



## Housing Counseling Rocks for Fair Housing & Equal Opportunity!

### Fair Housing is Your Right: Use It!

Washington, DC – Each April, the U.S. Department of Housing and Urban Development (HUD) marks the passage of the 1968 [Fair Housing Act](#), the landmark law passed shortly after the assassination of Dr. Martin Luther King, Jr. which prohibits housing discrimination based on race, color, national origin, religion, sex, disability, and family status. This year's Fair Housing Month theme is "*Fair Housing is Your Right: Use It!*" Throughout the month, HUD will cast a spotlight on the persistent problem that exists in this country, as individuals and families continue to face both blatant and subtle forms of housing discrimination.

HUD Secretary Shaun Donovan launched this year's commemoration at an event featuring the new film "[A Matter of Place](#)," which documents three personal stories of housing discrimination in New York City. Underwritten by a grant provided under HUD's *Fair Housing Initiative Program*, the film profiles three examples of housing discrimination based on race, sexual orientation, and source of income and features commentary from legal experts, civil rights advocates and fair housing testers.

"This month is an opportunity to recommit to the principle that fair housing is an essential part of everything we do; every grant we make; every building we build; and every community we work with," said HUD Secretary Shaun Donovan. "And we

will go to the mat in order to ensure the right of every American to fair housing. Although the times have changed – our commitment to this work remains as strong as ever. It is at the core of our mission."

"Fair Housing Month is an opportunity for all of us to reflect on just how far we've come to make our housing more equitable and how far we still have to go to end housing discrimination," said HUD Acting FHEO Assistant Secretary Bryan Greene. "Fair housing is about giving people the opportunity to pursue their dreams and whenever this opportunity is denied, not only do families lose, our entire nation loses."

Each year, HUD and communities and organizations across the country recognize Fair Housing Month by hosting an array of activities that enhance the public's awareness of their fair housing rights and promote the nation's commitment to end housing discrimination.

In addition to the legal protections provided under the Fair Housing Act prohibiting housing discrimination based on race, color, national origin, religion, sex, disability, and family status, approximately 20 states, the District of Columbia, and more than 150 cities, towns and counties across the nation also prohibit discrimination against lesbian, gay, bisexual, and transgender (LGBT) individuals and families.

## FROM THE DEPUTY ASSISTANT SECRETARY



**Sarah Gerecke**  
*Deputy Assistant  
Secretary  
Office of Housing*

Greetings,

April is *Fair Housing Month* when we bring awareness of equal opportunity for all people to live free from housing discrimination regardless of one's race, color, religion, national origin, sex, familial status, or disability. HUD's network of housing counseling agencies plays an important role in fair housing, and we hope this issue of *The Bridge* provides tools and ideas to empower your clients to know their rights.

The Office of Housing Counseling (OHC) works in partnership with our colleagues in HUD's Office of Fair Housing and Equal Opportunity (FHEO) to address fair housing rights. FHEO establishes policies and administers and enforces the [federal laws](#) that make sure all Americans have equal access to the housing of their choice.

Fair Housing Centers are an important referral resource for housing counseling agencies. They can help inform clients of their rights and provide assistance in filing a complaint if clients have encountered possible fair housing discrimination. Refer clients to a [Fair Housing Center](#) located in their community and visit the [FHEO marketing webpage](#) to get valuable tools and resources to share.

Discrimination takes many shapes and forms. Housing counselors often see it up close. Partnerships with fair housing organizations can provide knowledge and justice for victims, and education and awareness for everyone. Working together with FHEO, we will provide access to safe neighborhoods, quality housing, and economic opportunities, where self-sufficiency can grow and flourish.

***Sarah***



**Bryan Greene** *Acting  
Assistant Secretary,  
Office of Fair Housing  
and Equal Opportunity*

## FROM THE ACTING ASSISTANT SECRETARY

Greetings,

April is National Fair Housing Month. We appreciate the opportunity to participate in this edition of *The Bridge* newsletter. We value our partnerships with housing counseling agencies across the country, many of whom participate in the Fair Housing Initiatives Program. We thank you for your unyielding commitment to fair housing.

As we celebrate the 46th anniversary of the passage of the Fair Housing Act, we look forward to amplifying the importance of fair housing in our nation today and its role in creating thriving communities.

This year's Fair Housing Month theme is "Fair Housing is Your Right. Use It!" The theme reminds us that the full power of the Fair Housing Act is realized only when those who face discrimination, or suffer harm because of discrimination against others, exercise their rights. Towards this end, we encourage all of our fair housing partners to take time this month to help get the word out about this powerful 46 year old law and the legal remedies it provides.

One way housing counseling agencies can help raise public awareness about the fair housing challenges that confront us today is by sharing the documentary film [A Matter Place](#) with their community. This film, which was produced by the New York Fair Housing Justice Center under a FHIP grant, chronicles three personal stories of housing discrimination one based on race, one on sexual orientation and one on source of income. With commentary from experts, civil rights advocates and housing testers, the film describes the struggles to obtain equal and affordable housing in New York City.

Every day, we continue to explore more innovative and effective ways to respond to the fair housing challenges that housing counseling agencies come across in their daily work. We look forward to your suggestions on how we can do more.

***Bryan***

# FINAL RULE PROVIDES NATIONAL STANDARD FOR FAIR HOUSING ACT VIOLATIONS



HUD enforces the [Fair Housing Act](#), which prohibits discrimination in virtually all types of housing based on *race, color, religion, sex, disability, familial status, or national origin*. While housing discrimination comes in many forms, discrimination doesn't have to be intentional in order to have a damaging effect.

