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<sup>a/</sup> The fiscal years 2010 Appropriations and 2011 CR reflected in the justification include $500 thousand for the creation and promotion of translated materials.

<sup>b/</sup> Fiscal year 2010 includes $295 thousand that was transferred to the Transformation Initiative. Fiscal year 2011 includes up to $295 thousand that may be transferred to the Transformation Initiative.

<sup>c/</sup> Excludes $151 thousand in expired funds.

<sup>d/</sup> Excludes $31 thousand in expired funds.

**Summary Statement**

The fiscal year 2012 Budget request of the Fair Housing Assistance Program (FHAP) is $29.5 million, no change from the fiscal year 2010 appropriation. This request will ensure sufficient funds are available to investigate housing and lending discrimination cases processed by FHAP agencies.

FHAP funds will be allocated to program components as follows:

- Complaint Processing ....................................................... $22.880 million ($280 thousand increase)
- National Fair Housing Training Academy (NFHTA) ............ $2 million ($500 thousand increase)
- Biennial Policy Conference .............................................. $700 thousand ($200 thousand decrease)
- Training ............................................................................. $1.8 million ($300 thousand increase)
- Administrative Costs ......................................................... $2 million ($500 thousand decrease)
- Capacity Building ............................................................. $120 thousand ($120 thousand increase)

Total.......................................................... \( \ldots \) $29.5 million (no change)
The Fair Housing Assistance Program is a critical component of HUD’s effort to ensure the public’s right to housing free from discrimination. FHAP provides funding for 100 government agencies, including 37 states, 62 localities, and the District of Columbia, to enforce laws that prohibit housing discrimination that have been reviewed and deemed substantially equivalent to Federal law. This program has multiplied HUD’s enforcement capabilities, allowing the Department to promote fair housing rights in an efficient and effective manner. In fact, FHAP funding recipients investigate the majority of housing discrimination complaints filed at government agencies in the United States. In fiscal year 2010, this amounted to 8,121 investigations of housing and lending discrimination. In fiscal year 2010, FHAP agencies secured approximately $6.5 million for people affected by housing discrimination in addition to other forms of relief, including the provision of housing, the discontinuance of eviction proceedings, the reduction of mortgage interest rates, the retrofit of inaccessible housing, the provision of reasonable accommodations, and the allowance of reasonable modifications. In addition to obtaining direct relief for the victims of housing discrimination, the presence of FHAP enforcement activities significantly deter housing providers and lenders from engaging in discriminatory practices.

Figure 1
Fair Housing Assistance Program

Program Relationship to Strategic Plan Goals and Subgoals:

Subgoals 1A: Stem the Foreclosure Crisis and 1D Establish an Accountable and Sustainable Housing Finance System

In the effort to stem the foreclosure crisis and create sustainable housing finance, FHAP agencies are essential to enforcing fair lending practices. FHAP agencies ensure that homeowners facing foreclosure have equal access to loan modification and refinance programs regardless of race, color, religion, national origin, sex, familial status, or disability. Lenders often have discretion over the decision to foreclose on a borrower versus provide them with a modification or a refinance. When this discretion is affected by a prohibited characteristic, FHAP agencies investigate and when necessary, litigate these allegations or refer matters to state attorneys generals or other agencies that serve as the state/local counterparts to the US Department of Justice. FHAP agencies typically negotiate loan modifications, increasing the ability of borrowers to preserve their homes.

Subgoal 1B: Protect and Educate Consumers When They Buy, Refinance or Rent a Home

Thousands of people come to FHAP agencies every year to obtain assistance in exercising their fair housing and fair lending rights. In fiscal year 2010, this has resulted in FHAP agencies filing, investigating, resolving and, in some cases, litigating over 8,121 complaints of housing and lending discrimination. In fiscal year 2010, FHAP agencies secured monetary relief for victims of all types of housing discrimination over $6.5 million. Additionally, FHAP agencies secure various forms of non-monetary relief for victims of housing and lending discrimination, including the provision of housing, the discontinuance of eviction proceedings, the reduction of mortgage interest rates, the retrofit of inaccessible housing, the provision of reasonable accommodations, and the allowance of reasonable modifications. Together, these actions further compliance with fair housing law among housing providers while providing victims with necessary relief. These actions have resulted in the vindication of discriminatory housing practices. FHAP agencies also conduct education and outreach in their respective jurisdictions to ensure that housing consumers and providers know their rights and responsibilities under substantially equivalent fair housing laws. These efforts protect and educate consumers when they buy, refinance, or rent a home.

