000,000 shall be available to the Secretary for the creation and promotion of translated materials and other programs that support the assistance of persons with limited English proficiency in utilizing the services provided by the Department of Housing and Urban Development.*

Note.--A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.