## Establishing a Three-Part Burden Shifting Test

On February 15, 2013, HUD issued a [Final Rule](#) in the Federal Register formalizing the national standard for determining whether a housing practice violates the [Fair Housing Act](#) based on an unjustified discriminatory effect. This rule formally establishes a three-part burden shifting test that provides greater clarity and predictability as to how the discriminatory effects standard applies.

Under this three-part burden test:

1. The charging party or plaintiff first bears the burden of proving its prima facie case that a practice results in, or would predictably result in, a discriminatory effect on the basis of a protected characteristic.
2. If the charging party or plaintiff proves a prima facie case, the burden of proof shifts to the respondent or defendant to prove that the challenged practice is necessary to achieve one or more of its substantial, legitimate, nondiscriminatory interests.
3. If the respondent or defendant satisfies this burden, then the charging party or plaintiff may still establish liability by proving that the substantial, legitimate, nondiscriminatory interest could be served by a practice that has a less discriminatory effect.

## Providing Clarity on Housing Discrimination Practices

The final rule provides a variety of examples of unlawful housing discrimination practices that, even if not motivated by discriminatory intent, may be established by a practice's discriminatory effect. Housing counselors are encouraged to become familiar with the final rule, which provides clarity and consistency for individuals, businesses, and government entities subject to the Fair Housing Act.

HUD anticipates the rule also will make it easier for individuals and organizations to understand their responsibilities and to comply with the law.

If someone believes they may have experienced housing discrimination, they may report it to HUD by:

- **Calling:** 1-800-669-9777 (Voice) or 1-800-927-9275 (TTY)
- **Visiting:** [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing)

## Ordering Fair Housing Materials



To order fair housing or other HUD publications, contact the Publications Distribution Center Monday through Friday, 8:00 a.m. 4:00 p.m. (EST), toll free at: 1 800 767 7468 or fax to: 202 708 2313. Provide the item name, item number, language, and quantity.

To request brochures and posters allow five to ten days for delivery. Housing counselors may also assign someone on staff to sign up for the [on line publications web portal](#) to order brochures.

# HOW TO RECOGNIZE AND REPORT DISCRIMINATION WHEN BUYING A HOME



By Shanna Smith, President and CEO, National Fair Housing Alliance

As a housing counselor, you help prepare a family to purchase a home within its financial ability to repay the loan. You cannot look over the buyers' shoulders every step of the way to know if they are seeing the neighborhoods they want or getting the best terms and conditions for the loan. Because sales and lending discrimination is often subtle many homebuyers might not even know if they are being treated fairly in the process. This document provides some examples of the types of discrimination that occur in the marketplace. These are some items you can look for and share with your clients so they will be aware of possible discriminatory practices.

It is illegal under the Fair Housing Act to consider race, religion, national origin, sex, disability, color or the presence of children under 18 in the family when showing or selling homes or making loans. Many state and local laws prohibit discrimination on several additional protected classes. The racial or ethnic composition of a neighborhood cannot be a factor in showing homes, underwriting or appraising a home or securing mortgage insurance or homeowners insurance.

**Steering by a real estate agent.** Illegal steering occurs when a real estate agent limits buyer's choices of neighborhoods by showing them properties only in neighborhoods predominantly occupied by people of the same race or national origin as the buyers. It may also occur because an agent makes discouraging comments, such as "this neighborhood wouldn't be right for your family." Is it the wrong neighborhood because of the racial or ethnic composition of the neighborhood or schools? An agent that says "I'll show you homes where I would want to live" might sound helpful, but the agent is supposed to give buyers the option of seeing homes in all neighborhoods within their price range. The buyer is supposed to narrow down the choices—not the agent. White home buyers have been discouraged from looking in integrated neighborhoods by agents saying things such as, "This

neighborhood is changing and the schools are just ok."

The same agent might at the same time be encouraging buyers of color to purchase in that same neighborhood. In other circumstances, even when homes in white neighborhoods are within their price range, buyers of color are told that the homes are out of their price range. Tell your clients that they have the right to see any home in their price range. If they are discouraged, given the runaround or denied the opportunity to look in a variety of neighborhoods, encourage them to call their local fair housing center *and* to find another real estate agent.

**Bidding on Foreclosed Homes.** Banks ought to accept financing offers for homes sold through the auction process. Several banks evaluate a cash offer and financed offer equally. If your clients cannot place a bid on a foreclosure with a letter of financing from another bank, contact your local fair housing center. If a real estate agent refuses to submit an offer on a bank-owned property, contact the bank directly to make the offer and tell the local fair housing center what happened. Both Fannie Mae and Freddie Mac will accept offers made directly to them.

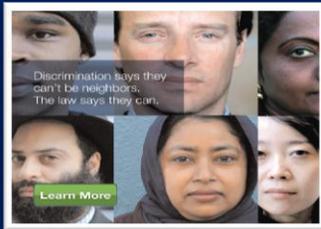
**Loan Inquiries.** Several investigations by the National Fair Housing Alliance (NFHA) found illegal discriminatory practices by loan officers. During a recent investigation involving bank contacts by Latino and white prospective home buyers, NFHA found that the white persons who made inquiries about loan terms and conditions were provided better interest rates and lower fees than better qualified Latinos. In another investigation, loan officers told a pregnant couple that the wife's income couldn't be counted until she returned to work from maternity leave and that they would have to wait to buy a house. In this case, the wife had accrued vacation and sick time to cover her maternity leave so there was no interruption in income.

When clients finish counseling and seek mortgage loans, it is important to ask them to share with you the terms and conditions of the loan offers they receive. If you suspect they are not getting the best rates, please have them contact a [Fair Housing Center](#) so testing can be arranged to determine if discrimination might be a factor in the terms they are offered.