The Patricia Roberts Harris National Fair Housing Training Academy established its Fair Lending Initiative to combat the effects of the mortgage lending crisis. The courses, entitled “Buyer Beware,” “Preventing Foreclosure,” “Financial Aspects of Lending,” and “Predatory Lending,” are geared toward housing providers, housing counselors and homeowners. In designing the courses, the Department emphasized teaching consumers how to identify and avoid deceptive mortgage lending practices. Almost 1000 people attended these courses in its first 6 months.

Subgoal 1C: Create Financial Sustainable Homeownership Opportunities

The 100 FHAP agencies cover 80 percent of the population of the United States. These agencies are critical to ensure equal access to, homeownership programs. These agencies ensure that the ability to buy a house or obtain a mortgage using such homeownership programs is not constrained because of the homebuyer’s race, color, religion, national origin, sex, disability or familial status. FHAP agencies also protect consumers by investigating allegations of steering by real estate agents, that is where an agent directs or limits where a family looks for a home based on the family’s race, national origin, or other protected characteristic.

Subgoal 2D: Expand family choice of affordable rental homes located in a broad range of communities

FHAP agencies ensure that rental homes are available to families in a broad range of communities. While communities may expand the number of rental opportunities available to families, FHAP agencies are necessary to ensure that people can access those opportunities regardless of race, color, religion, national origin, disability, sex or familial status. Almost one-fourth of the cases investigated by FHAP agencies involve a refusal to rent. In addition, many more cases
Fair Housing Assistance Program

involve the allegation that a housing provider is subjecting individuals to different terms and conditions, such as the amount of rent or security deposits. FHAP agencies are necessary as a watchdog at the state and local levels to ensure that new rental housing is available to all.

Subgoal 3D: Utilize HUD assistance to improve housing stability through supportive services for vulnerable populations including seniors, persons with disabilities, homeless persons, and those at risk of becoming homeless

Under their substantially equivalent authority to the Fair Housing Act, FHAPs are authorized to investigate disability-related housing discrimination, including actions that disproportionately harm seniors. FHAP activities are essential for these vulnerable populations since they are at a greater risk of being the victims of housing discrimination. Approximately 3,300 individuals contacted FHAP agencies alleging discrimination because based on their disability, exceeding 40 percent of the FHAP caseload. These cases address allegations such as the following: housing not constructed in accordance with the design and construction requirements of the Fair Housing Act, the failure of a housing provider to make a reasonable accommodation to their policies necessary for a person with a disability to live there, and, the exclusion of a person from housing or differential treatment because of their disability. As a result of these complaints, properties are often modified to become accessible to persons with disabilities and housing providers amend their policies to accommodate the needs of a person with a disability. FHAP agencies prevent homelessness by reducing illegal evictions or denials of housing and ensure that homeless assistance programs are conducted without racial, gender or other types of discrimination and are accessible to persons with disabilities.

Subgoal 4C: Ensure open, diverse and equitable communities

Ensuring open, diverse, and equitable communities is at the core of the Fair Housing Act. FHAP agencies are critical partners to HUD to making this a reality across the United States. When a person believes he or she is denied the opportunity to obtain or keep housing because of race, color, national origin, religion, sex, disability or familial status, the person may file a complaint with a FHAP agency. The FHAP agency will investigate the person’s complaint and, throughout the investigation, the FHAP agency will attempt to resolve the complaint informally to the satisfaction of all parties. If negotiations fail, the FHAP agency will issue a determination following a comprehensive investigation. If the FHAP agency determines that there is reasonable cause to believe that a discriminatory housing practice has occurred or is about to occur, the FHAP agency will proceed with litigating the complaint on behalf of the aggrieved person in an administrative forum or civil court. Such proceedings may result in the aggrieved person recovering monetary and other forms of the relief, as well as holding the discriminatory housing provider liable for payment of civil penalties to the government. These investigative and enforcement efforts by FHAP agencies raise awareness among housing providers regarding their responsibilities to ensure open, diverse, and equitable communities.

Subgoal 4E: Build the capacity of local, state and regional public and private organizations

FHAP agencies take the principles and enforcement of the Fair Housing Act to local communities often beyond the reach of HUD resources. Through their own partnerships and strengthened by HUD resources, training, and expertise, FHAPs collaborate with and train local, state and regional public and private organizations including, other civil rights and human rights anti-discrimination Departments and faith-based, community-based service civil rights and educational organizations, all in order to build inclusive communities free from discrimination. Funding for training, specifically, the National Fair Housing Training Academy, will train more than 500 investigators in fiscal year 2012 on how to investigate and conciliate fair housing and fair lending cases. In a study conducted in March, 2009 by the National Fair Housing Training Academy, Academy for Excellence found a “strong positive relationship of course completion to business results.” Additional courses on lending and adjudication have expanded the skills of FHAP investigators.
### Fair Housing Assistance Program

**FAIR HOUSING AND EQUAL OPPORTUNITY**  
**FAIR HOUSING ASSISTANCE PROGRAM**  
**Summary of Resources by Program**  
*(Dollars in Thousands)*

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Fair Housing Assistance Program

FAIR HOUSING ASSISTANCE PROGRAM
Program Offsets
(Dollars in Thousands)

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</tr>
<tr>
<td>Program Improvements/offsets ..........</td>
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NOTES:
1. The fiscal year 2010 Appropriations and 2011 CR reflected in the justification include $500 thousand for the creation and promotion of translated materials.
2. Fiscal year 2010 includes up to $295 thousand that may be transferred to the Transformation Initiative. Fiscal year 2011 includes up to $295 thousand that may be transferred to the Transformation Initiative.

Proposed Actions

The fiscal year 2012 FHAP Budget requests $29.5 million. This Budget provides $22.88 million in Complaint Processing funds, $2 million for the National Fair Housing Training Academy, $700 thousand for the biennial National Fair Housing Policy Conference, $1.8 million in Training funds, $2 million in Administrative Costs, and $120 thousand for Capacity Building.

The following provides background on the individual program activities and explains the adjustment in funding levels.

Complaint Processing—$22.88 million ($280 thousand increase)

Complaint processing funds are used to reimburse FHAP agencies for timely and comprehensive investigations of fair housing complaints. Without this funding, FHAP agencies may not be able to investigate and resolve complaints of housing and lending discrimination and HUD would be unable to meaningfully investigate these cases.

Allocation. Based on recent trends, HUD estimates that in fiscal year 2012, 8,870 complaints will be investigated by FHAP agencies. In fiscal year 2012, we propose that the amount for reimbursement be as much as $2,600. The amount an agency is reimbursed will depend on the timeliness, complexity, and quality of the complaint investigation, in accordance with Departmental guidance. Because of the significant additional expenses involved in cases that they have charged, we are proposing that an agency be reimbursed an additional $1,000 for complaints that reach the adjudication phase (i.e., a charge of discrimination is issued or a determination of probable/reasonable cause is made). In total, FHAP agencies will be reimbursed $22.88 million for investigating, resolving, and litigating fair housing cases.
Fair Housing Assistance Program

National Fair Housing Training Academy (NFHTA)—$2 million ($500 thousand increase)

The National Fair Housing Training Academy (NFHTA) provides comprehensive fair housing and civil rights training and education. Established in 2004, NFHTA trains fair housing investigators of state and local agencies, as well as academics, attorneys, industry representatives and other housing industry professionals. The NFHTA staff and faculty are comprised of national experts in fair housing investigation, litigation, training, and research. HUD requires fair housing investigators to satisfactorily complete the NFHTA core curriculum, which is 200 hours of training in the theory and techniques of investigating and conciliating fair housing complaints. NFHTA also offers advanced courses in lending discrimination, housing accessibility, conciliation, and civil rights executive leadership. With the existence of NFHTA, the quality and timeliness of FHAP agency fair housing investigations has steadily improved. To continue this momentum, it is imperative to provide sufficient support to NFHTA.

Allocation. For fiscal year 2012, the Department has requested $2 million to support the operation and management (including course delivery) of NFHTA. This funding will further enhance NFHTA’s ability to provide widespread, quality higher learning opportunities, develop additional curricula, implement a certification process, and maintain the Learning Management System (customized software that tracks student registrations and progress). The Department’s request for funding in fiscal year 2012 has been increased to support continued new course development. Additionally, since many FHAP agencies are facing barriers to out-of-state travel, regional/state training, as well as on-line courses, become ever more important.

Training/Policy Conference—$2.5 million ($100 thousand increase)

Agencies that participate in the FHAP for more than 1 year may be eligible for training funds for HUD-sponsored or HUD-approved training. These funds can be used to attend the Patricia Roberts Harris National Fair Housing Training Academy, and other fair housing training approved by HUD. As more FHAP agency staff complete the Academy core curriculum, agencies may use funds to attend advanced and specialized courses, such as “Predatory Lending,” “Lending Discrimination,” “Litigating Fair Housing Cases,” and “Hearing Fair Housing Cases” (developed for agency commissioners, hearing officers, and others that hear fair housing cases). Successful completion of these courses will increase capacity to handle complex lending cases, and provide effective legal representation and adjudication in fair housing and fair lending cases.