**Underwriting.** If your client is denied a loan based on a "thin" credit file or because only alternative credit has

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# A SNAPSHOT OF RECENT FAIR HOUSING CASES



## ***Race, Color, and National Origin***

**Washington, DC** On June 6, 2013, HUD announced a \$39 million settlement with Wells Fargo, resolving allegations that the bank failed to market and maintain real estate owned (REO) properties, serviced, or held in trust after foreclosure in black and Hispanic neighborhoods, compared to those in white neighborhoods, in violation of the Fair Housing Act.

Under the settlement, Wells Fargo will invest a total of \$39 million in grants to nonprofit organizations and municipal entities to support homeownership, neighborhood stabilization, property rehabilitation, and housing development in 45 communities across the country. Wells Fargo will also develop new best practices and conduct trainings related to REO properties.

The settlement resolves three complaints.

1. The first was filed by the National Fair Housing Alliance (NFHA) and other fair housing groups regarding REO properties in 19 metropolitan areas; \$27 million will be used to support neighborhoods in these areas.
2. The second complaint was filed by Jacksonville Area Legal Aid regarding Jacksonville, Florida; this agreement called for an investment of \$450,000 in Jacksonville.
3. The third case was filed by HUD as a Secretary initiated complaint and calls for an additional \$11.5 million that will support neighborhoods in an additional 25 cities. [Read the Press Release.](#)

## ***Disability***

**Cincinnati, OH and Clinton Township, MI - On August 22, 2013,** HUD announced that it was charging Fifth Third Bank, Fifth Third Mortgage Company and Cranbrook Mortgage Corporation with discriminating against a couple with disabilities who were attempting to refinance their home mortgage. HUD alleges that the mortgage lender and broker required unnecessary medical documentation to qualify the couple for a FHA loan. [Read the Press Release.](#)

**Hammond, IN - On January 30, 2014,** HUD announced that The City of Hammond, Indiana, and the Hammond Housing Authority (HHA) agreed to pay Maria Becerra, the former executive director of HHA \$200,000 to settle allegations the city and HHA terminated her employment because she administered a HUD-funded rental assistance program that helped minority families move into predominantly white neighborhoods. HHA also agreed to reopen its Housing Choice Voucher (HCV) program waiting list and to inform the public.

Under the terms of the Conciliation and Voluntary Compliance Agreements that settled these allegations, relevant city and HHA staff and board members will receive fair housing training; the Mayor of Hammond will issue a public statement in support of the HCV program; the city and HHA will sponsor a public outreach forum to encourage landlord participation in the HCV program; and HHA will expend at least 97 percent of its annual HCV budget each year. [Read the Press Release.](#)

*"HUD's Housing Choice Voucher program is designed to help lower income families find housing in safe neighborhoods and climb the ladder of social and economic opportunity," said Bryan Greene, HUD's Acting Assistant Secretary for Fair Housing and Equal Opportunity. "We're pleased that, under this Agreement, the HHA commits itself to implement this program in a fair manner and provide greater housing choices for families of all backgrounds."*

*Bryan Greene, HUD's Acting Assistant Secretary for Fair Housing and Equal Opportunity*

**Washington, DC** On November 5, 2013, HUD announced that MortgageIT, Inc., an indirect subsidiary of Deutsche Bank, agreed to pay \$12.1 million under a Conciliation Agreement with HUD resolving allegations that the residential lender discriminated against African American and Hispanic borrowers seeking mortgage loans.

In the complaint filed by HUD's Assistant Secretary for Fair Housing and Equal Opportunity, HUD alleged that the lender's practices of underwriting, approving, purchasing, and securitizing mortgage loans were in a manner that allowed pricing and denial disparities on the basis of race and national origin. Their practices contributed to minority borrowers being charged higher Annual Percentage Rates and fees and denied loans more often than similarly situated white borrowers.

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# WHAT COUNSELORS NEED TO KNOW ABOUT THE FAIR HOUSING RIGHTS OF PERSONS WITH DISABILITIES



HUD enforces two principal federal laws that prohibit housing discrimination against persons with disabilities. Housing counseling agencies can assist HUD by educating their clients about the housing rights of people with disabilities and reporting suspected discrimination.

1. The [Fair Housing Act](#) makes it illegal for landlords, home sellers, mortgage companies and even homeowner's associations to discriminate against persons in any housing related transaction. This law protects any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment.

The following are a few examples of what housing providers cannot do because of a person's disability:

- Evict a resident
- Deny a housing application
- Deny housing for rent or sale
- Steer to a particular neighborhood or area
- Advertise that disabled individuals are unwanted
- Charge more rent or fees for using an assistance animal
- Assign or limit to one area of a building or complex
- Deny a mortgage or charge a higher interest rate
- Ask the nature or severity of a person's disability, except in very limited circumstances allowed by law
- Refuse a request for changes in rules, policies, practices, or services, when such [Reasonable Accommodations](#) may be necessary to afford a person with a disability equal opportunity to use and enjoy a dwelling unit, including public and common use areas
- Refuse a request to permit, at the expense of a disabled person, [Reasonable Modifications](#) of existing premises, occupied or to be occupied by a disabled person, if the proposed modifications may be necessary to afford a person with a disability equal opportunity to use and enjoy a dwelling unit, including public and common use areas.

2. HUD also enforces [Section 504 of the Rehabilitation Act of 1973](#), which prohibits discrimination based on disability in any program or activity receiving federal financial assistance. The requirements of Section 504 parallel those of the Fair Housing Act, except:

- If a person lives in federally assisted housing, the provider may be required to pay for the modification if it does not amount to an undue financial and administrative burden. For more information, review the [Reasonable Accommodations Section 504 FAQs](#).

For more information, review the rights of persons with disabilities under the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.

*(continued from pg. 5) Snapshot of Recent Fair Housing Cases*

## Familial Status

**Madison, WI On September 30, 2013,**

HUD announced that it reached agreements to settle two Fair Housing Act complaints against Madison, WI based CMG Mortgage Insurance Company (CMG MI), the nation's largest provider of private mortgage insurance to credit unions. CMG MI will pay \$30,000, resolving allegations that it refused to insure the home mortgage loan of a married couple because the wife was on maternity leave, and that it maintained a written policy of refusing to consider the regular pay of women on maternity leave as income.



The Fair Housing Act makes it unlawful to discriminate in mortgage lending and residential real estate related transactions based on family status. These prohibitions include refusing to approve a mortgage loan or to provide mortgage insurance because a woman is pregnant or on maternity leave. A woman's maternity leave is not a legitimate basis for a lender to deny a mortgage loan or for an insurer to deny mortgage insurance," said Bryan Greene, HUD Acting Assistant Secretary for Fair Housing and Equal Opportunity. This settlement will allow families all over the country to obtain home loans without respect to their family leave status." [Read the Press Release.](#)

# INQUIRING MINDS WANT TO KNOW



The following FAQs provide answers to some of the most common questions housing counselors may have as they relate to serving clients in a fair and equal manner. They provide basic information, sometimes about fairly complex topics.

**Q: What is a protected class?**

**A:** A group of people who share a common characteristic and are protected by the law from illegal discrimination. The Fair Housing Act has seven protected classes: *race, color, religion, national origin, sex, disability, and familial status.*

**Q: Race and color seem so similar. What's the difference?**

**A:** Color is usually broader. For instance, landlords may be liable for color-based discrimination if they discriminate against dark-skinned people, regardless of their race.

**Q: Can a loan officer turn down an African American applicant because of the applicant's lack of steady job and income?**

**A:** Yes. Loan officers remain free to turn down an applicant provided they do so based on other legitimate, non-discriminatory grounds, such as an applicant's lack of employment or income.

**Q: Can a housing provider assign families with younger children to one particular building?**

**A:** No. A housing provider cannot deny someone the opportunity to rent a unit just because they have children.

**Q: Can housing providers charge a higher security deposit because there are children under 18 in the household?**

**A:** No. A landlord cannot require a higher security deposit or damage deposit from people who have minor children than from people without minor children.

**Q: Can a mortgage company charge a higher interest rate to a pregnant woman or someone taking maternity leave?**

**A:** No. The Fair Housing Act makes it illegal to discriminate because of familial status (this covers women who are pregnant) in the sale, rental, or financing of dwellings, and in other housing-related transactions.

**Q: Can housing providers have a "No Pets" policy?**

**A:** Yes. However, housing providers have an obligation under the Fair Housing Act to provide reasonable accommodations to people with disabilities who require assistance animals since an assistance animal is not a pet; it is an animal that works, provides assistance, or performs tasks for the benefit of a disabled person, or provides emotional support that alleviates one or more identified symptoms or effects of a person's disability.

**Q: Can a landlord or Homeowners Association refuse to allow the construction of a wheelchair ramp on their property, even if the resident pays for it and agrees to remove it at his/her own expense upon leaving?**

**A:** No. A housing provider cannot refuse a request to permit, at the expense of a disabled person, reasonable modifications of existing premises by a disabled person, if the proposed modifications may be necessary to afford a person with a disability equal opportunity to use and enjoy a dwelling unit, including public and common use areas.

**Q: Can a housing provider legally reject an applicant with a history of mental illness if he/she is not a danger to others?**

**A:** No. The housing provider may not treat this applicant differently than other applicants based on subjective perceptions of potential problems posed by one's disability.

However, if the provider checked this applicant's references to the same extent and in the same manner as other applicant's references and it revealed objective evidence that this applicant had posed a direct threat to persons or property in the recent past and the direct threat had not been eliminated, then the manager could have rejected the applicant based on direct threat.

**Q: Can a landlord refuse to rent to someone because of their actual or perceived sexual orientation?**

**A:** The Fair Housing Act does not specifically include sexual orientation and gender identity as prohibited bases. However, a lesbian, gay, bisexual, or transgender (LGBT) person's experience with sexual orientation or gender identity housing discrimination may still be covered by the Fair Housing Act.

For examples and further guidance on LGBT issues please visit: [fairhousing.org](http://fairhousing.org) or email [LGBTFairhousing@hud.gov](mailto:LGBTFairhousing@hud.gov).

# AFFIRMATIVELY FURTHERING FAIR HOUSING

The Fair Housing Act requires HUD and other federal agencies to “affirmatively further fair housing.” Federal agencies have an obligation to use federal housing and urban development programs in ways that dismantle segregation and open access to opportunity because at various times, government actors and government funds have caused or perpetuated segregation.

HUD applies this obligation to the administration of its programs, including the activities of its grantees and other program participants. Generally speaking, there is a mobility aspect to this obligation (making sure that neighborhoods are not excluding people on the basis of protected class) and an investment aspect to this obligation (looking at how to invest money in isolated, segregated areas to turn them into areas of opportunity). A vital part of opening up residential living patterns is making sure that everyone is aware of their options. That is where you come in!

## The Role of Housing Counseling Agencies

There are several ways that housing counselors can promote affirmatively further fair housing, particularly by enhancing each client’s ability to take advantage of housing opportunities in the neighborhoods where s/he wants to live.