The biennial policy conference provides an opportunity to bring together fair housing professionals and interested parties to discuss civil rights policy and the Department’s direction. The conference allows FHAP and FHIP participants and other fair housing professionals through general sessions and focus groups to discuss policy issues specific to HUD and FHEO. The conference will highlight civil rights initiatives; facilitate information sharing between program participants and HUD staff; and encourage strategic planning on a range of fair housing and civil rights matters. Since the conference is open to FHAP and FHIP policy makers, local/state government representatives, attorneys, civil rights professionals, HUD staff, and the general public, there are approximately 1,000 conference attendees. FHEO intends to utilize $700 thousand to support the fiscal year 2012 National Fair Housing Policy Conference. The FHAP fiscal year 2011 Budget requested $750 thousand to begin preparing for the conference in order to allow sufficient time to plan and secure an appropriate venue.

Allocation. For fiscal year 2012, the Department requests $1.8 million for FHAP training, travel and per diem costs associated with the NFHTA. Another $700 thousand will support FHEO’s biennial policy conference being held in 2012.
Fair Housing Assistance Program

**Administrative Costs--$2 million ($500 thousand decrease)**

Administrative Costs are allocated to agencies based on the amount of funding received in the prior fiscal year. Consistent with 24 CFR 115.304, agencies that acceptably process 100 or more cases in fiscal year 2011 are entitled to 10 percent of the agency's total FHAP payment amount for the preceding year. If the agency processes fewer than 100 cases, then it will receive a flat rate for administrative costs, contingent on fiscal year appropriations. Administrative costs are directed to activities designed to create, modify, or improve local information systems concerning fair housing matters (including the purchase or upgrade of computer systems), and other administrative activities related to the FHAP agency's fair housing enforcement.

**Allocation.** FHEO estimates that 30 agencies will process more than 100 cases in fiscal year 2011 making those agencies potentially eligible for 10 percent of their fiscal year 2011 funding; approximately $1.8 million will be awarded to these agencies. The remaining $200 thousand will go to agencies that process fewer than 100 cases.

**Capacity Building--$120 thousand ($120 thousand increase)**

Capacity building funds assist new agencies participating in the FHAP. In accordance with the FHAP regulation, at 24 CFR. Section 115.302, capacity building agencies are not paid per complaint, but instead provides a fixed amount of funds to build the agency's capacity to administer a substantially equivalent fair housing law. After the first year of FHAP participation, the agency transitions from capacity building funds to other categories of FHAP funding. Historically, HUD has provided capacity building funds to any new agency that demonstrated it enforces a substantially equivalent fair housing law. This has resulted in several states with both state and numerous local FHAP agencies, while there are certain states that have no FHAP agencies either state or local. In fiscal year 2012, the capacity building funds will continue to be targeted to non-FHAP states and local jurisdictions with limited fair housing enforcement presence. With this funding, the Department will target FHAP funding to states such as Minnesota and Montana which do not have FHAP agencies. Adding a new FHAP agency would reduce HUD's caseload in those locations and provide needed outreach and enforcement resources in areas of the country, not currently served by substantially equivalent agencies.

**Allocation.** The Department requests $120 thousand for capacity building in fiscal year 2012 to fund one new agency.
Proposed Actions

In fiscal year 2012, the Department renews its request for the Transformation Initiative, which provides the Secretary the flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. Up to 0.5 percent of the funds appropriated for this account may be transferred to the Transformation Initiative Fund account for the following purposes: research, evaluations, and program metrics; program demonstrations; and technical assistance and capacity building. Departmentwide, no more than $120 million will be transferred to the Transformation Initiative Fund account in fiscal year 2012. More details on the overall Transformation Initiative and these projects are provided in the justification for the Transformation Initiative Fund account.
Below is the italicized appropriation language for the Fair Housing and Equal Opportunity Fund.

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $72,000,000 to remain available until September 30, 2013, of which $42,500,000 shall be to carry out activities pursuant to such section 561 Provided, That notwithstanding 31 U.S.C. 3302, the Secretary may assess and collect fees to cover the costs of the Fair Housing Training Academy and may use such funds to provide such training: Provided further, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.

Changes from 2010 Appropriations

The provision setting aside funding for the creation and promotion of translated materials to support the assistance of persons with limited English proficiency has been removed. The 500,000 for translation purposes was not requested because of other higher budget priority. In fiscal years 2010 and 2011, $500 thousand was provided.
## Fair Housing Assistance Program

### Crosswalk of 2010 Availability
(Dollars in Thousands)

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a/ The fiscal year 2010 Appropriations and 2011 CR reflect $500 thousand for the creation and promotion of translated materials. No separate justification was provided for this smaller fair housing activity.

b/ Amount excludes $151 thousand in expired funds.
## FAIR HOUSING AND EQUAL OPPORTUNITY

### FAIR HOUSING ASSISTANCE PROGRAM

#### Crosswalk of 2011 Changes

(Dollars in Thousands)

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<sup>a/</sup> Amount excludes $31 thousand in expired funds.