Housing counseling agencies can:

- Increase awareness about housing discrimination, steering, and fair housing laws;
- Help families identify housing opportunities in areas that provide community assets such as good schools, health care, transportation and retail opportunities;
- Host community tours for families;
- Assist with rental applications;
- Provide translated marketing materials and/or language translations for persons with limited English proficiency;
- Connect families with resources that will help them throughout the relocation process to help foster positive transitions into new communities (e.g. provide moving checklist and connect resident(s) to social services, schools, churches, etc.);

- Participate in plans and actions of housing industry members, private organizations and foundations, public housing agencies, neighborhood groups, regional organizations, and others to further fair housing objectives;
- Train counselors to make clients aware of federal, state, and local accessible design requirements and the requirement to provide reasonable accommodations to persons with disabilities; and
- Train counselors to become familiar with affirmative fair housing marketing requirements in HUD, state, or local housing programs;

## Create Opportunities for Mobility

In order to better serve your clients in this area, it helps to be informed of activities and policies that create opportunities for mobility. For instance, local governments and housing authorities must commit to steps they will take to provide mobility counseling if expanding Section 8 voucher opportunities outside of racially and ethnically concentrated areas of poverty.

These communities will rely on housing counselors to provide an overview of the current state of mobility counseling programs as well as estimate the number of persons that will need counseling moving forward. Counselors can also provide these entities with best practices for outreach and marketing strategies.

Counselors can take additional approaches (e.g., one-on-one counseling, in home counseling and telephone access points for persons with disabilities) to reach low income or disabled individuals and families. Some persons may not have access to online mobility counseling or web resources because of technological barriers, language barriers or disability. Counselors can translate vital documents and provide oral translation services to meet the needs of persons with limited English proficiency.

HUD will continue to explore more innovative and effective ways to address the needs of housing counseling agencies in affirmatively furthering fair housing.

# ENSURING MEANINGFUL ACCESS TO PEOPLE WITH LIMITED ENGLISH PROFICIENCY



For people who, as a result of national origin, do not speak English as their primary language and have a limited ability to speak, read, write, or understand English, they may be entitled to language assistance with respect to a particular service, benefit, or encounter. [Title VI of the Civil Rights Act of 1964](#) protects individuals from discrimination on the basis of their race, color, or national origin in programs that receive federal financial assistance. [Executive Order 13166](#) directs all federal agencies to work to ensure that programs receiving federal financial assistance provide meaningful access to persons with Limited English Proficiency (LEP).

## What are the Title VI Requirements?

Title VI requirements cover competitive grants under Section 106, Housing and Urban Development Act of 1968 to:

- Approved counseling agencies that provide housing counseling and grants under the Regional Opportunity Counseling Programs and
- Public Housing Authorities (PHAs) that partner with other PHAs and nonprofit organizations to provide counseling to holders of tenant-based vouchers.

## Title VI Applies to All: Citizenship Is Not a Factor

In certain situations, failure to ensure that LEP persons can effectively participate in, or benefit from, federally assisted programs may violate Title VI's prohibition against national origin discrimination. U.S. citizenship does not determine whether a person has a limited proficiency with the English language. Title VI applies to all including citizens, documented non-citizens, and undocumented non-citizens. Some HUD programs require recipients to document citizenship or eligible immigrant status of beneficiaries; other programs do not. Title VI LEP obligations apply to every beneficiary who meets the program requirements, regardless of the beneficiary's citizenship status.

Recently, HUD announced an agreement with the Nebraska Department of Economic Development, settling HUD's findings that the state agency failed to sufficiently ensure that persons with limited English proficiency have meaningful access to HUD-funded programs. [Read the Press Release.](#)

## LEP Resources

The following links provide additional information about HUD's LEP requirements, FAQ's, and material/resources:

- [LEP Training materials](#)
- [LEP Questions and Answers](#)
- [Notice of LEP Policy Guidance for Recipients](#)
- [LEP Final Guidance - MFH FAQs](#)
- [Limited English Proficiency Documents](#)
- [Limited English Proficiency Public Meeting Replay](#)

For further information on HUD's LEP program or requirements, contact [Adrienne Thomas](#) at 202-402-6910.

## Conducting Lending Disparity Analysis

Under a FHIP, Private Enforcement Initiative (FHIP PEI) grant, the [Fair Housing Council of Riverside County \(FHCRC\)](#) is tasked to perform testing on lenders in Riverside County, CA. Testing is done to gauge the level of discrimination, if any, in the lending process. To better target potentially discriminatory lenders, FHCRC uses LendingPatterns, a web based tool to access and analyze Home Mortgage Disclosure Act (HMDA) data for lenders in a specific target area.

FHCRC ran a "Lending Disparity Profile," report by race and gender" for lenders with a physical location in Riverside County. The report focused on the "fallout" metric, which occurs when an individual begins the loan application process, but does not continue until an approval or denial is received. FHCRC has found that this metric relates most closely to the subtle forms of discrimination in the lending process. For example, when lenders treat individuals differently, such as making information unavailable or more difficult to come by, those individuals will often get frustrated and walk away. This is similar to a commonly seen problem in testing where loan officers refuse to give information to the minority tester unless they provide all documentation up front. However, that same information is given to the white tester without any difficulty.

Nine lenders ultimately were selected for testing because of the disparity between their fallout rates for White applicants versus Black or Hispanic applicants. The next steps in this process involve FHCRC conducting a series of lender investigations over the next three six months, launching a lender outreach and education campaign to bring awareness of the issue, and promoting fair housing to consumers via a billboard campaign in Riverside County.

# GRANT OPPORTUNITIES UNDER THE FAIR HOUSING INITIATIVES PROGRAM



Did you know that the Office of Housing Counseling (OHC) and the Office of Fair Housing and Equal Opportunity (FHEO) regularly collaborate in a variety of areas to create equal housing opportunities for every person and family in America? One area where the work of our two offices intersects is in providing competitive funding opportunities to housing counseling agencies.

One of FHEO's programs is the [Fair Housing Initiatives Program](#) (FHIP), which provides funding to public and private organizations that develop programs designed to prevent or eliminate discriminatory housing practices. FHIP funding assists people who believe they have been victims of housing discrimination. Currently, there are 30 HUD approved Housing Counseling Agencies that are funded under FHIP; many more have been funded in prior years; and FHEO welcomes additional housing counseling agencies to apply.

## Following is a list of the available grant opportunities:

- [Apply for Private Enforcement Initiative Grant \(PEI\)](#)
- [Apply for the Fair Housing Organization Initiative Grant \(FHOI\)](#)
- [Apply for the Education and Outreach Initiative Grant \(EOI\)](#)

FHIP organizations partner with HUD to help people identify government agencies that handle housing discrimination complaints. They also conduct preliminary investigation of claims, including sending "testers" to properties suspected of practicing housing discrimination. Testers are minorities and whites with the same financial qualifications who evaluate whether housing providers treat equally qualified people differently.

In addition to funding organizations that provide direct assistance to individuals who feel they have been discriminated against while attempting to purchase or rent housing, FHIP also has initiatives that promote fair housing laws and equal housing opportunity awareness.

FHIP funded organizations are a great resource to housing counselors for fair housing outreach materials, as well as points of referral to assist their clients. To locate and contact a public or private FHIP funded organization near you, [click here](#).

For additional information contact [Myron Newry](#), Director of the FHIP Division at 202 402 7095.

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been established, that could be discrimination. If the home's appraisal report comes back below the purchase price, this could be a situation of the appraiser undervaluing homes in communities of color. If a bank says that its mortgage insurers have higher FICO score requirements and a conventional loan cannot be made, but an FHA loan is available, that could be discrimination. If a bank places credit overlays on FHA, Fannie Mae or Freddie Mac underwriting guidelines, necessitating a larger down payment, higher FICO scores or higher debt to income ratios, that could be discrimination. These policies or practices can have a discriminatory impact on people of color, families with children, female-headed households or people with disabilities.

**Homeowners Insurance.** Every homebuyer ought to be able to purchase replacement cost coverage regardless of the age or value of a home. This means that if a home is destroyed because of a fire or other catastrophe, there is sufficient insurance coverage to rebuild the home and replace the contents with new products. Coverage at market value means that claims will be covered at a depreciated value which is often insufficient to rebuild a home or replace belongings. For example, if a fire destroys kitchen appliances that are 5 years old, a replacement policy would provide for the purchase of new appliances while a market or depreciated value policy would provide only the depreciated value of what they were worth at the time they were destroyed.

Most insurance companies use "insurance scores" to price a policy. If your client's cost for a replacement policy is exorbitant, contact a local fair housing center so it can conduct testing to make sure the pricing of the policy is not based on the racial or ethnic composition of the neighborhood or the characteristics of your client.

## Conclusion

We are in a very tight credit market and getting approval for a mortgage loan requires more documentation and can be more time consuming than in the past. However, discrimination still happens, and it is important to question any practice or policy that limits or denies a buyer's opportunities to select a home or to secure financing

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## INQUIRING MINDS WANT TO KNOW

### **Q: What is the status of the final rule regarding housing counselor certification?**

**A:** HUD received more than 200 comments in response to the proposed rule, *Housing Counseling Program-New Certification Requirements* published September 13, 2013. We are in the process of reviewing these comments and our next steps include preparing the Final Rule and submitting it through the clearance process.

### **Q: Who will develop and administer the housing counselor certification examination?**

**A:** Under the Housing Counseling statute, the Office of Housing Counseling (OHC) must contract with one entity to develop training and certification testing for housing counselors. HUD's Contracting Office published a market research notice in FEDBIZOPPS on June 18, 2013. The OHC reviewed the responses to identify a qualified certified 8(a) small business entity registered with the Small Business Administration (SBA) to conduct business with the federal government. HUD awarded a contract to Bixal Solutions, Inc. on September 30, 2013 to develop the housing counselor certification training, examination, and host website. Information on the requisition and award is located at [FedBizOpps.gov](http://FedBizOpps.gov).

Bixal Solutions, Inc. (Bixal) founded in 2001 and based in Fairfax, Virginia, is an SBA certified 8(a) minority owned firm that helps government agencies and organizations engage the public and hard to reach communities using strategic communications and sophisticated technologies. Bixal provides a combination of web and mobile strategy development and online training and knowledge management services. Some of its clients include HUD, the Department of Treasury, the U.S. Agency for International Development, the March of Dimes, and the World Bank.

Bixal's experienced team of instructional designers, adult learning specialists, housing counseling subject matter experts, psychometrician, and technology specialists support the OHC on this multi-year program. The program includes the development and management of a website featuring an interactive online training course and a downloadable study guide, as well as a practice test, to help housing counselors prepare for and pass the housing counselor certification exam.

### **Q: Are there employment opportunities with HUD's Office of Housing?**

**A:** Yes. HUD's Office of Housing is currently recruiting to fill a variety of positions during Fiscal Year 2014 with some smart and talented people. We encourage you to take the opportunity now to establish a "Saved Job Search" on the USAjobs.gov website in advance that will automatically alert you to vacancy announcements in the Office of Housing as vacancies are posted.

To get the alerts, create a User Account on [usajobs.gov](http://usajobs.gov). The following link will provide you with a "Tips & Tricks for USA Jobs" document which you may find helpful in creating a User Account and establishing a Profile. Review [Tips for Navigating USAJobs](#).

Come join a great team!

### **Q: How can housing counselors become more informed about fair housing laws?**

**A:** There are a variety of online tools to enhance housing counselors' knowledge of fair housing laws and requirements and to arm them with practical fair housing tools that can be provided to their clients.

Much of this information is accessible at the following links:

- [Outreach Tools](#)
- [FHEO Disaster Resources](#)
- [How to File A Housing Discrimination Complaint](#)
- [My Fair Housing Rights](#)
- [Unfair Lending Practices](#)
- [Section 3 Economic Opportunity](#)
- [Limited English Proficiency](#)
- [Apply for a Grant](#)
- [Contact a local office](#)

Additional information is available at the National Fair Housing Alliance including:

- [Fair Housing Education Materials](#)
- [Find local help](#)
- [Free Training Webinars](#)

# SUCCESS STORIES

## Seeking a Safe Place to Call Home

Sherene called the Housing Opportunities Made Equal of Virginia, Inc. (HOME) after she filed a fair housing complaint against her local housing authority. A fair housing and housing counseling organization, HOME offers a variety of programs and services designed to ensure equal access to housing for all Virginians.

An African American single mother of three who receives disability benefits, Sherene wanted to use her housing choice voucher to move out of a low opportunity area into a safer neighborhood, where she could raise her children to excel. When she found her dream home and successfully applied to live there, a staff person at the housing authority suddenly reduced her voucher amount and told her to look for housing in a community that was even more impoverished than where she started.

Sherene felt that the staff person's actions were due to her race and disability. HOME intervened and advocated on her behalf during the HUD investigations and settlement process. Fortunately, Sherene was able to move her family into the home of her choice, and after a few months, her case was successfully settled. Now, Sherene wants to help others as a life coach to encourage and empower people to be all they can be and not to settle for less.

*Thank you for all your support throughout the whole process and your willingness to fight for my rights. You are an inspiration. Sherene*



## Getting Her Ramp with Dedication, Teamwork, and Camaraderie

Rebekah called HOME because she had limited mobility due to physical disabilities, and her landlord had promised to build a ramp when she moved into her rental house, which had stairs located at both the front and back entrances. After several months, there still was no accessible entrance to her home.

Making things worse, Rebekah fell ill and needed to rely on her motorized device to enter and exit her home. Under fair housing laws, landlords are required to allow reasonable modifications though they are not required to construct them unless they receive federal funding.

HOME worked with Rebekah and connected her with [project:HOMES](#), a 501 (c)(3) non-profit which improves the lives and living conditions of low income seniors, disabled residents and qualified homeowners in Central Virginia by making critical home repairs and improvements and by building high quality, affordable homes.

Project:Homes, typically only works with homeowners, but were able to arrange for a volunteer group to install a ramp at Rebekah's rental property. "On the coldest day of the year, six beautiful men were in my backyard putting up a ramp," said Rebekah. She noted that they had "such dedication, teamwork, and camaraderie," and that she was "so grateful" for the assistance.

Every person's case is different, and not everyone has someone to call for assistance. HOME is there to help and works with partners across the state of Virginia to ensure that everyone has equal access to housing.

Get more information about [HOME and its services](#).



# SUCCESS STORIES

## Promoting Fair Housing Rights and Housing Opportunities for All



Rose Mayes, Executive Director

Riverside County, CA- The Fair Housing Council of Riverside County, Inc. (FHCRC) is a non-profit 501(c)(3), HUD-approved organization that fights to protect housing rights of all individuals in California. Founded in 1986, FHCRC works alongside federal and state offices to ensure fair housing laws are upheld.

The mission of the FHCRC is to provide comprehensive services which affirmatively address and promote fair housing (anti-discrimination) rights and further other housing opportunities for all persons without regard to race, color, national origin, religion, sex, familial status (i.e. presence of children), disability, age, ancestry, marital status, source of income, sexual orientation, or other arbitrary factors.

FHCRC provides a comprehensive list of services, including but not limited to:

1. Anti-discrimination (fair housing) counseling, education, enforcement, referral and outreach services,
2. Landlord tenant counseling, referral and mediation services,
3. Foreclosure prevention/loss mitigation counseling and workshops,
4. First-time homebuyer counseling, education and workshops.

During the 2012-2013 fiscal year, FHCRC assisted 7,512 households totaling nearly 20,000 persons. Some of their activities included:

- 26 first-time homebuyer educational workshops,
- 17 foreclosure prevention workshops,
- 15 fair housing/tenants' rights workshops,
- two town hall meetings and a legislator's luncheon,
- the annual Thanksgiving Give-a-way and
- the annual Champions for Justice.

## Locked Out and Homeless

In December 2013, FHCRC received a call from an elderly and disabled man requesting assistance with a housing issue. He was locked out of his apartment and was now homeless. He explained that the building manager had evicted him after he had a stroke and was no longer able to take care of his unit. FHCRC assisted the client in finding an apartment that would accept him with a recent eviction on his record.

FHCRC contacted the new manager and discussed a reasonable accommodation of the policy of no evictions in the last five years. The management company granted the accommodation. FHCRC also obtained assistance from the Housing Authority to pay half of the security deposit. Additionally, the client was provided assistance with moving his belongings. The client is happily living in his new apartment and gave his appreciation to the staff of FHCRC.

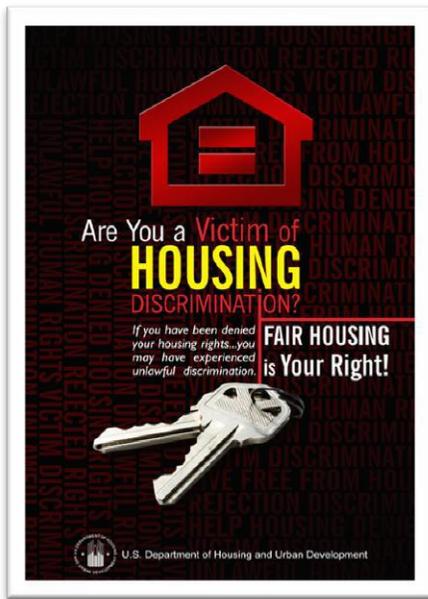
## Resolving Request for Reasonable Modifications

In 2013 FHCRC mediated a case concerning a reasonable modification for a person with a physical disability who uses a wheelchair. The tenant had requested modifications in his unit and was told that he had to sign a waiver agreeing that if any further modifications were needed, he would have to move. The waiver also stated that he would have to pay a contractor upfront in the event that he was going to have work done.

FHCRC contacted an attorney who drafted a reasonable modification letter to the building owners that FHCRC sent on behalf of the tenant. The owner's attorney contacted FHCRC and apologized for the mistake, they also agreed to pay for all of the modifications requested by the tenant. The case was resolved and the tenant thanked FHCRC for assisting in the case.

Visit [FHCRC](#) for more information on its programs and services.

# LEADING THE EFFORT TO RESOLVE FAIR LENDING COMPLAINTS



The Fair Housing Act is a critical tool used to break down illegal barriers to homeownership. HUD has investigated hundreds of fair lending cases alleging illegal discrimination on many of the bases protected by the Fair Housing Act.

## OSI Investigates and Evaluates the Evidence

HUD's Office of Systemic Investigations (OSI) leads the efforts to identify, investigate, prevent, and remedy illegal discrimination in the mortgage process. HUD's efforts extend to many aspects of the mortgage process and the OSI collects and evaluates evidence of, among other things, denial-rate disparities, steering, redlining, reverse redlining, discrimination in loan servicing and pricing disparities that violate the Act.

Under the Fair Housing Act, all mortgage lenders, insurers, and investors fall within HUD's investigative reach. The office regularly identifies fair lending targets and investigates allegations of discrimination on a variety of issues. When the office conciliates a case, the conciliation agreement prevents future discrimination by requiring the lender to adopt policies and practices that do not discriminate on a prohibited basis. The agreement also secures relief for known victims and often later identified victims of fair lending discrimination.

## Housing Counselors Can Help to Identify and Report Potential Lending Discrimination

Housing counselors can help to identify and report potential lending discrimination which can occur at various stages in the loan process.

For example, lenders that:

- Market certain loan products to targeted neighborhoods;
- Refuse to offer loans in targeted neighborhoods;
- Steer borrowers with good credit into higher-cost loans;
- Charge excessive broker fees, loan fees and points;
- Present borrowers with written loan terms that differ from those explained orally;
- Charge higher interest rates; and
- Fail to offer borrowers appropriate loan product choices.

The potential for lending discrimination also extends to the loan servicing, the foreclosure processes, and underwriting in the loan approval process.

## Individuals Can Submit Complaints Directly to HUD

HUD accepts and investigates fair housing complaints, including lending discrimination from individuals. Last year, HUD and its Fair Housing Assistance Program partners investigated or conciliated approximately 10,000 fair-housing complaints.

The OSI and field offices investigate complaints of housing discrimination throughout the U.S. Individuals who suspect they have been the victims of lending discrimination on the basis of race, color, religion, national origin, sex, familial status or disability in violation of the Fair Housing Act can access the [HUD website](#) to learn more about their rights or call HUD's toll-free number at 1-800-669-9777.

*(continued from pg.10) How to Recognize and Report Discrimination When Buying a Home*

or insurance for the home. If something doesn't seem right, call a fair housing center and ask it to conduct an investigation to find out what is happening. To find your local fair housing center, visit [www.nationalfairhousing.org](http://www.nationalfairhousing.org).

*Note: This article focuses on various housing discrimination issues a person may face when buying a home. However, the Fair Housing Act also makes it illegal to discriminate in the rental of housing or residential related services.*

# ON THE HORIZON

## **FHA to Introduce New HAWK Initiatives**

The Federal Housing Administration (FHA) recently announced plans to introduce two Homeowners Armed With Knowledge (HAWK) Initiatives that will incorporate housing counseling in the mortgage process for FHA-insured loans.

### **HAWK for New Homebuyers**

The first initiative, *HAWK for New Homebuyers*, is an incentive-driven model for first-time homebuyers interested in an FHA loan and who complete three separate counseling sessions; prior to a ratified contract of sale (pre-purchase); prior to loan closing (pre-closing); and after the closing of the loan (post-closing).

Under the *HAWK for New Homebuyers* pilot program, first-time homebuyers who commit to housing counseling will qualify for tangible savings on their FHA-insured loans, with lower upfront mortgage insurance premiums at closing and/or a permanent reduction in the annual premium after several years of making timely mortgage payments. This new pilot builds on the commitment made to housing counseling in the Back-to-Work Initiative and will provide a variety of funding sources to pay for housing counseling, including payment from the consumer, the lender and other parties. It is expected that all HUD-approved housing counseling agencies specializing in pre-purchase counseling will be eligible to participate in the pilot.

### **HAWK Modification Success Program**

The second initiative, the *HAWK Modification Success Program*, will connect defaulted borrowers to housing counseling prior to a loan modification. This pilot is modeled on similar initiatives by the Treasury Department and Fannie Mae to provide borrowers with access to housing counseling before entering into a permanent loan modification. HUD is working to create a release form to be signed at the time of loan closing that would permit the servicer, investor or insurer to share borrower contact information with a HUD-approved housing counseling agency in the event of a default on an FHA loan.

Both HAWK initiatives are strong steps toward ensuring broad access to housing counseling. HAWK builds a better foundation for middle-class homeownership by enlarging the pool of qualified borrowers and helping borrowers access safe, affordable mortgage products. These initiatives will help families decide if homeownership is right for them and for those who become homeowners, will assist families to buy and keep their homes using affordable FHA mortgages while strengthening the MMI fund for all families. HUD is preparing to publish the *HAWK for New Homebuyers* pilot details for notice and comment in the Federal Register soon.

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